

VIRINCHI LIMITED

Registered Office: 8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate,
Road#1, Banjara Hills, Hyderabad-500034

CIN: L72200TG1990PLC011104

Tel.: +91 (40) 48199999 Email Id: investors@virinchi.com, Web: www.virinchi.com



NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014)

Dear Member,

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Management and Administration) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and pursuant to other applicable laws and regulations, that the Resolutions appended below are proposed to be passed by the Members by way of Postal Ballot by giving their assent/dissent.

1. Appointment of Mr. Viswanath Kompella, Chairman Emeritus, as an Advisor.
2. Approval to issue and allot 8,00,000 (Eight Lacs) no(s) of Convertible Equity Warrants to senior management employees on a preferential basis.
3. Ratification of resolution passed on 28th September,2018 for Approval of Virinchi Employees Stock option Scheme 2018.”
4. Slump sale of Heath Care Division to M/s. Virinchi Health Care Private Limited(VHPL) (Wholly Owned Subsidiary of the Company).
5. Approval of related party transaction between M/s. Virinchi Ltd and M/s. Virinchi Health Care Private Limited(Wholly Owned Subsidiary of the Company) for Slump sale of Heath Care Division of the Company to VHPL

The Explanatory Statement pertaining to the said Resolutions setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form.

E-Voting option

We are pleased to offer e-voting facility also as an alternate for our Members, which would enable them to cast votes electronically, instead of through physical postal ballot form. Please read carefully and follow the instructions on e-voting printed in this notice.

The Scrutinizer will submit the report to the Chairman of the Company, upon completion of scrutiny of postal ballots in a fair and transparent manner, the result of the postal ballot will be announced on or before 5 P.M. on 18th April,2019 at the Registered Office of the Company. The result of the postal ballot will be posted on the Company’s website: www.virinchi.com besides communicating the same to BSE Limited. Results will also be posted on the Website of CDSL at <https://www.evotingindia.com/>

SPECIAL BUSINESS

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

APPOINTMENT OF MR. VISWANATH KOMPELLA AS AN ADVISOR

“RESOLVED THAT in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in pursuance of the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder, including any statutory modifications(s) or re- enactment(s) thereof and other applicable provisions of law, if any, and such other consents and permissions, as may be required in this regard, consent of members be and is hereby accorded to the Board of Directors to appoint Mr. Viswanath Kompella, Chairman Emeritus, as an Advisor inter-alia, on the terms & conditions as detailed in the explanatory statement, annexed hereto and forming part of this notice.

NOTICE OF POSTAL BALLOT



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be required/necessary to give effect to the above resolution.”

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

Issue of Convertible Equity Warrants on Preferential basis to Senior Management employees

“**RESOLVED THAT** pursuant to the provisions of Sections 62(1)(c), read with Section 42, 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) (“Act”), and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, the rules and regulations issued by the Securities and Exchange Board of India (“SEBI”), including the provisions of Chapter V – “Preferential Issue” and other applicable provisions, if any, of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”) and any other policies, rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India or any other competent authority, from time to time, to the extent applicable and subject to the permission(s), consent(s), sanction(s) and approval(s), if any, by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approval(s), consent(s), permission(s) and sanction(s), and which may be agreed to by 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) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Company be and is hereby accorded to the Board to create, issue, offer, and allot, from time to time in one or more tranches, 8,00,000(Eight Lakhs only) Convertible Equity Warrants (“Warrants”) on a preferential basis to investors mentioned below (“Warrant Holder”), with a right to Warrant Holder to apply for and get allotted one equity share of face value of Rs. 10/- (Rupees Ten Only) each (the “Equity Shares”), ranking in all respects pari-passu with the existing equity shares of the Company, for each Warrant, within a period of 18 (Eighteen) months from the date of allotment of Warrants, at a price as may be arrived in accordance with the part IV of chapter V of the SEBI (ICDR) Regulations, 2018 to the below mentioned allottees hereinafter referred to as “Allottee”:

DETAILS OF PROPOSED ALLOTEES:

| S.No | Name of the Proposed Allottees | Number of Convertible Equity Warrants |
|-------------|---------------------------------------|--|
| 1 | Satyajeet Prasad | 4,00,000 |
| 2 | Vishal Ranjan | 4,00,000 |

RESOLVED FURTHER THAT the relevant date, as per Regulation 161(a) or 161(b) of the SEBI ICDR Regulations, 2018 for the determination of issue price of the Warrants to be allotted pursuant to the preferential issue is fixed as 17th March, 2019 i.e. 30 days prior to the date of passing of special resolution through Postal Ballot to approve the proposed preferential issue in terms of Section 62(1) (c) of the Act.

RESOLVED FURTHER THAT the equity shares to be allotted upon exercise of Warrants shall rank pari - passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Rs.10/-each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

NOTICE OF POSTAL BALLOT



RESOLVED FURTHER THAT the said Warrants shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals, in accordance with provisions of ICDR Regulations .

