

VELANKANI INFORMATION SYSTEMS LIMITED

(Formerly known as Velankani Information Systems Private Limited)

Registered Office: No. 43, Electronics City, Phase I, Hosur Road, Bangalore 560 100, Karnataka, India

Tel: +91-80-6614 5807/09 Fax: +91-80-66961854

Website: www.vislindia.com

CIN: U72200KA1999PLC025275

NOTICE

NOTICE is hereby given that the 17th (Seventeenth) Annual General Meeting of the shareholders of Velankani Information Systems Limited ("the Company") will be held on Friday, 25th November 2016 at 9.00 AM at the registered office of the Company situated at No.43, Electronics City, Phase I, Hosur Road, Bangalore 560 100, Karnataka to transact the following business:

Ordinary Business

Item 1: Adoption of financial statements

To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and the Auditors thereon.

Item 2: Re-appointment of Mr. Shankar Iyer

To appoint a Director in place of Mr. Shankar Iyer, Director (DIN 02134073) who retires by rotation and being eligible, offers himself for re-appointment

Item 3: Re-appointment of Mr. S.K. Ramakrishnaiah

To appoint a Director in place of Mr. S.K. Ramakrishnaiah, Whole time Director & CFO (DIN 00103612) who retires by rotation and being eligible, offers himself for re-appointment.

Item 4: Appointment of Auditors

To appoint /ratify appointment of M/s. Chaturvedi & Shah, Chartered Accountants to hold office as Auditors for a period of one year from the conclusion of this Annual General Meeting i.e., for the Financial Year 2016-17, and to fix their remuneration.

Special Business

Item 5: To declare dividend to Preference Shareholder

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

"RESOLVED THAT the declaration and payment of dividend to preference share holder viz., Velankani Holdings Private Limited at 0.01% p.a. of the par value of Rs. 10/- on the 46,47,600 redeemable optionally convertible preference shares issued by the Company to the aforesaid preference share

holder, aggregating to Rs.3,485.70/- (Rupees Three Thousand Four Hundred & Eighty Five and Paise Seventy only) for the Financial Year 2015-16 till the date of redemption in full i.e., until 21st December, 2015 as recommended by the Board of Directors on 30th May, 2016 be and is hereby approved.”

Item 6: Approval under Section 186 of the Companies Act, 2013

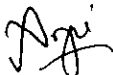
To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of section 186 of the Companies act 2013 (as amended or re-enacted from time to time) read with rule no 11 & 13 the Companies (Meeting of Board and its Powers) Rules, 2014 and subject to such approvals, consents, sanctions and permissions of the appropriate authorities, departments or bodies as may be necessary, the consent be and is hereby accorded to acquire, by way of subscription, purchase or otherwise, securities of any other body corporate, for an amount(s) exceeding 60% of paid-up capital , free reserves and securities premium account or 100% of free reserves and securities premium account but not exceeding Rs. 300 Crores on such terms and conditions as may be decided by the Board from time to time.

RESOLVED FURTHER THAT pursuant to rule no 12 of the Companies (Meeting of Board and its Powers) Rules, 2014 and section 117 of the Companies Act 2013 (as amended or re-enacted from time to time) read with rule no 24 of the Companies (Management and Administration) Rules 2014, any one Director and Company Secretary of the Company, for the time being, be and is hereby authorized to make necessary entries in the Register of Investments , authenticate it and file form no MGT-14 with the Registrar of Companies within the prescribed time and fees.

RESOLVED FURTHER THAT, any one Director of the Company and the Company Secretary, for the time being, 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 sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

By order of the Board of Directors
For VELANKANI INFORMATION SYSTEMS LIMITED



Anju Prakash
Company Secretary

ACS: 12799

Date: 14th November 2016

Place: Bangalore, India

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THAT THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The relevant explanatory statement pursuant to the provisions of Section 102 of the companies Act, 2013 in respect of Item No. 5 and Item No.6 is annexed hereto.
3. The register of directors and key managerial personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the meeting.
4. The register of contracts or arrangements in which the directors are interested maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the meeting.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. till the time of the meeting
6. The route map of the meeting venue is provided as a part of this Notice as required under the Secretarial Standards.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Reference is invited to the Memorandum of Understanding dated 4th September 2010 ("MOU") executed by and between Velankani Information Systems Private Limited ("the Company") and Velankani Holdings Private Limited ("VHPL") in accordance with which the Company had issued 46,47,600 redeemable optionally convertible preference shares of Rs.10/- at a premium of Rs.90/- per share to VHPL. The Company has during the financial year 2015-16 i.e., on 21st December, 2015 redeemed in full, the said preference shares. As per terms of redemption, the Company is required to pay dividend on said preference shares upto date of redemption.

