



To,  
The Manager,  
Listing Department,  
NSE Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai- 400051.

To,  
The Manager,  
Department of Corporate Relations,  
BSE Limited, PJ Towers,  
Dalal Street, Fort  
Mumbai- 400001.

Dear Sir,  
Sub: Notice of Annual General Meeting  
Scrip Code: 532521 : NSE: PALREDTEC

Please find herewith enclosed, Notice of 17<sup>th</sup> Annual General Meeting of Palred Technologies Limited. The same has been placed on the website of the Company [www.palred.com](http://www.palred.com).

for Palred Technologies Limited,

N Archana Sastry  
Company Secretary

Date: 08.09.2016  
Place: Hyderabad

**PALRED TECHNOLOGIES LIMITED**

(FORMERLY KNOWN AS FOUR SOFT LIMITED)

CIN NO. : L72200AP1990PLC033131

Plot No. 2, 8-2-703/2/B, Road No. 12, Banjara Hills, Hyderabad - 500 034.

Telefax: + 91 40 66384915, 66384916 | Website : [www.palred.com](http://www.palred.com)

## Notice to the 17<sup>th</sup> Annual General Meeting

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of members of Palred Technologies Limited will be held on Friday, September 30, 2016 at 9.00 A.M. at the Registered Office of the Company at Plot No: 2, H.No: 8-2-703/2/B, Road No: 12, Banjara Hills, Hyderabad Telangana – 500 034 to transact the following business:

### ORDINARY BUSINESS:

#### **Item No: 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 reports of the Board of Directors and Auditors thereon.

#### **Item No: 2 – Appointment of Auditors:**

To Re-appoint Statutory Auditors of the Company and to fix their remuneration and to pass the following Resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 including any Statutory re-enactment thereof for the time being in force and pursuant to recommendation of the Audit Committee of the Board of Directors, M/s Walker Chandiook & Co LLP, Chartered Accountants, Hyderabad (Firm Registration No: 001076N/N500013) be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM), and the Board of Directors be and is hereby authorised to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditors.”

### SPECIAL BUSINESS:

#### **Item No: 3 -**

#### **PALRED EMPLOYEE STOCK OPTION SCHEME-2016:**

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

“RESOLVED THAT in modification to Resolution No: 8 passed at the Annual General Meeting held on 27th November, 2013 and pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI (SBEB) Regulations” and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Nomination and Remuneration Committee of the Board herein after referred to as “the Committee”) approval of the members be and is hereby accorded to the Board/Committee of Directors to grant, offer and issue, in one or more tranches, to such permanent employees (including joining employees) of the Company whether working in

India or out of India and directors of the company whether whole-time directors or otherwise excluding Independent Directors (hereinafter collectively referred as the “Employees”) who are eligible to participate as per the Regulations and as may be decided by the Board/Committee, under a plan titled “PALRED- ESOP Scheme 2016” (hereinafter referred to as “the Scheme”) the salient features of which are detailed in the explanatory statement, such number of options which could rise to the issue of equity shares of the Company not exceeding 4,00,000 equity shares at such price and on such terms and conditions as may be determined by the Board/Committee in accordance with the ESOP Guidelines or any other applicable provisions as may be prevailing at that time, if any”

“RESOLVED FURTHER THAT the options or equity shares shall be allotted in accordance with the Scheme to a Trust formed for this purpose.”

“RESOLVED FURTHER THAT the Board and/ Committee be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme on such terms and conditions as contained in the Explanatory Statement to this item in the notice and to make any modification(s), change(s), variation(s), alternation(s) or revision(s) in the terms and conditions of Scheme from time to time including but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the Plan.”

“RESOLVED FURTHER THAT any new equity shares to be issued and allotted as aforesaid shall rank pari-passu inter se with the then existing equity shares of the Company in all respects including payment of dividend.”