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- i. The proposed allottees of Warrants shall, on the date of allotment of Warrants, pay an amount equivalent to at least 25% [Twenty-five percentage only] of the exercise price determined in compliance with the provisions of the SEBI (ICDR) Regulations, 2018;
- ii. The balance 75% [Seventy-five percentage only] of the exercise price shall be payable on or before the conversion of said Warrants into Equity Shares, within a maximum permissible period of 18 months from the allotment thereof;
- iii. The proposed allottees of Warrants will be entitled to apply for and obtain allotment of one equity share of face value of Rs. 10/- (Rupees Ten only) each of the Company against each Warrant at any time after the date of allotment but on or before the expiry of 18 (Eighteen) months from the date of allotment (“Tenor”) thereof, in one or more tranches;
- iv. In the event the Warrant Holder does not exercise the Warrants within 18 (Eighteen) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;
- v. The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant holder;
- vi. The Company make an application for Listing, within 21 days from date of allotment of Equity Shares, upon conversion of warrants, to the stock Exchanges where shares of the Company are listed in accordance with SEBI (LODR) Regulations, 2015;
- vii. The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing fully paid Equity Shares of the Company;
- viii. Upon exercise of the Warrants by the Warrant Holder, the Company shall issue and allot appropriate number of Equity Shares and perform such actions as are required to credit the Equity Shares to the depository account of Warrant Holder and entering the name of Warrant Holder in the records of the Company as the registered owner of such Equity Shares;
- ix. The issue of the Warrants as well as Equity Shares arising from the exercise of the Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof;
- x. Subject to the provisions of Regulation 168 of Chapter V of the SEBI (ICDR) Regulations, 2018, the Warrants and equity shares allotted on exercise of such Warrants will be transferable within the Promoters and persons forming part of Promoter Group;
- xi. In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant holder: (a) receives such number of Equity Shares that Warrant holder would have been entitled to receive; and (b) pays such consideration for such Equity Shares to the Company which Warrant holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;

NOTICE OF POSTAL BALLOT



- xii. The Company shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of ICDR Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Warrant holder to the Company in accordance with the provisions of ICDR Regulations;
- xiii. The Warrants and the Equity Shares allotted pursuant to exercise of such Warrants shall be subject to a lock-in for such period as specified under Chapter V of ICDR Regulations, 2018 relating to preferential issues;
- xiv. The Warrants by itself, until exercise of conversion option and Equity Shares allotted, does not give to the Warrant holder thereof any rights with respect to that of a shareholder(s) of the Company; and xv. Until the Warrants are transferred, the Company shall treat Warrant Holder as the absolute owner for all purposes without being affected by any notice to the contrary.
- xvi. Warrants so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in as provided under SEBI (ICDR) Regulations except to the extent and in the manner permitted there under.

RESOLVED FURTHER THAT the Board / Board Committee be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter, making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, effecting any modifications or changes to the foregoing (including modification to the terms of the issue), entering into contracts, arrangements, agreements, documents without being required to seek any fresh approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Warrants and Equity Shares and utilisation of proceeds of the Warrants and Equity Shares issued upon exercise of such Warrants, take all other steps which may be incidental, consequential, relevant or ancillary to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Directors be and are hereby severally authorized to do all such other acts, deeds and things and sign and execute and file such papers and documents as may be necessary to give effect to this resolution and for matter connected therewith or incidental thereto

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

Ratification of resolution passed on 28th September,2018 for Approval of Virinchi Employees Stock option Scheme 2018.

RESOLVED THAT pursuant to the provisions of Sections 62(1)(b) 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) (“Act”), and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI Share Based Employee Benefits Regulations”) the approval and consent of Shareholders be of the Company be and is hereby accorded to include

NOTICE OF POSTAL BALLOT



the quantum of benefits under the scheme in compliance with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 and Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the quantum of benefits under the scheme per employee shall be equal to the difference between the option exercise price and the market price of the shares as on the exercise date.

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

Slump sale of Healthcare Business of the Company to M/s. Virinchi Health Care Private Limited(VHPL), a Wholly owned Subsidiary of the Company.

RESOLVED THAT, pursuant to the provisions of Section 180(1)(a), 188 and Section 110 of the Companies Act, 2013 read with Rule 15 of the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, any other law for the time being in force and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any duly constituted Committee of the Board), to sell, transfer or dispose of its Healthcare Business together with all specified tangible and intangible assets, contracts, permission and consents, rights, registrations, personnel & employees, other assets and liabilities as may be agreed between the parties in relation to the Healthcare Business to M/s. Virinchi Health Care Private Limited(VHPL), a Wholly owned Subsidiary of the Company for a cash consideration of Rs. 4557 Lakhs

RESOLVED FURTHER THAT the consent of the Members be and is hereby accorded to the Board to sell, transfer or dispose of Healthcare to M/s. Virinchi Health Care Private Limited(VHPL), a Wholly owned Subsidiary of the Company in one or more stages, in such manner as the Board may deem fit in the interests of the Company, with effect from such date and on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interest of the Company for an Enterprise Value of not less than Rs. 4557 Lakhs (Rupees Forty Five Crores and Fifty Seven Lacs Only) subject to closing adjustments and debt, if any, to be transferred.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive agreements, deeds of assignment, conveyance deed, undertakings, deeds, transition services agreements, requisite applications, representations, and execute all such other ancillary documents and to do all such other acts, deeds, matters and things as may be deemed necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and/or transfer of the Healthcare Business as they may in their absolute discretion deem fit without further referring to the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company and to delegate such powers to any Officers of the Company as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to above or contemplated in the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

NOTICE OF POSTAL BALLOT



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

To Approve related party transaction between M/s. Virinchi Ltd and M/s. Virinchi Health Care Private Limited (Wholly Owned Subsidiary of the Company) for Slump sale of Healthcare Business of the Company to VHPL.

RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) , 188 and Section 110 of the Companies Act, 2013 read with the Rule 15 of Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, any other law for the time being in force and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any duly constituted Committee of the Board), to sell, transfer or dispose of its Healthcare Business together with all specified tangible and intangible assets, contracts, permission and consents, rights, registrations, personnel & employees, other assets and liabilities as may be agreed between the parties in relation to the Healthcare Business (“Health Care Business”) to M/s. Virinchi Health Care Private Limited(VHPL), a Wholly owned Subsidiary of the Company for a cash consideration of Rs. 4557 Lakhs.

RESOLVED FURTHER THAT the consent of the Members be and is hereby accorded to the Board to sell, transfer or dispose of Healthcare to M/s. Virinchi Health Care Private Limited(VHPL), a Wholly owned Subsidiary of the Company in one or more stages, in such manner as the Board may deem fit in the interests of the Company, with effect from such date and on such terms and conditions, and with such modifications as may be required, as the Board may deem fit and appropriate in the interest of the Company for an Enterprise Value of not less than Rs. 4557 Lakhs (Rupees Forty Five Crores and Fifty Seven Lacs Only) subject to closing adjustments and debt, if any, to be transferred.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive agreements, deeds of assignment, conveyance deed, undertakings, deeds, transition services agreements, requisite applications, representations, and execute all such other ancillary documents and to do all such other acts, deeds, matters and things as may be deemed necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and/or transfer of the Healthcare Business as they may in their absolute discretion deem fit without further referring to the members of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company and to delegate such powers to any Officers of the Company as it may consider necessary or expedient or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to above or contemplated in the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

By Order of the Board of Directors
For VIRINCHI LIMITED
Sd/-

K. Ravindranath Tagore
Company Secretary
M.No: A18894

Place : Hyderabad
Date : 28/02/2019

NOTICE OF POSTAL BALLOT



Notes:

1. The Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of Special Business of the Company is appended and forms part of the Notice.
2. The Company has appointed Mr. Vudanda Chandra Sekhar Patnaik, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
3. The Postal Ballot Form together with the self-addressed Business Reply Envelope is enclosed for the use of the Member.
4. The Notice is being sent to all the Members whose names appear in the Register of Members/ Record of Depositories as on February 22,2019. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on that date.
5. You are requested to read carefully the instructions printed on the back side of the Postal Ballot Form before exercising the vote and return the said form duly completed and signed in the enclosed self-addressed Business Reply Envelope, so as to reach the Scrutinizer on or before 5.00 p.m. on April 16,2019. The envelope may also be deposited personally at the address given thereon. Consent received thereafter shall be treated as if the reply from the Member has not been received. Also, no other Form or Photocopy thereof is permitted. However, an envelope containing postal ballot if sent by any other modes at the expenses of the registered Members will also be accepted.
6. The Company is pleased to offer e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically instead of dispatching the Postal Ballot. In case a Member desires to exercise his vote by using e-voting facility then he has to carefully follow the instructions as given for E-voting printed on the back side of the Postal Ballot Form. He/She can use the facility and log in any number of times till he/she has voted on the Resolution or till the end of the voting period (i.e., till the last date of receipt of Postal Ballots), whichever is earlier. Members who have registered their e-rails for receipt of documents in electronic mode under the green initiative of Ministry of Corporate Affairs and who wish to vote through Postal Ballot Form can seek duplicate form from the Registered Office of the Company.
7. Voting through electronic means

A. Procedure and instructions for e-voting

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 Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 February 22,2019 (End of Day) being the Cut-off date fixed for determining voting rights of members to cast their vote on all the resolutions set forth in the Notice of Postal Ballot dated 28th February,2019. The Company engaged the Services of Central Depository Services Limited (CDSL) to provide the e- Voting Facility:

The instructions for Members for e-voting are as under:

The voting period begins on Monday, 18th March, 2019 at 9.00 a.m. and ends on Tuesday, 16th April, 2019 at 5.00 p.m. During this period shareholders’ of the company, holding shares either in Physical Form or Dematerialized form, as on the cutoff date 22nd February,2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

(a) Instructions for e-voting

- i. The shareholders should log on to the e-voting website www.evotingindia.com
- ii. Click on “Shareholders” tab.
- iii. Now enter User ID

NOTICE OF POSTAL BALLOT



| | |
|---|---|
| For Members holding shares in Demat Form | For Members holding shares in Physical Form |
| For NSDL: 8 Character DP ID followed by 8 | Folio Number registered with the company |
| Digits Client ID For CDSL: 16 digits beneficiary ID | |

- iv. Next enter the Image Verification as displayed and Click on Login.
- v. 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.
- vi. If you are a first time user follow the steps given below

For Members holding shares in Demat Form and Physical Form

| | |
|-------------------------------|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| | <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 (Which is printed on address label) 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 account Details | Enter the Dividend Bank Details as recorded in your demat account or in the Bank company records for the said demat account or folio. Please enter the DOB or Details Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio/client id. |

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Members holding shares in Physical form will then reach directly to the voting screen.
- ix. 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.

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
- x. Click on the relevant EVSN for the “Virinchi Limited” on which you choose to vote.
- xi. On the voting page, you will see Resolution Description and against the same the option ‘YES/ NO’ for voting. Enter the number of shares (which represents number of votes) under YES/ NO.
- xii. Click on the “RESOLUTION FILE LINK” if you wish to view the entire Notice of the Annual General Meeting.
- xiii. 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.

