

# RAMCO SYSTEMS LIMITED

(CIN: L72300TN1997PLC037550)

REGISTERED OFFICE: 47, P.S.K NAGAR, RAJAPALAYAM - 626 108.

CORPORATE OFFICE: 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113.

TEL: +91 44 2235 4510 / 3090 4000; WEBSITE: www.ramco.com

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## POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

**Dear Member(s),**

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013 (the "Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014, that the draft resolutions set out below are proposed to be passed by postal ballot.

Accordingly, the draft resolutions and the explanatory statement pursuant to Section 102 of the Act are being sent along with a Postal Ballot Form, to all the members physically and, in addition, through e-mail to all members who has a registered e-mail ID, for consideration and consent.

The members are requested to carefully read the instructions given in the Notice and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed postage pre-paid envelope, so as to reach the scrutinizer at the corporate office of the Company on or before the close of working hours on 10<sup>th</sup> September 2014. Ballots received after the close of working hours on 10<sup>th</sup> September 2014 will not be counted as valid.

As required under the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act and the rules as applicable in that regard and Clause 35B of the Listing Agreement, the Company is providing e-voting facility as an alternative to sending the physical Postal Ballot Form and has engaged the services of Central Depository Services (India) Limited to provide the e-voting facility. Accordingly, instead of returning Postal Ballot Form, members may choose to cast their vote electronically through the CDSL e-voting platform. Instructions on e-voting are enumerated as part of the Notice. Members opting for e-voting are requested to cast their vote before 6.00 PM on 10<sup>th</sup> September 2014 as CDSL will disable e-voting on the resolutions thereafter.

The Board of Directors has appointed Shri.K.Srinivasan, Chartered Accountant (Membership No: 21510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants to act as the scrutinizer for conducting the postal ballot process, in a fair and transparent manner.

The scrutinizer will submit his report after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on 12<sup>th</sup> September 2014 at the Corporate Office of the Company.

### BUSINESSES:

1. To consider and, if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION:

**RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "**Companies Act**") and rules made thereunder, to the extent notified and in effect, the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**ICDR Regulations**") or any other competent authority, whether in India or abroad, from time to time, to the extent applicable including the enabling provisions of the listing agreements entered into with the stock exchanges on which the Company's equity shares are listed (the "**Listing Agreements**"), the Memorandum and Articles of Association of Ramco Systems Limited (the "**Company**") and subject to approvals, consents, permissions and sanctions as might be required and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the Board is hereby authorised to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green

shoe option, in one or more tranches, in the course of domestic and/or international offering(s) in one or more foreign markets and/or domestic market, by way of a further public issue, qualified institutions placement, private placement or a combination thereof, such number of Equity Shares of the Company (the “**Equity Shares**”) or the Global Depository Receipts (“**GDRs**”), the American Depository Receipts (“**ADRs**”), the Foreign Currency Convertible Bonds (“**FCCBs**”), fully convertible debentures/partly convertible debentures and/or any other financial instruments or securities convertible into Equity Shares with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as the “**Securities**”) or any combination of such Securities, to all eligible investors, including residents and/or non-residents and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or any other category of investors, and whether or not such investors are members of the Company (collectively the “**Investors**”), through one or more prospectus or letter of offer or placement document or offering circular or offer document, at such time or times, at such price or prices, at market price(s) or at a discount or premium to market price(s) in terms of applicable regulations, aggregating up to Rs. 5,000 million or equivalent thereof, and on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, at the Board’s discretion including the discretion to determine the category of Investors to whom the offer, issue and allotment of Securities shall be made, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Company, and where necessary in consultation with the book running lead managers and/or underwriters and/or stabilizing agent and/or other advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities.

**RESOLVED FURTHER THAT** in case of a qualified institutions placement pursuant to Chapter VIII of the ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board) shall only be to Qualified Institutional Buyers (QIB) within the meaning of Chapter VIII of the ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

**RESOLVED FURTHER THAT** in the event the Securities are issued to QIBs under Chapter VIII of the ICDR Regulations, the Relevant Date for determination of the price of the Securities to be issued to QIBs shall be the date of the Meeting in which the Board of Directors of the Company or the Committee of Directors duly authorised by the Board of Directors of the Company, decide to open the Issue.

**RESOLVED FURTHER THAT** in the event that Securities which are convertible into Equity Shares of the Company are issued to QIBs under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of such Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities or the date on which the holders of such Securities become entitled to apply for the Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations.

**RESOLVED FURTHER THAT** in the event the Securities are proposed to be issued as ADRs or GDRs or FCCBs, pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Securities to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorised committee of directors decides to open such issue.

