

Virinchi Technologies Ltd

Plot# 10, SRK Colony, West Marredpally, Secunderabad, -500 026

Notice pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001

Dear Member(s),

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 that resolutions are proposed to be passed by postal ballot for the following matters.

1. Ratification of Allotment of 30,00,000 (Thirty Lac) Equity Warrants issued and also the equity shares allotted on exercise of said warrants on Preferential Basis to Promoters and strategic Investors

Accordingly, the proposed Resolution and the Explanatory Statement are being sent to you along with a Postal Ballot Form for your consideration.

The Board of Directors has appointed Mr. M. Praneeth Reddy, Practicing Chartered Accountant as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Please read the instructions printed in the Postal Ballot Form carefully and return the Form duly completed and signed, in the enclosed postage pre-paid self-addressed envelope so as to reach the Scrutinizer on or before the close of working hours on 02/08/2013

The Scrutinizer will submit his report to the Chair Person of the Company after completion of the scrutiny of the Postal Ballots and the results thereof will be announced by any Director or by the Company Secretary in their absence, on 03/08/2013 at the Registered Office of the Company. Additionally, the results will be put up on the Company's website www.virinchi.com and also publish in the leading news papers in Hyderabad. The Results of the postal ballot will also be noted at the next General Meeting of the company.

1. To consider and, if thought fit, to give ASSENT/DISSENT to the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT the allotment of 30,00,000 warrants of the face value of Rs.10/- made by the company on preferential basis @ Rs.20 per warrant (Face Value Rs.10 and Premium Rs.10/-) to persons belonging to promoters and other strategic investors as per Annexure A in pursuance of the earlier resolution passed by the members of the company at the Annual General Meeting held on 29th September, 2010 authorizing the Board of Directors of the company to issue and allot the said shares be and is hereby ratified by the shareholders of the Company"

Annexure A

Sl.No	Name of the Investor	Number of Warrants allotted
1	Viswanath Kompella	8,50,000
2	Salokhya Infrastructure Private Ltd.	11,50,000
3	Agrade Exim Private Ltd	10,00,000

RESOLVED FURTHER THAT the relevant date for the purpose of ratification of resolution in terms of the SEBI (ICDR) Regulations, 2009 is 4th July, 2013 (i.e. 30 days prior to the date of declaration of results)

RESOLVED FURTHER THAT consequent to the change in relevant date for the purpose of ratification of resolution in terms of the SEBI (ICDR) Regulations, 2009 the new pricing is determined and the price with reference to fresh relevant date is less than the price at which the issuer had earlier issued the warrants and allotted the equity shares after the exercise of the warrant to the allottees. (Earlier issued at Rs. 20 per warrant)

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board(the “Board” which term shall be deemed to include any committee of Directors which the board may have constituted or hereinafter may constitute to exercise its powers including the power conferred by this resolution) be and is hereby authorized to do all such balance acts, deeds, matters and things as it may in its absolute discretion deem necessary and proper and further to do all such acts, deeds, matters and things to finalise and execute all documents, undertakings, and writings as may be necessary, desirable or expedient as it may deem fit and to file the rectified /ratified documents and information with various authorities as may be necessary without being required to seek any further consent or approval of the members or otherwise.”

“RESOLVED FURTHER THAT the board be and is hereby authorized to accept such amendments, modifications, variations and alterations on such terms and conditions as the Government of India, SEBI, RBI, Financial Institutions or Stock Exchanges may stipulate in that behalf.”

“RESOLVED FURTHER THAT the Equity shares arising out of the conversion of Equity Warrants rank pari passu in all respects with the then existing equity shares of the company. “

RESOLVED FURTHER THAT the board be and is hereby authorized to take necessary steps required complete the process of obtaining listing/trading approvals of the above mentioned Equity warrants/ shares from the stock exchanges where the shares of the company are listed as per the terms and conditions of the listing agreement as may be advised or directed by the stock exchange (s)/ SEBI and their officials and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing.

By order of the Board

Place: Hyderabad
Date : 30-05-2013

For Virinchi Technologies Ltd

**K. Ravindr Tagore
Company Secretary**

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) AND 192A(2) OF THE COMPANIES ACT, 1956

Item# 1

As members are aware the company has global operations and significant growth plans. These growth plans include, the incorporation of three 100% wholly owned subsidiary companies namely, Qfund Technologies Private Ltd, Virinchi Media and Entertainment Private Ltd and Virinchi Learning Private Ltd.

Hence, the company proposed and issued 30,00,000 Warrants to the promoters and strategic investors as detailed hereunder after taking approval in the Annual General Meeting held on 29th September, 2010. The issue of warrants on preferential basis to Promoters and strategic investors was made strictly in accordance with Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

Details of the allotment:

Sl. No	Nature of Event	Date
1	Shareholder's approval for the Preferential allotment	29 th September, 2010
2	Date of BSE In principle approval	8th March, 2011
3	Date of Allotment of Warrants	28th March, 2011
4	Date of Allotment of Equity Shares on exercise of warrants	10th October,2012

In respect of the above mentioned allotment of warrants your directors wish to clarify that the same was made as per Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the company had obtained the requisite approval of its shareholders at the Annual General Meeting held on 29th September, 2010 as required under Section 81(1A) of the Companies Act, 1956.