NOTICE OF POSTAL BALLOT



- xiv. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvi. Note for Non-Individual Shareholders & Custodians:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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.

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 and on approval of the accounts they would be able to cast their vote.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to 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.

B. Process and manner for members opting for voting through Postal Ballot

- i. A Member desirous of exercising his/her vote by Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer, Mr. Vudanda Chandra Sekhar Patnaik, Company Secretary in Practice, 8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate Road No.1, Banjara Hills Hyderabad, Telangana-500034 in the attached self-addressed Business Reply Envelope so as to reach on or before 5.00 p.m. on April 16,2019
- ii. The postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if sent by courier or registered/speed post at the expense of the Member(s) will also be accepted.
- iii. The self-addressed Business Reply Envelope is addressed to the Scrutinizer appointed by the Company.
- iv. The Postal Ballot Form should be completed and signed by the Member (as per the specimen signature registered with the Company /Depository Participants). In case of joint holding, the Postal Ballot Form should be completed and signed by the first named Member and in his/her absence by the next named Member. In case, if the Postal Ballot Form is signed through a delegate, a copy of power of attorney attested by the Member should be annexed to the Ballot.
- v. The consent must be accorded by recording the assent in the Column "FOR" and dissent in the Column "AGAINST" by placing a tick (*v*) mark in the appropriate column.
- vi. There will be only one Postal Ballot Form for each Folio/Client ID irrespective of the number of joint Member(s).
- vii. In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authority Letter.
- viii. A Member can request for duplicate Postal Ballot Form. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the last date of receipt of Postal Ballot Form i.e., 5.00 p.m. (IST) April 16,2019.
- ix. Member(s) are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed Business Reply Envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
- x. A Member need not use all the votes, nor needs to cast all the votes in the same way.

NOTICE OF POSTAL BALLOT



- xi. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
- xii. Member(s) cannot appoint a proxy to exercise their voting powers through Postal Ballot.
- xiii. Corporate/institutional Members (Corporate/Fls/foreign institutional investors/ trust/mutual funds/ banks, etc.) are required to send scan (PDF format) of the relevant resolution of the Board of Directors to the Scrutinizer through e-mail to patnaik.chandra@gmail.com with a copy marked helpdesk.evoting@cdslindia.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name _EVENT No."
- xiv. The Scrutinizer will submit his report to the Chairman of the Company or any other person authorised by Chairman after completion of the scrutiny and results of the Postal Ballot would be announced on April 18, 2019 on before 6.00 p.m.(IST) at the Registered Office of the Company situated at 8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate Road No.1, Banjara Hills Hyderabad, Telangana-500034 and the Resolution will be taken as passed, if the results of the Postal Ballots/ E-voting indicate that the requisite majority of the Members had assented to the Resolution. The Scrutinizer's decision on the validity of the Postal Ballot shall be final. As indicated earlier, the results will be published on the website of the Company, www.virinchi.com besides being notified to BSE Limited, where the Company's shares are listed. Results will also be posted on the Website of CDSL at <https://www.evotingindia.com/>

C. General Instructions

- i. Members holding shares either in demat or physical mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form enclosed to this Notice.
- ii. In the event, a member casts his votes through both the processes i.e., E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be considered as invalid.
- iii. The E-voting period commences from 9.00 a.m. (IST) on March 18, 2019 and ends on 5.00 p.m. (IST) on April 16, 2019. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of February 22, 2019 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iv. Mr. K Ravindranath Tagore, Company Secretary, Virinchi Limited, Regd. Off. 8-2-672/5&6, 4th Floor, Ilyas Mohammed Khan Estate Road No.1, Banjara Hills Hyderabad, Telangana-500034, Phone No. 040 – 48199999, Mail Id: investors@virinchi.com, is responsible to address the grievances connected with the E-voting and Postal Ballot.
- v. The Company has appointed Mr. Vudanda Chandra Sekhar Patnaik, Practising Company Secretary (Membership No. 45479, CP No.16619) as the Scrutinizer to the voting process (E-voting and Postal Ballot) in a fair and transparent manner.
- vi. The Scrutinizer shall, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vii. Subject to the receipt of sufficient votes, the Resolutions shall be deemed to be passed on the last date for voting i.e., April 16, 2019. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.virinchi.com and on the website of CDSL at www.evoting@cdslindia.com
- viii. To receive communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Aarthi Consultants Private Limited, Address: Gagan Mahal Street No 7, Aravindra Nagar, Domalguda, Himayatnagar, Hyderabad, Telangana 500029, Mail Id: info@arthiconsultants.com, Tel: 040-27638111/27634445/27642217/66611921

NOTICE OF POSTAL BALLOT



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

As required under Section 102(1) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval of the Resolution No. 1,2,3 and 4

Item No.1

Mr. Viswanath Kompella founded the Company in 1990 and served as Chairman & Managing Director. He stepped down from the Board of the Company in the year 2015 and continuing as Chairman Emeritus.

Under Mr.Viswanath Kompella's leadership, the Company transformed into the fastest growing, highest value creating entity by establishing long standing relationships across its wide spectrum of stakeholders with a reputation for trust, ethical standards and a passion for growth. The company is diversified into healthcare and established a multispecialty hospital in Hyderabad.