**RESOLVED FURTHER THAT** the issue to the holders of the Securities, which are convertible into Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

- (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tan to;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which they are offered to the existing shareholders;

- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other Securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

**RESOLVED FURTHER THAT** the Equity Shares to be issued and allotted in terms of this Resolution, shall rank pari-passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Equity Shares and/or other Securities convertible into Equity Shares shall be listed with the Stock Exchanges, where the existing Equity Shares of the Company are listed and, at the discretion of the Board, at one or more Stock Exchanges outside India.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets and the Board be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board in consultation with the Merchant Banker(s), Advisors and/or other intermediaries as may be appointed by the Company in relation to the Issue, be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and allotment of the aforesaid Securities and listing thereof with the Stock Exchanges and to resolve and settle all questions and difficulties that may arise in the Issue, offer and allotment of any of the Securities, including finalization of the timing of the Issue/offering(s), identification of the Investors to whom Securities are to be offered, utilization of the Issue proceeds and to agree to such conditions or modifications that may be imposed by SEBI, RBI, Stock Exchanges, FIPB or other authorities while granting the requisite approvals or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

2. To consider and, if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION:

**RESOLVED THAT** pursuant to the provisions of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended and all other applicable rules, regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any concerned authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (herein after referred to as the "Board", which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute for exercising the powers conferred by the Board of Directors), consent of the members be and is hereby accorded to the Board of Directors of the Company to permit Foreign Portfolio Investors registered with SEBI (FPI) to acquire and hold on their own account and on behalf of each of their sub-accounts registered with SEBI, Equity Shares and/or Securities convertible into Equity Shares up to an aggregate limit of 49% of the paid up capital of the Company at any point in time, provided however that the equity shareholding of each FPI shall not exceed such limits as may be prescribed, from time to time, under applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Director(s) or officer(s) of the Company.

3. To consider and, if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION:

**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, and the rules framed thereunder and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Regulations / Guidelines prescribed by SEBI or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be required, the Board (which term shall deem to include "Compensation Committee" or any "Sub Committee" thereof, constituted by the Board to exercise its powers, including the powers conferred by this resolution) be and is hereby authorised, to grant from time to time, in one or more tranches, options to apply for Equity Shares of the face value of Rs.10 each, of the Company to or for the benefit of the employees of the Company and /or its Subsidiaries as may be determined by the Board under a Scheme titled "EMPLOYEES STOCK OPTION SCHEME 2014 (hereinafter referred to as "ESOS 2014") to be evolved in this regard, and consequently create, issue, offer, allocate and allot at any time and from time to time, equity shares not exceeding 10,00,000 (Ten Lakhs only) of Rs.10/- each in terms of such options. The options and the consequential issue, offer, allocation and allotment of shares shall be at such price including at a discount to the market price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may decide from time to time. The Board may fix such price including at a discount to the market price, terms and conditions and criteria for grant of option, in respect of each tranche of options granted.

**RESOLVED FURTHER THAT** the non-executive directors of the Company, excluding independent directors, be granted up to a maximum of 2,00,000 stock options per annum and up to a maximum of 4,00,000 stock options in the aggregate under ESOS 2014.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division and others, if any additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 10,00,000 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

**RESOLVED FURTHER THAT** to the extent permitted as per the existing provisions of law in this regard all/any equity shares resulting from the conversion of the options to be allotted as an outcome of the above mentioned resolution shall, upon allotment, rank pari passu in all respects inter-se as also with the then existing Equity Shares including dividend entitlement.

**RESOLVED FURTHER THAT** the Board of the Company be and is hereby authorized to determine all the terms and conditions for the purpose of giving effect to any offer, issue or allotment of Equity Shares under ESOS 2014, and further do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard to such issue(s) or allotment(s) including to amend or modify any of the terms of such issue(s) or allotment(s).

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for listing of the shares allotted under Employees Stock Option Scheme on one or more recognized Stock Exchanges, in India or abroad, where the Company's shares are listed, as per the terms and conditions of the Listing Agreement with the Stock Exchanges concerned, and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing.

4. To consider and, if thought fit, to pass the following Resolution as a SPECIAL RESOLUTION:

**"RESOLVED THAT** the benefits of ESOS 2014, as contained in resolution No. 3 of this Notice, be extended to the employees of the Subsidiary Companies of the Company on the terms and conditions as may be determined by the Board in accordance with Resolution No.3."