As per 74(1) of SEBI (ICDR) Regulations, 2009 the allotment pursuant to the special resolution should be completed within a period of 15 days from the date of passing of such resolution, where any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission, as the case may be. As the allotment of 30,00,000 warrants could not be completed in 15 days from the date of BSE approval, Fresh approval of shareholders is sought as per 74(2) of SEBI(ICDR) Regulations, 2009.

The company has submitted the Listing application for the listing of the 30,00,000 shares allotted on the exercise of warrants by the investors. The Bombay stock exchange has advised your directors that the said preferential allotment be ratified by the members of the company by making all the required disclosures and information in the resolution. Therefore now as per the disclosures, your directors fixed a new relevant date and also recomputed the price.

Your directors recommend the passing of this resolution as Special Resolution for ratifying the Said allotment of shares made on preferential basis to Promoters and other strategic investors.

INFORMATION AS REQUIRED UNDER CLAUSE 73(1) OF CHAPTER VII OF THE SEBI (ICDR) REGULATIONS, 2009 FOR PREFERENTIAL ISSUES:

(I) The objects of the Preferential issue

To Fund the Future capital investments of the company as mentioned above.

(II) The Proposal of the promoters/directors/key management persons to subscribe to the offer.

The intention and primary objective of the Promoters to subscribe to the offer through this preferential issue is to enhance their commitment towards the company and make available funds to the company's proposed growth plans

(III) Share holding pattern of the Company before and after the proposed issue of Equity Shares pursuant to the resolution at Sl.No 1

Sl. No.	Category	Pre-issue		Post Issue	
		No. of Equity Shares	Percentage (%)	No. of Equity Shares	Percentage (%)
1	Promoters Holding	4232632	28.24	5082632	28.26
2	Others	10753418	71.76	12903418	71.74
	TOTAL	14986050	100.00	17986050	100.00

IV) Proposed time within which allotment will be completed

The allotment of the Warrants being issued on preferential basis is proposed to be made within 15 days from the date of passing of the resolution by the Members. Provided where any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission, as the case may be

V) Identity of proposed allottees and the percentage of post preferential issued capital that may be held by them

Identity of proposed allottees	No. of Equity Shares to be allotted	Percentage of post issue Equity Capital
Viswanath Kompella	8,50,000	4.73
Salokhya Infrastructure Private Ltd.	11,50,000	6.39
Agrade Exim Private Ltd	10,00,000	5.56

The proposed allotment of warrants on preferential basis as envisaged above will not result in change in Control / Management of the Company.

vi) The company hereby undertakes that

- a) It would re-compute the price of the securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009 where it is required to do so.
- b) If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

None of the Directors of the Company is interested except Mr. Viswanath Kompella to the extent of allotment of warrants to him.

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POSTAL BALLOT FORM

1. Name(s) of Shareholder(s) (in Block Letters) (including joint holders, if any) _____ :
2. Registered address of the Sole/first names shareholder _____ :
3. Registered folio No./ DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form) _____ :
4. Number of shares held _____ :
5. I/We hereby exercise my/our vote in respect of the following, Ordinary Resolutions to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the company by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below.

Item No.	DESCRIPTION	No. of Shares	I/We ASSENT for the resolution	I/We DISSENT for the resolution
1	Ratification of allotment of 30,00,000 Equity warrants & Equity shares allotted on exercise of the said warrants to the promoter and other strategic investors			

Place : _____
Date : _____

(Signature of the Shareholder)

Instructions:

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Company in the attached self-addressed envelope, postage prepaid (enclosed herewith). However, envelopes containing Postal Ballots, if sent by courier at the expenses of the registered shareholder will also be accepted.
2. The self-addressed, postage prepaid envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The consent must be accorded by recording the assent in the "Assent Column" and Dissent in the "Dissent Column" by placing a tick mark (✓) in the appropriate columns.
4. This Form should be completed and signed by the shareholder. In case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
5. Where an authorized representative of a body corporate has signed the Postal Ballot Form, a certificated copy of the relevant authorization to vote on the Postal Ballot should accompany the Postal Ballot Form. Where the Form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form.
6. A Member may sign the Form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
7. Unsigned, incomplete or incorrectly ticked Postal Ballot Forms will be rejected.
8. Duly completed Postal Ballot Forms should reach the Company not later than the close of working hours on 02/08/2013 Postal Ballot Forms received after this date will be strictly treated as if the reply from the member has not been received.
9. A Member may request for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction 8 above.
10. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholder(s) on the date of despatch of the Notice.
11. The Scrutinizer's decision on the validity of postal ballot will be final.
12. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope. The Scrutinizer would destroy any extraneous paper found in such envelope.
13. The Postal Ballot Form shall not be exercised by a Proxy.