Owing to his deep business insight, relationships with global majors, the Company is keen on availing his services. Accordingly, the Board has requested him to act as an advisor and guide the Company in future course of action to which Mr. Viswanath Kompella agreed.

The scope of the advisory services to be provided by Mr. Viswanath Kompella shall include advising the Board and the Management with broad strategic aspects of the business, supporting in establishing and enabling relationships with external forums like industry chambers, institutions, government and other agencies on policy matters and in brand and image building of the Company apart from advising the Company's board on any other areas that the Board/ Management may seek his advice.

In terms of Sec 188 of the Companies Act, 2013 read with Rules made thereunder, appointment to any office or place of profit in the Company at a monthly remuneration exceeding Rs.2.50 lakhs is subject to prior approval of the members. The Audit Committee in its meeting held on November 08, 2018, has approved the proposal for appointment of Mr. Viswanath Kompella, Chairman Emeritus, as an Advisor of the Company and the same has also been discussed and approved by the Board in its meeting held on November 9, 2018, subject to the approval of the members.

The Board recommends the same to the members for their approval by means of a **Special Resolution**

Information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of the Boards and its Powers) Rules, 2014:-

| | | |
|----|--|---|
| a) | Name of the Related Party | Mr. Viswanath Kompella |
| b) | Name of the Director or Key Managerial Personnel who is related, if any: | No Director and KMP are related to Mr. Viswanath Kompella |
| c) | Nature of Relationship | Mr. Viswanath Kompella is the founder promoter of the company and forms part of the promoter group. |
| d) | Nature, material terms, monetary value of the contract or arrangement:- Nature of the Arrangement Mr. Viswanath Kompella's appointment as "Advisor" shall be in the capacity of an Independent Consultant and not an agent or employee of the Company. Mr. Viswanath Kompella shall advise/ suggest the Board/ Company Management on: a) Matters of Corporate Strategy, new business opportunities. b) Be the sounding board for the Company on Company policies/initiatives | |

NOTICE OF POSTAL BALLOT



- c) Representing and/or creating strong linkages for the Company on various trade and industry bodies, govt. and semi govt. organizations and other to promote Company's business.
- d) Building the Company's image and brand equity.
- e) Advise the Company's Board in any other areas that the Board/ Company Management may seek from time to time.

Material Terms

The appointment, if approved by members, shall be effective from 10th November, 2018 initially for a period of 5 years, renewable by the Board from time to time.

The appointment can be terminated by either party by giving a 6 months, prior notice in writing to other party.

Monetary Terms

1. Payment of Fee/ Remuneration: Not Exceeding Rs.3,00,00,000/- (Rupees Three Crores Only) per annum (subject to statutory deductions and exclusive of applicable taxes) which is payable as follows:
 - a) Fixed monthly Fee/Remuneration of Rs.15,00,000 (Rupees Fifteen Lacs Only)
 - b) an annual variable incentive of 2% only on the year on year incremental consolidated revenues of the company.
2. Reimbursements: All the expenses incurred on travelling, boarding, lodging etc. while performing advisory services for and on behalf of the Company shall be reimbursed on actual basis.
3. Facilities: Mr. Viswanath Kompella shall be provided requisite office facilities, chauffeur driven car and communication facilities to effectively discharge his duties.

| | | |
|----|---|--|
| e) | Any other information relevant or important for the members to take a decision on the proposed resolution | As required under the SEBI (LODR) Regulations, 2015, all persons belonging to promoters and persons acting in concert with promoters are termed as Related Parties and therefore, shall abstain from voting on the resolution. |
|----|---|--|

None of the other Directors or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested financially or otherwise in this resolution, except to the extent of their respective shareholding in the Company, if any.

Draft Copy of the Appointment Letter to be issued in this regard will be available for inspection by the members at the registered office of the Company on all working days between 2:00 P.M. to 4:00 P.M. up to Tuesday, April 16, 2019. (i.e. the last date for receiving of Postal Ballot Form/E-Votes).

Item No.2

The Company wants to raise long term funds to finance growth plans of the Company, strengthen financial structure, enhancing liquidity, working capital resources and for general corporate purposes. Hence, the Board of Directors of the company in their meeting held on 11th February, 2019 has considered and approved the proposal to issue 8,00,000 (Eight Lacs Only) Warrants having attached thereto the right to subscribe for equal number of Equity Shares of Rs.10/- each at an issue/exercise price to be determined in accordance with part IV of chapter V of the SEBI ICDR Regulations, 2018 in one or more tranches. The members are requested to note that as per Section 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made thereunder and Chapter V of the SEBI (ICDR) Regulations, 2018 as amended, prior approval of the shareholders by way of Special Resolution is required to issue convertible equity warrants to the Senior Management employees.

NOTICE OF POSTAL BALLOT



Salient features of the preferential issue of Warrants are as under:

The proposed issue and allotment of Warrants, on a preferential basis, shall be governed by the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”) and the Companies Act, 2013 read with rules made thereunder (“Act”).