“RESOLVED FURTHER THAT in case Palred Technologies Limited’s equity share capital or its valuation is affected due to any corporate action like issue of bonus shares/rights issue, stock split, merger, restructuring or any such event happening subsequent to the grant of option, the Board / Committee shall have the discretion to make appropriate amendments to the scheme, including changes in the number of options, the Exercise Price or floating a new Scheme / extending the applications of the existing scheme or any other fair and just mechanism including acceleration of Option, if deemed necessary, in accordance with Law, as deems fit, while striving to ensure that the rights of the employees are not adversely affected.”

“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 “PALRED-ESOP Scheme 2016”.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under “PALRED- ESOP Scheme 2016” on the Stock Exchanges where the shares of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Guidelines and other applicable laws and regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper

including to appoint Merchant Bankers, Solicitors, Registrars and other advisors, Consultants or Representatives, being incidental to the effective implementation and administration of PALRED-ESOP Scheme 2016” and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or 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.”

“RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this resolution.”

**ITEM NO: 4**

**PALRED EMPLOYEE STOCK OPTION SCHEME-2016 TO THE EMPLOYEES OF SUBSIDIARY COMPANIES:**

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

“RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI (SBEB) Regulations” and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Nomination and Remuneration Committee of the Board herein after referred to as “the Committee”) approval of the members be and is hereby accorded to the Board/Committee of Directors to extend the benefits of the “ PALRED- ESOP Scheme 2016” referred to in the resolution under item No. 3 in this Notice and duly passed at this meeting, also to such permanent employees (including joining employees) of the subsidiary companies including step down subsidiary companies whether working in India or out of India and directors of the company whether whole-time directors or otherwise excluding Independent Directors, as may be decided by the Board and / or Committee or such other persons, as may from time to time, be allowed under prevailing laws and regulations on such terms and conditions at such price as may be decided by the Board and/or Committee”.

“RESOLVED FURTHER THAT in case Palred Technologies Limited's equity share capital or its valuation is affected due to any corporate action like issue of bonus shares/rights issue, stock split, merger, restructuring or any such event happening subsequent to the Grant of option, the Board / Committee shall have the discretion to make appropriate amendments to the scheme, including changes in the number of options, the Exercise Price or floating a new Scheme / extending the applications of the existing scheme or any other fair and just mechanism including acceleration of Option, if deemed necessary, in accordance with Law, as deems fit, while striving to ensure that the rights of the employees are not adversely affected”.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the Members 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.”

**ITEM NO: 5:**

**ALLOTMENT OF EQUITY SHARES EXCEEDING 1% OF THE PAID UP CAPITAL OF THE COMPANY UNDER ESOP SCHEME – 2016:**

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

“RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made there under or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Nomination and Remuneration Committee of the Board) approval of the members be and is hereby accorded to the Board/Committee of Directors to grant, offer and issue of options or equity shares equal to or exceeding 1% of the paid up capital (including outstanding warrants and conversions) of the Company, in one or more tranches, the benefits of the Employees Stock Option Scheme-2016 referred to in the Resolutions under item nos. 3 and 4 in this notice and duly passed at this meeting, to such key permanent employees (including joining employees) of the Company as may be identified by the Committee for their outstanding performance / contribution at the time of grant of options whether working in India or out of India and Directors of the company whether whole-time directors or otherwise (hereinafter collectively as the “Employees”), options exercisable by the Employees under a plan titled “PALRED- ESOP Scheme 2016”, as may from time to time, be allowed under prevailing laws and regulations on such terms and conditions as may be decided by the Board the salient features of which are detailed in the explanatory statement.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the Members 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.”

**by order of the Board of Directors  
for Palred Technologies Limited**

Sd/-

Place: Hyderabad  
Date: September 2, 2016

**N Archana Sastry**  
Company Secretary

**NOTES:**

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not exceeding 50 members and holding in aggregate not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder.

1. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
2. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting (on or before September 28, 2016, 09.00 AM. 1ST). A proxy form for the AGM is enclosed.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. 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.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
7. 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 AGM.
8. 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 AGM.
9. The Register of Members and Share Transfer Books will remain closed on 24 September 2016 to 30 September 2016 for the purpose of AGM.
10. Members whose shareholding is in electronic mode are requested to direct change of address notification and update savings bank account details to their respective Depository Participant(s).
11. Members are requested to address all correspondence, including-dividend and Capital Reduction related correspondence, to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032.
12. Members wishing to claim dividends, which has remained unclaimed, are requested to correspond with Registrar and Share Transfer Agents, Company Secretary, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), be transferred to the Investor Education and Protection Fund.
13. With a view to using natural resources responsibly, we request shareholders to update their email address with their Depository Participants to enable the Company to send communications electronically.
14. The Annual Report 2015-16, the Notice of the 17th AGM and instructions for e-voting, along with the Attendance slip and Proxy form, are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
15. Members may also note that the Notice of the 17th AGM and the Annual Report 2015-16 will be available on the Company's website, [www.palred.com](http://www.palred.com). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [company@palred.com](mailto:company@palred.com).
16. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Karvy Computershare Private Limited., Share Transfer Agents of the Company for their doing the needful.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032.

18. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
19. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
20. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment, Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited. The facility for voting through ballot paper Karvy Computer Share Private Limited will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are as hereunder.

**Instructions for Remote e-Voting**

**1. Voting through electronic means**

Pursuant to Section 108 of the Companies Act, 2013, Rule read Rule 20 of Companies (Management and Administration) Rules, 2014 substituted by of Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 23, 2016, i.e. (Cut off Date) are entitled to vote on the Resolutions set forth in this Notice. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote evoting for AGM.

The e-voting facility will be available during the following period

Commencement of e-voting	End of e-voting
September 27, 2016 at 09.00 AM	September 29, 2016 at 05.00 PM

Please read the instructions printed below before exercising your vote:

**Procedure for remote e-voting**

- I. The instructions for remote e-voting are as under:
  - (a) In case of Members receiving an e-mail from Karvy:
    - (i) Launch an internet browser and open <https://evoting.karvy.com>
    - (ii) Enter the login credentials (i.e. User ID and password). The Event No. Folio No. or DP ID- Client ID will be your User

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 the above details click on - Login.
- (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to 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. You need to login again with the new credentials.
- (v) On successful login, the system will prompt you to select the E-Voting Event
- (vi) Select the EVENT of Palred Technologies Limited and click on - Submit .
- (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [scrutinizer@snaco.net](mailto:scrutinizer@snaco.net). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

- (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip
- (I) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVENT (E-Voting Event Number)	USER ID	PASS- WORD

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.

- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on Friday, 23<sup>rd</sup> September, 2016. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at 9.00 a.m. on September 27, 2016 and will end at 5.00 p.m. on, September 29, 2016. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.
- VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- VII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- VIII. Members who have acquired shares after the despatch of the Annual Report and before cut-off date (i.e. September 23, 2016), he/she may obtain the User ID in the manner mentioned below:
- (a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send
- (b) If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “forgot password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- (c) Member may call Karvy’s toll free number 1-800-3454-001
- (d) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com)
- IX) Mr. Sarveshwara Reddy, Practicing Company Secretary [MembershipNo.12611] has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- X) The Results and consolidated Scrutinizer’s Report shall be declared not later than 3 days after the conclusion of the AGM. The Results declared alongwith the consolidated Scrutinizer’s Report shall be placed on the Company’s website: [www.palred.com](http://www.palred.com) and on the website of Karvy immediately after the result is declared by the Chairman and the same shall be simultaneously communicated to the BSE Limited and National Stock Exchange of India Limited.
- XI) The resolutions shall be deemed to be passed on the date of the annual general meeting, subject to receipt of sufficient votes.

