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## Notice of Nineteenth Annual General Meeting

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Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Tanla Solutions Limited will be held on Wednesday, September 16<sup>th</sup>, 2015 at 10.30 AM at Novotel Hyderabad Convention Centre, Novotel & HICC Complex, Near Hitec City, Madhapur, Hyderabad – 500081, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt:

a) The Audited Financial Statements of the Company for the financial year ended March 31, 2015, the Report of the Board of Directors and the Report of the Auditors thereon; and

b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 and the Report of the Auditors thereon

2. To appoint a Director:

Mr. D Uday Kumar Reddy (DIN 00003382), who retires by rotation and, being eligible, offers himself for re-appointment and in this connection to consider and if deemed fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. D Uday Kumar Reddy be and is hereby re-appointed as a Director of the Company, liable to retire by rotation”.

3. To ratify the continuation of the Statutory Auditors:

The Statutory Auditors M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants are eligible for continuing appointment. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding Rules, pursuant to the recommendations of the Audit Committee and the resolution passed by the members at their 18th AGM held on 30th September 2014, the appointment of M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants, Hyderabad, bearing Registration number 010396S with the Institute of Chartered Accountants of India, who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, as Statutory Auditors to hold office up to the conclusion of the 21st AGM to be held in 2017, be and is hereby ratified at such remuneration as may be decided by the Board of Directors of the Company.”

### Special Business

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

**“RESOLVED THAT** pursuant to Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. D Uday Kumar Reddy (DIN 00003382), be and is hereby reappointed as Chairman & Managing Director of the Company for a period of Five years with effect from January 14, 2015, subject to retire by rotation, on the remuneration and terms and conditions as set out in the explanatory statement annexed.”

**“RESOLVED FURTHER THAT** for the purposes of giving effect to the re-appointment, the Company Secretary of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as may be deemed or considered necessary or desirable for such purpose.”

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

**“RESOLVED THAT** pursuant to Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act, and subject to other approvals as are necessary, Mr. Gautam Sabharwal (DIN 00003709), be and is hereby reappointed as Whole –Time Director designated as Director-Global Business Development for a period of Five years with effect from January 14, 2015, subject to retire by rotation, without remuneration.”

**“RESOLVED FURTHER THAT** for the purposes of giving effect to the re- appointment, the Company Secretary of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as may be deemed or considered necessary or desirable for such purpose.”

**6. Approval of Tanla Solutions Limited Employee Stock Options Plan 2015-16 and grant of Employee Stock Options to the employees of the Company there under.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and are hereby accorded respectively to the

'Tanla Solutions Limited Employee Stock Options Plan 2015-16' (hereinafter referred to as the "ESOP 2015-16 Plan") and to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration / Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant from time to time such number of Employee Stock Options ("Options"), to the permanent employees including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or out of India, as may be decided solely by the Board under the Plan, exercisable into not more than 50 Lakh (Fifty Lakhs only) fully paid-up Equity Shares in the Company in aggregate, of face value of ₹ 1/- each, directly by the Company and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of Options from time to time in accordance with the ESOP 2015-16 and such Equity shares shall rank *pari passu* in all respects with the then existing Equity Shares of the Company."

**"RESOLVED FURTHER THAT** the number of Employee Stock Options that may be granted to any employee including any Director of the Company (not being an independent director), in any financial year and in aggregate under the ESOP 2015-16 shall be lesser than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 50 Lakh (Fifty Lakhs only) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment."

**"RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹1/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2015-16 subject to the compliance with the applicable laws and

regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2015-16 and do all other things incidental and ancillary thereof."

**"RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2015-16."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the ESOP 2015-16 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Nomination and Remuneration Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2015-16 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

#### **7. Grant of Employee Stock Options / Options to the employees of the Subsidiary Company(ies) of the Company under Tanla Solutions Limited Employee Stock Options Plan 2015-16**

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

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the Board of Directors of the Company



## AGM Notice

(hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration/ Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, offer and grant from time to time such number of Employee Stock Options (Options) to the permanent employees including the Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) whether whole time or otherwise, whether working in India or out of India of any existing and future Subsidiary Company(ies) of the Company whether in or outside India, as may be decided solely by the Board under the 'Tanla Solutions Limited Employee Stock Options Plan 2015-16' (hereinafter referred to as the "ESOP 2015-16 Plan"), exercisable into not more than the overall ceiling of 50 Lakh (Fifty Lakhs only) fully paid-up Equity Shares in the Company in aggregate, of face value of ₹1/- each, as mentioned in resolution number 6 above, directly by the Company and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations."