Without generality to the above, the salient features of the preferential issue of Warrants are as under:

- The “Relevant Date” as per the Regulation 161 of SEBI (ICDR) Regulations, 2018 for determining the minimum price for the preferential issue of Warrants is 17th March, 2019, which is 30 [thirty] days prior to the date of the shareholders’ meeting to be held on 16th April, 2019 (Last Date of Postal Ballot will be considered as Date of Shareholders Meeting).
- 25% [Twenty-five percentage only] of the consideration for preferential issue of Warrants shall be received by the Company prior to the allotment of said warrants.
- The Warrants shall be exercised within a period of 18 (eighteen) months from the date of their allotment, in one or more tranches.
- At the time of exercise, the Warrant Holder shall pay the balance 75% [Seventy-five percentage only] of the consideration payable in respect of the Warrants so being exercised. The amount paid will be adjusted / set off against the issue price of the resultant equity shares. The Board (or a Committee thereof) upon receipt of the entire payment towards issue price, shall allot one equity share per warrant. If the entitlement against the warrants to apply for the equity shares is not exercised within the specified period of 18 [eighteen] months, such entitlement shall lapse and the amount paid on such warrants shall stand forfeited.
- The Company has not made any preferential issue of securities in this financial year, other than the proposed issue of Warrants as stated in this notice.
- The Warrant Holder has not sold any equity shares during the six months preceding the Relevant Date. The Warrant Holder has not subscribed to any warrants of the Company during last one year

The other information prescribed under Regulation 163 of the ICDR Regulations, 2018 and other applicable laws in relation to the Proposed Special Resolution as set out at item No.2 are given hereunder:

a) **Object of the preferential issue of Warrants and details of utilization of proceeds:** The proceeds of the preferential issue will be utilized towards augmenting the working capital requirements and meeting other business requirements.

b) **Maximum number of specified securities to be issued:**

8,00,000 (Eight Lakhs only) Convertible Equity Warrants (“Warrants”) on a preferential basis to investors mentioned below (“Warrant Holder”), being the Strategic Investor, with a right to Warrant Holder to apply for and get allotted one equity share of face value of Rs. 10/- (Rupees Ten Only) each (the “Equity Shares”)

c) **The proposal or intention of the Promoter / Promoter group, Directors or Key Managerial Personnel to subscribe to the proposed preferential issue, if any:**

None of the directors or key managerial personnel intends to subscribe to any shares pursuant to this preferential issue of equity shares Except Mr. Satyajeet Prasad.

NOTICE OF POSTAL BALLOT



d) shareholding pattern of the issuer before and after the preferential issue:

| S.No | Category of Shareholder | Pre issue holding details | | Post Issue Holding Details ** | |
|------|---|---------------------------|---------------|-------------------------------|---------------|
| | | No. of shares | % of Shares | No. of Shares | % of Shares |
| A | Promoters and Promoter Group Holding | | | | |
| 1 | Indian Promoters / Promoter Group : | | | | |
| | Individuals / HUF | 11423100 | 36.65 | 12813100 | 37.24 |
| | Bodies Corporate | 1106742 | 3.55 | 2156742 | 6.27 |
| | Sub Total | 12529842 | 40.20 | 14969842 | 43.50 |
| | Foreign Promoters / Promoter Group : | | | | |
| | Individuals | 960974 | 3.08 | 960974 | 2.79 |
| | Body Corporates | 94484 | 0.30 | 94484 | 0.27 |
| | Sub Total | 1055458 | 3.39 | 1055458 | 3.07 |
| | Sub Total (A) | 13585300 | 43.58 | 16025300 | 46.57 |
| B | Non Promoters Holding | | | | |
| | Institutions | | | | |
| | Foreign Portfolio Investors | 75000 | 0.24 | 75000 | 0.22 |
| | Non-Institutions | | | | |
| | Individuals - Individual shareholders holding nominal share capital up to Rs. 2 lakhs. | 7286577 | 23.38 | 7286577 | 21.18 |
| | Individuals - Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | 6717630 | 21.55 | 7517630 | 21.85 |
| | Non-Resident Indian-Non Repatriable | 0 | 0.00 | 0 | 0.00 |
| | Non-Resident Indian- Repatriable | 1189229 | 3.82 | 1189229 | 3.46 |
| | Corporate Bodies | 1607414 | 5.16 | 1607414 | 4.67 |
| | Clearing Member | 103426 | 0.33 | 103426 | 0.30 |
| | Corporate Bodies- OCB | 500000 | 1.60 | 500000 | 1.45 |
| | IEPF | 81158 | 0.26 | 81158 | 0.24 |
| | Total Non-Promoter Holding (B) | 17560434 | 56.34 | 18360434 | 53.36 |
| C | Employee Benefit Trust (under SEBI (Share based Employee Benefit Regulations, 2014)-C | | | | |
| | | 25000 | 0.08 | 25000 | 0.07 |
| | Sub-Total-C | 25000 | 0.08 | 25000 | 0.07 |
| | TOTAL(A+B+C) | 31170734 | 100.00 | 34410734 | 100.00 |

**Post Issue holding -Assuming full conversion of 24,40,000 warrants allotted on 23rd December, 2017.

NOTICE OF POSTAL BALLOT



e) Time frame within which the preferential issue shall be completed:

As required under the ICDR Regulations the preferential issue/allotment of Warrants shall be completed, within a period of 15 [Fifteen] days from the date of passing of the special resolution contained in this Notice. Provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of receipt of last such approvals.

f) The Identity of the natural persons who are the ultimate beneficial owners of the shares/ Warrants proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of pre and post preferential issue capital that may be held by them.