SMS :	MYEPWD <space> Event number + Folio No. or DP ID Client ID to 9212993399
Example for NSDL :	MYEPWD <SPACE> IN12345612345678
Example for CDSL :	MYEPWD <SPACE> 1402345612345678
Example for Physical :	MYEPWD <SPACE> XXX1234567

**EXPLANATORY STATEMENT**

[Pursuant to Section 102 of the Companies Act, 2013]

**Item No: 3-5:**

The main objective of this scheme is to give employees who are performing well, a certain minimum opportunity to gain from the Company's performance, thereby acting as a retention tool and to attract best talent available in the market.

PALRED Employees Stock Option Scheme 2016 ('ESOP 2016' or 'the Scheme') will be administered by the Board/Nomination and Remuneration Committee ("Committee") of the Board in terms of the SEBI (Share Based Employee Benefit) Regulations, 2014.

The Board of Directors ('the Board') has identified the need to reward the Employees and the Directors (including the whole-time and Non-Executive Directors but excluding Independent Directors) of your Company and its subsidiaries so as to enable them to participate in the future growth and financial success of your Company and has proposed to offer the eligible Employees an option to acquire the equity shares of your Company under PALRED Employees Stock Option Scheme 2016. Further fresh Equity Shares are proposed to be issued under ESOP 2016 by the Company and the Scheme will be managed directly by the Nomination and Remuneration Committee.

The complete disclosures for the same are given in this explanatory statement. The Board has accordingly decided to seek the approval of the Members for the same.

The salient features of PALRED ESOP SCHEME 2016 are as under:

<b>Total number of options to be granted</b>	Not exceeding 4,00,000 (Four Lakh) options would be available for grant to the eligible employees of the Company and eligible employees of the subsidiary company(ies) in aggregate under PALRED- ESOP Scheme 2016", in one or more tranches exercisable in to 4,00,000 equity shares.
<b>Identification of Classes of Employees entitled to participate in ESOP</b>	Eligibility for grant of options: (i) Permanent Employees of the Company / its subsidiaries (ii) Directors of the Company / its subsidiaries <b>Employees not eligible for grant of options:</b> i. An employee who is a promoter or belongs to the promoter group ii. A director who either by himself or through his relative or through anybody corporate, directly or indirectly holds more than 10 per cent of the outstanding equity shares of the Company at the time of granting of option iii. Independent Directors
<b>Transferability of Employees Stock Options</b>	The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option guarantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees with in the period as may be prescribed under PALRED ESOPS cheme 2016.
<b>Requirement of Vesting and Period of Vesting</b>	The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. There shall be a minimum period of one year between the date of grant of options and vesting of options. The maximum vesting period shall not exceed five years. The vesting shall happen in one or more tranches as may be decided by the Board. Vested options lapse 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 regrant such lapsed/cancelled options as per the provisions of PALRED - ESOP Scheme 2016. In the event of death of an employee or if he suffers permanent incapacity while in employment, all the options granted to him till the date of death or permanent incapacity, as the case may be, shall vest with his legal heirs / in him on that date.
<b>Maximum period within which the options shall be vested</b>	The maximum period within which the options shall be vested would be five years from the date of grant.
<b>Exercise Price or Pricing Formula</b>	"Exercise Price" means the price determined by the Nomination and Remuneration Committee from time to time at which the eligible Employees shall be authorized to exercise their Options. The Exercise price per Option shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option, which may be decided by the Committee. The Committee can give cashless exercise of Options, if required, to the employees and shall provide necessary procedures and/or mechanism for exercising such Options subject to applicable laws, rules and regulations.