**"RESOLVED FURTHER THAT** the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity shares upon exercise of Employee Stock Options from time to time in accordance with the ESOP 2015-16 and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company."

**"RESOLVED FURTHER THAT** the number of Employee Stock Options / Options that may be granted to any employee including any Director of the Subsidiary Company(ies) (not an independent director), in any financial year and in aggregate under the ESOP 2015-16 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 50 Lakh (Fifty Lakhs only) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment."

**"RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option Grantees under

the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹1/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2015-16 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2015-16 and do all other things incidental and ancillary thereof."

**"RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2015-16."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the ESOP 2015-16 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Nomination and Remuneration Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2015 -16 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

Place: Hyderabad.

Date : August 13, 2015

### Registered Office:

Technology Centre, Hi-tech City Road, Madhapur, Hyderabad – 500 081

By the order of the Board of Directors  
for Tanla Solutions Limited  
Sd/-

**CS Seshanuradha Chava**  
AVP – Legal & Secretarial

**NOTES:**

**1. A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and the proxy need not be a member of the Company.**

The instrument appointing the proxy should be deposited at the registered office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. A person can act as a proxy on behalf of members upto and not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

3. Brief profiles of Mr. D Uday Kumar Reddy, Chairman & Managing Director and Mr. Gautam Sabharwal, Director - Global Business Development proposed to be re-appointed along with names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and his relationship with other directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), are provided in the Report on Corporate Governance forming part of the Annual Report.

4. An Explanatory Statement under Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Meeting is annexed hereto.

5. The Register of Members and the Share Transfer Books of the Company will remain closed from September 10, 2015 to September 16, 2015 (both days inclusive).

6. Pursuant to the provisions of Section 124 of the Companies Act 2013, the amount of dividend remaining unclaimed up to the financial year 2006-07 has been transferred, from time to time on due dates, to the Investors Education & Protection Fund. Details of unpaid/unclaimed dividends lying with the Company as on the last Annual General Meeting of the Company is available on the website of the Company. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund. The seven year period of "Un-paid and Un-Claimed dividend for the year 2007-08" which amounts to ` 200,593/- (Rupees Two lakhs five hundred and ninety three only) expires on November 03, 2015 and the same will be transferred to the "Investor Education and Protection Fund".

7. Members/Proxies attending the Meeting are requested to complete and bring the Attendance Slip enclosed with the Annual Report and hand over the same at the entrance of the meeting hall, duly signed.

8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.

9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.

10. Non-Resident Indian Members are requested to inform Karvy, immediately of:

a) Change in their residential status on return to India for permanent settlement.

b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

11. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.

13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

14. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of ₹ 1,00,000 (One Lakh).





## AGM Notice

15. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following: [evoting@karvy.com](mailto:evoting@karvy.com)

The Annual Report for the year ending 31st March, 2015 and Notice of the AGM inter alia indicating the manner and process of e-voting along with the Attendance Slip and Proxy Form are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

16. Members may also note that the Notice of the 19th AGM and the Annual Report for 2015 will also be available on the Company's website [www.tanla.com](http://www.tanla.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during the normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [investorhelp@tanla.com](mailto:investorhelp@tanla.com)

## 17. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide the members facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited. The procedure for participating in the e-voting is given below:

### E-Voting Instructions:

A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company / Depository Participants (s)]:

i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVENT number 1922 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., Tanla Solutions Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.

ix. Voting has to be done for each item of the notice separately.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm; else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [kritika.s112@gmail.com](mailto:kritika.s112@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Tanla – 19th AGM".

B. (1) In case of Members receiving physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participants (s)]

i. E-Voting Event Number – 1922 (EVENT), User ID and Password is provided in the Ballot form.

ii. Please follow all steps from Sl. No. (i) to (xi) above to cast your vote by electronic means.

(2) Voting at AGM: The Members, who have not cast their vote electronically, can exercise their voting rights at the AGM. The Company will make necessary arrangements (e-voting/ballot) in this regard at the AGM Venue. Members, who cast their votes by e-voting prior to AGM may attend the AGM, but will not be entitled to cast their votes again.

#### Other Instructions:

i. In case of any queries, you may refer Help & FAQ section of <https://evoting.karvy.com> (Karvy website) or call KCPL on 44655000 & Toll Free No.1800 3454 001.

ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

iii. The e-voting period commences on Sunday, September 13, 2015 (9:00 a.m. IST) and ends on Tuesday, September 15, 2015 (5:00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., September 09, 2015, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iv. Any person, who becomes a member of the Company after the dispatch of the notice of the meeting and holding shares as on the cut-off date i.e. September 09, 2015 may write to [e-voting@karvy.com](mailto:e-voting@karvy.com) or to the company at [investorhelp@tanla.com](mailto:investorhelp@tanla.com) requesting for User ID and

password. On receipt of User ID and password the steps from (i) to (xi) mentioned above should be followed for casting their vote, if the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

v. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date September 09, 2015.

vi. The Board of Directors has appointed Ms. Kritika Sharma, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

vii. The scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding three (3) days from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.

viii. The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

ix. Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website [www.tanla.com](http://www.tanla.com) and on the website of KARVY <https://evoting.karvy.com>, and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.



## Explanatory Statement

Pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") read with section 110 of the Companies Act, 2013

### Item No. 4:

Mr. D. Uday Kumar Reddy (DIN 00003382) was re-appointed as Chairman & Managing Director for a period of 5 years with effect from May 15 2010. The Board of Directors, in its meeting held on January 14, 2015 has subject to the approval of the Members, re-appointed Mr. D. Uday Kumar Reddy, as the Chairman & Managing Director for a period of 5 years with effect from January 14 2015. The remuneration of ₹120 Lakhs per annum, payable to Mr. D. Uday Kumar Reddy was approved by the shareholders in the 18<sup>th</sup> AGM held on 30th September, 2014. The Remuneration Committee shall be authorised to review and fix monthly salary and also determine performance linked incentives either on quarterly, half-yearly or yearly basis. As required by the Companies Act, 2013, approval of the members is being sought, for the re-appointment of Mr. D Uday Kumar Reddy, Chairman & Managing Director.

Your Directors recommend that the said resolution may be passed as an Ordinary resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. D. Uday Kumar Reddy is interested or concerned in the said resolution. None of the Directors are related inter-se

### Item No. 5:

Mr. Gautam Sabharwal (DIN 00003709) was re-appointed as a Whole time Director designated as Director- Global Business Development for a period of 5 years with effect from January 28 2010. The Board of Directors in its meeting held on January 14, 2015 has subject to the approval of the Members, re-appointed Mr. Gautam Sabharwal, as the Whole time Director designated as Director- Global Business Development for a period of 5 years with effect from January 14 2015, without any remuneration. As required by the Companies Act, 2013, approval of the members is being sought, for the re-appointment of Mr. Gautam Sabharwal, Director- Global Business Development.

Your Directors recommend that the said resolution may be passed as an Ordinary resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Mr. Gautam Sabharwal is interested or concerned in the said resolution. None of the Directors are related inter-se

### Item No. 6 & 7:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based

compensation scheme/ plan. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary Company(ies) for their continuous hard work, dedication and support, which has led the Company and the Subsidiary Company(ies) on the growth path. The Company intends to implement Tanla Solutions Limited Employee Stock Options Plan 2015-16 ("ESOP 2015-16 Plan") with a view to attract and retain key talents working with the Company and its Subsidiary Company(ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations), the Company seeks members' approval in respect of ESOP 2015-16 and grant of Options to the eligible employees/ Directors of the Company and that of its Subsidiary Company(ies) as decided by the Nomination and Remuneration Committee from time to time in due compliance of the SEBI SBEB Regulations.

The main features of the ESOP 2015-16 are as under:

#### 1. Brief Description of the Scheme(s):

This proposed Scheme called the Tanla Solutions Limited Employee Stock Options Plan 2015-16 ("ESOP 2015-16 Plan") is intended to reward the Eligible Employees of the Company its Subsidiary Companies in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use this Scheme to retain talent in the organization as it views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Company is implementing ESOP by issuing primary shares.

#### 2. Total number of Options to be granted:

Such number of Options would be available for grant to the eligible employees of the Company and eligible employees of the Subsidiary Company(ies) under ESOP 2015-16, in one or more tranches exercisable into not exceeding 50 Lakh (Fifty Lakhs only) Equity Shares in the Company of face value of ₹1/- each fully paid-up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled Options as per the provisions of ESOP 2015-16, within overall ceiling.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI SBEB Regulations.

### **3. Identification of classes of employees entitled to participate in ESOP 2015**

Following classes of employees are entitled to participate in ESOP 2015:

- a) Permanent employees of the Company working in India or out of India;
- b) Directors of the Company; and
- c) Permanent employees and Directors of the Subsidiary Company(ies).