For the financial year ended 31st March 2016, the Company has earned a profit of Rs.21,72,13,219/- (Rupees Twenty One Crores Seventy Two Lakhs Thirteen Thousand Two Hundred & Nineteen only).

Therefore as per terms of redemption of preference shares, the Board of Directors on 30th May, 2016 has recommended payment of preference dividend at 0.01% p.a. of the par value of Rs. 10/- on the 46,47,600 redeemable optionally convertible preference shares issued by the Company to the aforesaid preference share holder, aggregating to Rs. 3,485.70 (Rupees Three Thousand Four Hundred & Eighty Five and Paise Seventy only) for the Financial Year 2015-16 till the date of redemption i.e until 21st December, 2015.

Such declaration of dividend requires the approval of the shareholders in the general meeting by an Ordinary Resolution.

Hence your Directors have proposed the Ordinary Resolution under Item No.5 of the notice and recommend the passing thereof by the members.

None of the Directors of the Company or their relatives, or the Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in the above said resolution under item no. 5 of this Notice except Mr. Kiron D. Shah, Managing Director of the Company who is a holder of 99.99% of the paid up share capital of VHPL, and Mrs. Anita Shah, wife of Mr. Kiron D. Shah, who is also holder of one equity share in the paid up share capital of VHPL and Ms. Anuradha Sreenivasan, Director of the Company who is also an Director of VHPL, to the extent of their interest in VHPL.

The document(s) referred above are available for inspection by the members at the registered office of the Company from 14th November 2016 to 25th November 2016 during business hours on all working days."

Item No. 6

As per the provisions of Section 186 of the Companies Act, 2013 (the Act), a company cannot give loan to, provide guarantee or security in connection with a loan to ,or acquire by way of subscription, purchase or otherwise, the securities of, any other body corporate in excess of the percentages (i.e., 60% of its paid-up capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more) prescribed therein, unless prior approval by means of a special resolution has been obtained by the members in the general meeting.

The Company in ordinary course of business may be required to invest its surplus funds, in securities such as Mutual Funds, and may also invest in shares of its subsidiaries subject to all applicable compliances. Hence, the special resolution under item no.6 is proposed for the approval of shareholders. The limit as specified under the resolution has been fixed as maximum amount considering the present and future investments. The Company has not taken any term loan from any public financial institution and is in compliance with other applicable provisions of Section 186 of the Act.

Under provisions of Section 186(11)(a), the Company is classified as engaged in providing infrastructural facilities as stipulated under Clause 5(a) and (b) of Schedule VI of the Companies Act 2013. Accordingly, the requirement of special resolution is not applicable with respect to loan, provision of security and guarantee by the Company. The Directors seek your approval only with respect to proposed investments within the specified limits as mentioned in the resolution under Item No. 6 of the Notice.

The Directors recommend the Item 6 of the Notice for consent and approval by the shareholders by special resolution.

None of the Directors of the Company or their relatives, or the Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in the above said resolution under item no. 6.

**By order of the Board of Directors
For VELANKANI INFORMATION SYSTEMS LIMITED**



**Anju Prakash
Company secretary
ACS: 12799**

Date: 14th November 2016
Place: Bangalore, India

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN: U72200KA1999PLC025275

Name of the company: VELANKANI INFORMATION SYSTEMS LIMITED

Registered office: 43 ELECTRONICS CITY, PHASE-II, HOSUR ROAD, BANGALORE - 560100, KARNATAKA,
INDIA

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him/her

2. Name:

Address:

E-mail Id:

Signature:, or failing him/her

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual
general meeting/ ~~Extraordinary general meeting~~ of the company, to be held on the
_____ at 9.00 AM a.m / ~~p.m.~~ at the registered office of the Company
situated at No 43, Electronics City, Phase I, Hosur Road, Bangalore 560 100 and at any adjournment
thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt the Boards' Report and Audited Profit & Loss Account for the year ended March 31, 2016 and the Balance Sheet of the Company as on that date.
2. To appoint a Director in place of Mr. Shankar Iyer, Director (DIN 02134073) who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Mr. S.K. Ramakrishnaiah, Whole time Director & CFO (DIN 00103612) who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint /ratify appointment of M/s. Chaturvedi & Shah, Chartered Accountants to hold office as Auditors for a period of one year from the conclusion of this Annual General Meeting i.e., for the Financial Year 2016-17, and to fix their remuneration.
5. To declare dividend to Preference Shareholder
6. Approval under Section 186 of the Companies Act, 2013

Signed this (Date)

Signature of shareholder

Signature of Proxy holder(s).....

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP TO REGISTERED OFFICE OF VELANKANI INFORMATION SYSTEMS LIMITED