<b>Exercise Period and Process of Exercise</b>	The exercise period shall commence from the date of vesting and will expire not earlier than 5 years from the date of vesting of Options, i.e. where the options are vested in tranches, the 'date of vesting' referred to hereinabove, would be with reference to the actual vesting of the options at each tranche / phase or instalment of vesting. The options would be exercisable by submitting the requisite application form / exercise notice to the Company or such other person as the Company may prescribe, subject to conditions for payment of Exercise Price in the manner prescribed by the Board and/or Committee. All the participants in the Scheme shall deliver a written notice of exercise, in the prescribed form, to the Board and/or Committee on or before the expiry of the exercise period.
<b>Appraisal Process for determining the eligibility of employees for the Scheme</b>	The appraisal process for determining the eligibility of the employee will be specified by the Board and will be based on any or all of the following criteria: <ul style="list-style-type: none"> <li>• Performance of the employee</li> <li>• Position and responsibility of the employee</li> <li>• Present grade and compensation structure of the employee</li> <li>• Exceptional contribution made by the employee</li> <li>• Integrity and behaviour of the employee</li> <li>• Such other parameters as may be decided by the Board</li> <li>• The committee may at its discretion extend the benefits of the ESOP to a new entrant or any existing employee on such other basis as it may deem fit.</li> </ul>
<b>Maximum number of Options / Quantum of benefits to be issued per employee and in aggregate</b>	The maximum number of options granted to any one employee/director in a year will be determined by Company in terms of resolution passed by the Shareholders according granting of Options/allotment of Equity Shares to any employee, which may exceed 1% of Paid up Capital of the Company. The aggregate of all such grants, as reduced by options lapsed, cancelled, forfeited or surrendered, shall not exceed 4,00,000 options convertible in to equivalent number of equity shares of Rs. 10/- each.
<b>Confirmation with the Accounting Policies</b>	The Company shall confirm to the Accounting Policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the 'Guidance Note on Accounting for employee share based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein or applicable Accounting Standard as may be prescribed by the ICAI from time to time.
<b>The method the Company shall use to value the options</b>	The company shall follow the intrinsic value method to value the options. The difference between the employee compensation cost computed based on intrinsic value and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Director's Report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Director's Report.

The equity shares allotted pursuant to the exercise of the Options shall be listed on the Stock Exchanges where Company's Equity Shares are listed and necessary applications will be made to those Stock Exchange(s) in this behalf.

Members may further note that the Company has at the Annual General Meeting held on 27th November, 2013, reserved 20,00,000 (Twenty Lak Equity Shares) for new Management of the Company) pursuant to slae of Business. This resolution is necessitated, keeping in view the requirements of SEBI (Share Based Employee Benefit) Regulations and Corporate Actions of Capital Reduction and Consolidation of Equity Share Capital of the the Company.

As per Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulations'), any Employees Stock Option Scheme must be approved by way of a Special Resolution. Further as the Scheme will entail further shares to be offered to persons other than existing Members of your Company, consent of the Members is required for issue of the equity shares and / or instruments entitling the holder to subscribe to or purchase equity shares, in terms of the provisions of Section 62(1)(b) of the Companies Act, 2013. Accordingly the resolution set out at Item No. 3 of the Notice convening the Meeting is being placed for approval of the Members.

Regulation 6(3) (c) of the Regulations requires that a separate resolution is required to be passed if the benefits of the Scheme are to be extended to (a) eligible employees of the subsidiary companies. And (b) allotment of Shares to any employee Exceeding 1% of Paid up Capital of the Company. Accordingly the resolutions set out at Item Nos. 4 and 5 of the Notice convening the Meeting are being placed for approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions, except to the extent of their shareholding in the Company and to the extent of the options / shares that may be offered to them, if any, under the Scheme.