Following persons are not eligible:

- a) an employee who is a promoter or belongs to the promoter group;
- b) a Director who either by himself or through his relatives or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) an Independent Director within the meaning of the Companies Act, 2013.

### **4. Requirements of vesting and period of vesting:**

The Options granted shall vest so long as an employee continues to be in the employment of the Company or the Subsidiary Company as the case may be. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 (one) year.

### **5. Maximum period within which the Options shall be vested:**

Options granted under ESOP 2015-16 would vest subject to maximum period of 5 (five) years from the date of grant of such Options.

### **6. Exercise price or pricing formula:**

The Exercise price per Options shall be equal to the Market price on the date of grant of Options or upto 25% of the discount to the Market Price on the date of grant, as decided by the Nomination and Remuneration / Compensation Committee ("Exercise Price").

"Market price" under the SEBI SBEB Regulations means the latest available closing price on the stock exchange on which the equity shares of the company are listed on the date immediately prior to the Relevant Date. If such shares are listed on more than one stock exchanges, then the closing price on the stock exchange having higher trade volume shall be considered as the market price.

"Relevant Date" under the SEBI SBEB Regulations means:

- (i) In the case of grant, the date of the meeting of the Nomination and Remuneration/ Compensation Committee on which the Grant is made; or
- (ii) In the case of exercise, the date on which the notice of exercise is given to the Company by the employee.

### **7. Exercise period and the process of Exercise:**

The Vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 1 year from the date of vesting of such Options.

The Vested Options shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

### **8. Appraisal process for determining the eligibility of employees under ESOP 2015-16:**

The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration/ Compensation Committee from time to time.

The employees would be granted Options under the ESOP 2015 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Nomination and Remuneration / Compensation Committee from time to time.

### **9. Maximum number of Options to be issued per employee and in aggregate:**

The number of Options that may be granted to any specific employee of the Company or of its Subsidiary Company under the Plan ), in any financial year and in aggregate under the ESOP 2015-16 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

### **10. Maximum Quantum of benefits to be provided per employee under the ESOP 2015-16**

The Maximum quantum of benefits underlying the Options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of Options.

### **11. Source of Shares**

The Scheme contemplates new Issue of Shares by the Company ("Primary Shares").

### **12. The amount of loan provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms etc.**

Company is not providing any loan for ESOP purpose, as Company is directly implementing ESOP 2015-16.





**13. Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase of the scheme**

The Company is implementing ESOP by issuing Primary Shares.

**14. Accounting and Disclosure Policies:**

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

**15. Method of Option Valuation:**

Place: Hyderabad.

Date : August 13, 2015

**Registered Office:**

Tanla Technology Centre, Hi-tech City Road, Madhapur,  
Hyderabad – 500 081

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earnings per Share (EPS) of the company shall also be disclosed in the Directors' report.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under and as per Regulation 6 of the SEBI SBE Regulations.

By the order of the Board of Directors  
for Tanla Solutions Limited  
Sd/-

**CS Seshanuradha Chava**  
AVP – Legal & Secretarial

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**Details Pursuant To Clause 49 Iv (G) (I) Of The Listing Agreement In Respect Of Directors Seeking Appointment/Re-Appointment**

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**Mr. D Uday Kumar Reddy - Chairman & Managing Director**

Mr. D Uday Kumar Reddy, founded Tanla Solutions Ltd., and has served as its Chairman and Managing Director, since 1999.

Uday has been the principal architect of Tanla's leadership, growth, and strategy. Under his leadership, Tanla has matured from a products based solution provider to one of the largest publicly traded Mobile VAS software companies, specializing in wireless data services for mobile messaging and billing.

Over the last decade & a half, Uday has led Tanla to become one of the most successful young IT companies in India having a global presence. His sharp focus towards innovation and an urge to set new milestones in business and technology are the key reasons for the leadership success of the company. He has also been significantly active in the M&A community, and has been leading discussions across the globe regarding potential alliances and M&A opportunities. Mr. D Uday Kumar Reddy does not hold any other directorships or memberships in any committees of any other public companies.

Mr. D Uday Kumar Reddy holds an MBA from University of Manchester, United Kingdom.

**Mr. Gautam Sabharwal - Director – Global Business Development**

Mr. Gautam Sabharwal, Director - Global Business Development, joined Tanla in 2004. Prior to this, he founded Techserve which merged with Tanla in 2004. His vast experience includes several years of running successful business in the telecom services markets of Europe and long-term strategy planning along with knowledge of the core business.

He holds Masters Degree in Management from Westminster Business School, United Kingdom.