All the allottees are individuals so identity of natural persons is not applicable.

| S. No. | Name of proposed allottee | Pre preferential Holding | % of Pre preferential share capital | Issue of Equity Shares and Warrants (each warrant is convertible into one equity share) | Post Preferential Share capital considering Conversion of warrants** | % of Post preferential share capital considering Conversion of warrants.** |
|--------|---------------------------|--------------------------|-------------------------------------|---|--|--|
| 1 | Vishal Ranjan | 4,40,019 | 1.41 | 4,00,000 Warrants | 8,40,019 | 2.44 |
| 2 | Satyajeet Prasad | 4,40,000 | 1.41 | 4,00,000 Warrants | 8,40,000 | 2.44 |

****Post Issue holding and % of post issue Holding -Assuming full conversion of 24,40,000 warrants allotted on 23rd December, 2017**

g) Relevant Date:

The Relevant Date for the purpose of determining the pricing of shares arising out of Warrants in accordance with Chapter V of SEBI (ICDR) Regulations, 2018 is 17th March, 2019 (i.e., 30 days prior to the Last day of Postal Ballot, i.e., 16th April, 2019). The Warrants will be allotted in accordance with the price determined in terms of Part IV of Chapter V of the SEBI (ICDR) Regulations, 2018.

h) Pricing of the Issue:

The issue of warrants and equity shares arising through issuance will be at a price not less than higher of following:

- the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date; or
- the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

i) The Company hereby undertakes that:

- The Company hereby undertakes that the company shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- The Company further undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees.

j) Certificate of Statutory Auditors :

Copy of the certificate of statutory auditors was available for inspection at registered office of the Company from 18th March, 2019 to 16th April, 2019 during business hours, considering the proposed preferential issue, certifying that the issue is being made in accordance with the requirements of these regulations.

NOTICE OF POSTAL BALLOT



k) Change in control, if any, in the Company consequent to the preferential issue:

As a result of the proposed issue of Warrants on a preferential basis, and upon conversion of the Warrants, there will be no change in the control of the Company

l) Consequential Changes in the Voting Rights:

Voting rights will change in tandem with the shareholding pattern. However, there shall not be any change in the management control of the Company.

m) Lock-in-period

- The entire pre-preferential shareholding of Warrant Holder, if any, shall also be locked-in as per Regulation 167 of the ICDR Regulations, 2018.
- Warrants allotted, to Non-Promoters issued on preferential basis to such persons shall be locked-in for a period of one year from the date of trading approval or such other period as may be prescribed by the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2018.
- Lock-in of the equity shares allotted pursuant to conversion of convertible securities other than warrants, issued on preferential basis shall be reduced to the extent the convertible securities have already been locked-in
- convertible securities or warrants which are not listed on stock exchanges, the entire pre-preferential allotment shareholding of the allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of allotment of such securities.

n) Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price Post 31st March, 2018 and up to the date of this Notice, the following preferential allotments have been made:

| Date of Allotment | No of securities allotted | Issue Price | No of allottees | Type of Securities |
|-----------------------------|---------------------------|-------------|-----------------|--------------------|
| 04 th July, 2018 | 50,000 Equity shares | Rs.100/- | 1 | Equity shares |
| 12 th July, 2018 | 1,10,000 Equity shares | Rs.100/- | 1 | Equity shares |

o) Class or Classes of persons to whom the allotment is proposed to be made: The allotment is proposed to be made to the senior management employees.

p) Other Disclosure:

- It is hereby confirmed that neither the Company nor any of its Promoters or Directors are a willful defaulter.
- The Board, in its meeting held on 11th February, 2019 has approved the issuance of Warrants on preferential basis to the Warrant Holder in the manner stated hereinabove, subject to the approval of members and other approvals, as may be required.
- Regulation 160(b) of the ICDR Regulations, 2018 provides that preferential issue of specified securities by a listed company would require approval of its shareholders by way of a Special Resolution. The Board, therefore, recommends the resolution as set out in Item No.2 above to be passed as a Special Resolution.

NOTICE OF POSTAL BALLOT



q) In accordance with the ICDR Regulations

- i. all the Equity Shares held by the Proposed Allottees in the Company are in dematerialized form only.
- ii. No person belonging to the promoters / promoter group have sold any Equity Shares of the Company during the 6 (Six) months preceding the Relevant Date;
- iii. No person belonging to the promoters / promoter group has previously subscribed to any warrants of the Company but failed to exercise them;
- iv. the Company and none of its promoters or directors is a willful defaulter or a fugitive economic offender; and

The issue of Equity Shares and Warrants shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in a dematerialized format only.

None of the Directors or Key Managerial Personnel of the Company and/or their relative(s) is in any way concerned or interested, financially or otherwise, in the proposed resolution in Item No. 2 except Mr., Satyajee Prasad who has subscribed to Offer.

The Board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out in Item No. 2 of the accompanying Notice for approval of the members through postal ballot.

Item No.3:

The Company has passed special resolution on 28th September, 2018 in the Annual General Meeting of the Company for the approval of Virinchi Employees stock Options Scheme,2018, wherein following disclosure was not made in the explanatory statement was not made in compliance with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 and Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Maximum quantum of benefits to be provided per employee under the Virinchi Employees Stock Option Scheme,2018:

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price and the market price of the shares as on the exercise date.

To comply with above the Board of Directors recommends the Resolution to be passed as a Special Resolution as set out in Item No. 3 of the accompanying Notice for approval of the members through postal ballot.