**by order of the Board of Directors  
for Palred Technologies Limited**

Sd/-

**N Archana Sastry  
Company Secretary**

Place: Hyderabad  
Date: September 2, 2016





Attendance Slip



**PALRED TECHNOLOGIES LIMITED**

CIN: L72200AP1999PLC033131  
 Plot No. 2, 8-2-703/2/B, Road Number 12, Banjara Hills,  
 Hyderabad, Telangana – 500034. Tel: 91-40-66384916, Fax: 91-40-66384915  
 E-mail: company@palred.com Website: www.palred.com

17th Annual General Meeting - 2016. <b>(Please present this slip at the Meeting venue)</b> Registered Folio No:	
Number of shares held	

I hereby certify that I am a member/proxy/authorised Representative of the Company

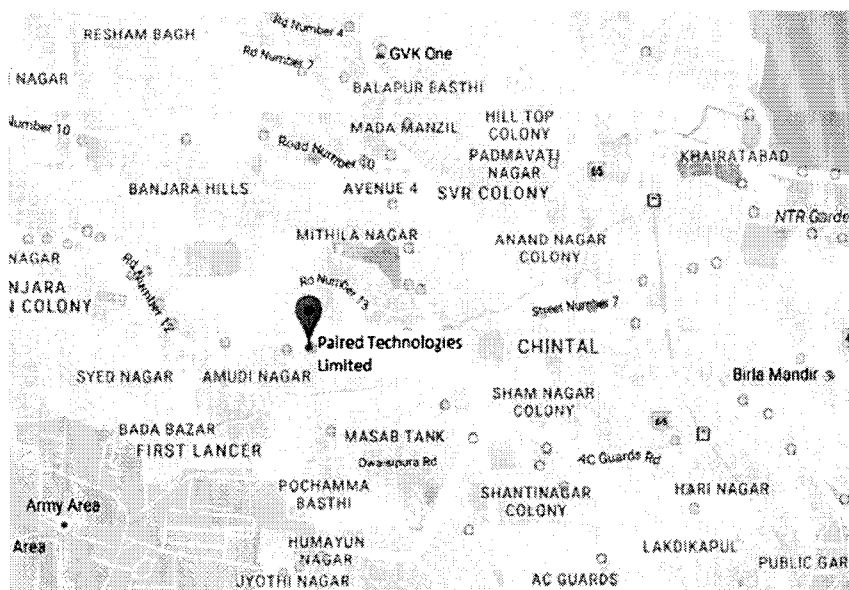
I hereby record my presence at the 17th Annual General Meeting of the members of the company to be held on on Friday, September 30, 2016 at 9.00 A.M. at the Registered Office of the Company at Plot No: 2, H.No: 8-2-703/2/B, Road No: 12, Banjara Hills, Hyderabad Telangana – 500 034 and at any adjourned meeting thereof.

Shareholders/Proxy's full name \_\_\_\_\_  
 (In block letters)

Shareholders/Proxy's Signature \_\_\_\_\_

**Note:** Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring the copies of the Annual Report to the AGM.

**ROUTE MAP TO VENUE OF AGM**





Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (management and Administration) Rules, 2014 - Form No: MGT- 11]



PALRED TECHNOLOGIES LIMITED

CIN: L72200AP1999PLC033131

Plot No. 2, 8-2-703/2/B, Road Number 12, Banjara Hills, Hyderabad, Telangana - 500034. Tel: 91-40-66384916, Fax: 91-40-66384915 E-mail: company@palred.com Website: www.palred.com

Table with 2 columns: Field Name, Value. Fields include Name of Member(s), Registered Address, Email, Folio no: / Client ID, DP ID.

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

Name : ..... Email.....

Address.....

.....Signature:.....

or failing him/her

Name : ..... Email.....

Address.....

.....Signature:.....

or failing him/her

Name : ..... Email.....

Address.....

.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, September 30, 2016 at 9.00 A.M. at the Registered Office of the Company at Plot No: 2, H.No: 8-2-703/2/B, Road No: 12, Banjara Hills, Hyderabad Telangana - 500 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Table with 2 columns: Resolution No., Resolution. Rows include Ordinary Business (ADOPTION OF FINANCIAL STATEMENTS, APPOINTMENT OF AUDITORS) and Special Business (PALRED EMPLOYEE STOCK OPTION SCHEME-2016, etc.).

Signed this.....day of.....2016

Affix Revenue Stamp of not less than Re. 1/-

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the