None of the Directors or Key Managerial Personnel of the Company and/or their relative(s) is in any way concerned or interested, financially or otherwise, in the proposed resolution in Item No. 3 .

Item No.4

The Company is into multiple segments with the objective of consolidation and expansion, the Board of Directors of the Company ("Board") in its meeting held on 28th February,2019 decided to transfer the healthcare business in Virinchi Limited (Virinchi) to Virinchi Healthcare Private Limited (VHPL), the 100% subsidiary of Virinchi through slump sale.

In consonance with the objective of consolidation and expansion, the healthcare business in Virinchi Limited (Virinchi) is being transferred to Virinchi Healthcare Private Limited (VHPL), the 100% subsidiary of Virinchi through slump sale and the company has appointed consultants to facilitate the process. Post completion of this activity, all healthcare business will be carried out through VHPL.

NOTICE OF POSTAL BALLOT



With the consolidation of healthcare business in one entity and the unit wise cash flows being sufficient to take care of all operating costs of each of the unit respectively, healthcare business is well placed for expansion.

In accordance with the provisions of Section 180(1)(a), 188 of the Companies Act, 2013 (Act) any sale, lease or otherwise disposal of whole or substantially the whole of the undertaking of the Company requires the approval of members of the company accorded by way of a Special Resolution and as per the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules 2014, such a permission by way of Special Resolution needs to be accorded by way of Postal Ballot. An undertaking for the purpose of Section 180 (1) (a) of the Act mean an undertaking in which the investment of the Company exceeds 20 % of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. The aggregate turnover of the Healthcare Business was Rs.33.66 Crores in FY 2017-18 constituting 19.47 % of revenues on standalone basis and 9.83% of revenues on consolidated basis.

The Members are hence requested to authorise sale, disposal or transfer of the Healthcare Business of the Company, for an Enterprise Value of not less than Rs. 45.57 Crores (Rupees Forty Five Crores and Fifty Seven Lacs Only) subject to closing adjustments and debt, if any, to be transferred and on such other terms and conditions and to such person or persons as the Board of Directors of the company in their absolute discretion, may deem fit in the best interest of the Company.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the aforesaid Special Resolution in item No. 4.

The Board recommends the Special Resolution set out in the Notice in the interests of the Company.

Item No.5

The Company is into multiple segments with the objective of consolidation and expansion, the Board of Directors of the Company ("Board") in its meeting held on 28th February,2019 decided to transfer the healthcare business in Virinchi Limited (Virinchi) to Virinchi Healthcare Private Limited (VHPL), the 100% subsidiary of Virinchi through slump sale

In consonance with the objective of consolidation and expansion, the healthcare business in Virinchi Limited (Virinchi) is being transferred to Virinchi Healthcare Private Limited (VHPL), the 100% subsidiary of Virinchi through slump sale and the company has appointed consultants to facilitate the process. Post completion of this activity, all healthcare business will be carried out through VHPL.

With the consolidation of healthcare business in one entity and the unit wise cash flows being sufficient to take care of all operating costs of each of the unit respectively, healthcare business is well placed for expansion.

The transaction between Virinchi Ltd., and VHPL is a related party transaction. Even though the Companies Act, 2013 exempts the transaction between holding company and subsidiary company from related party provisions, still the Company would like to take consent of shareholders through this resolution.

NOTICE OF POSTAL BALLOT



Information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of the Boards and its Powers) Rules, 2014:-

| | | |
|----|--|--|
| a) | Name of the Related Party | M/s. Virinchi Health Care Private Limited, a wholly owned subsidiary of the Company |
| b) | Name of the Director or Key Managerial Personnel who is related, if any: | Mr. K. Sri Kalyan, Mrs. M. Santhi Priya and Mr. Ramam Madu are Common Directors |
| c) | Nature of Relationship | wholly owned subsidiary of the Company |
| d) | <p>Nature, material terms, monetary value of the contract or arrangement:-</p> <p>Nature of the Arrangement:</p> <p>Slump sale of Health care business of the company to M/s. Virinchi Health Care Private Limited, a wholly owned subsidiary of the Company on going concern basis.</p> <p>Material Terms:</p> <p>All specified tangible and intangible assets, contracts, permission and consents, rights, registrations, personnel & employees, other assets and liabilities as may be agreed between the parties in relation to the Healthcare Business to M/s. Virinchi Health Care Private Limited(VHPL), a Wholly owned Subsidiary of the Company.</p> <p>Monetary Terms</p> <p>Healthcare Business to M/s. Virinchi Health Care Private Limited(VHPL), a Wholly owned Subsidiary of the Company for a cash consideration of Rs. 4557 Lakhs</p> | |
| e) | Any other information relevant or important for the members to take a decision on the proposed resolution | As required under the SEBI (LODR) Regulations, 2015, all persons belonging to promoters and persons acting in concert with promoters are termed as Related Parties and therefore, shall abstain from voting on the resolution. |

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the aforesaid Special Resolution in item No. 5, Except Mr. K. Sri Kalyan, Mrs. M. Santhi Priya and Mr. Ramam Madu being Common Directorship.

The Board recommends the Special Resolution set out in the Notice in the interests of the Company.

**By Order of the Board of Directors
For Virinchi Ltd.**

**K. Ravindranath Tagore
Company Secretary
M.No: A18894**

Place : Hyderabad
Date : 28/02/2019