By Order of the Board  
For **RAMCO SYSTEMS LIMITED**

Rajapalayam  
27.07.14

**P.R.RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN

## NOTES:

1. Voting period commences on 11<sup>th</sup> August 2014 and ends on 10<sup>th</sup> September 2014 for the members exercising their voting either by Postal Ballot Form or through e-voting.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of the Special Business is annexed hereto.
3. The members whose name is appearing in the Register of Members/ Record of depositories as on 1<sup>st</sup> August 2014 (cut off date) will only be considered for voting. Each share carries a vote.
4. Postal Ballot Form and self addressed business envelope are enclosed for use by the members.
5. As required under the provisions of Sections 108, 110 and other applicable provisions, if any, of the Act and the rules as applicable in that regard and Clause 35B of the Listing Agreement, the Company has engaged the services of Central Depository Services (India) Limited to provide e-voting facility to the Members of the Company. Members have the option either to vote through e-voting process or through Postal Ballot Form. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting through postal ballot mode shall be treated as invalid.
6. A member is not entitled to appoint a proxy to vote in his/her behalf by postal ballot.
7. Instructions for e-voting and voting through Postal Ballot are given below:
  - a. Instructions for Voting through Postal Ballot:
    - (i) A member desiring to exercise vote by postal ballot may complete the enclosed Postal Ballot Form and send it to the company in the attached self-addressed envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted.
    - (ii) The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the company.
    - (iii) The Postal Ballot Form should be completed and signed by the shareholder. In case of joint holding, the Form should be completed and signed (as per the specimen signature registered with the company) by the first named shareholder and in his absence, by the next named shareholder.
    - (iv) Unsigned Postal Ballot Form will be rejected. Postal Ballot Forms which are incomplete or unsigned or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
    - (v) Duly completed Postal Ballot Form should reach the company not later than the close of working hours on Wednesday the 10<sup>th</sup> September, 2014. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
    - (vi) In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant board resolution / appropriate authorisation, with the specimen signature(s) of the authorised signatory (ies) duly attested.
    - (vii) Members are requested not to send any other paper along with the Postal Ballot Form. Any extraneous paper found in such envelope will be destroyed by the Scrutinizer.
  - b. Instructions for e-voting:
    - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - (ii) Click on "Shareholders" tab.
    - (iii) Select "RAMCO SYSTEMS LIMITED" from the drop down menu and click on "SUBMIT"
    - (iv) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and Click on Login).
    - (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given in points (vi) and (vii).
    - (vi) Fill up the following details in the appropriate boxes:

<b>Both for Members holding shares in Demat and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (Sequence number has been provided as Serial number in the address label) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository and company please enter the member id / folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for Ramco Systems Limited.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

c. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

d. The e-voting period commences on 11<sup>th</sup> August, 2014 (9:00 am) and ends on 10<sup>th</sup> September, 2014 (6:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 1<sup>st</sup> August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

By Order of the Board  
**For RAMCO SYSTEMS LIMITED**

Rajapalayam  
27.07.14

**P.R.RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No 1**

The Company had recently concluded a Rights Issue of equity shares to an extent of Rs. 1233.54 million which has been utilized for the purposes mentioned in the Offer document, which inter-alia include retirement of debt to the tune of Rs.945 million. This has resulted in significant savings in Interest cost. To further support the growth plans and the marketing and brand-building initiatives, to garner and augment long term resources for meeting the fund requirements of the Company and its subsidiaries for long term working capital as well as for capital expenditure, investment in joint ventures / wholly owned subsidiaries in India or abroad, and for general corporate expenditure, the Company is proposing to raise funds by issue of Securities as specified in the Resolution, whether denominated in any foreign currency or Indian Rupees, in the course of international and/ or domestic offering(s) in one or more foreign markets/ domestic market, in registered or bearer form, as the case may be, and such issue and allotment may be made in one or more tranches, on such terms and conditions and at such time that the Board may, in its absolute discretion, deem fit and appropriate at the time of such issue or allotment of Securities.

The Company for the purpose of this issue/offering may have to seek approval from relevant regulatory authorities being; the SEBI, the RBI, FIPB, Ministry of Finance (Department of Economic Affairs) and/ or any other ministry/ department of the Government of India (GOI).

The pricing of Securities/Equity Shares to be issued upon exercise of the option of conversion of the Securities will be as per the pricing formula as prescribed under applicable laws including the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, the circulars issued by the Ministry of Finance (Department of Economic Affairs), the terms of the offering and terms of other applicable statutes / regulations.

The conversion of Securities held by the foreign investors into Equity Shares of the Company shall be subject to applicable sectoral foreign investment cap, if any. Securities/Equity Shares to be issued upon exercise of the option of conversion of the Securities, as per the applicable laws, may be listed on stock exchanges outside India and/ or stock exchanges in India where equity shares of the Company are listed for the time being. The said resolution is also an enabling resolution conferring authority on the Board to do all acts and deeds, which may be required to issue/offer Securities of appropriate nature at such appropriate time, including the size, structure, price and timing of the issue(s)/offer(s) at the appropriate time(s). The detailed terms and conditions of the domestic/international offering will be determined in consultation with the lead managers, merchant bankers, global business coordinators, book runners, guarantors, consultants, advisors, underwriters and/or such other intermediaries as may be appointed for the Issue/offer.

Section 62(1)(a) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing shareholders of such company in the manner laid down therein unless the shareholders by way of a special resolution in a General Meeting decide otherwise. Since, the proposal may entail issuance of Securities to persons other than Shareholders, consent of the shareholders by way of special Resolution is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and the provisions of the Listing Agreements executed by the Company with the stock exchanges where the Equity Shares of the Company are listed.

Pursuant to Section 102 of Companies Act, 2013, the Board of the Company do and hereby confirm that none of its Directors, Key Managerial Personnel and relatives thereof are interested, financially or otherwise, in the aforesaid resolutions.

**Item No 2**

Under the provisions of Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended, the holding by each FPI shall be below 10% of the total paid-up equity capital and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital. The aggregate limit of 24% may be increased up to the sectoral cap/ ceiling, as applicable, by passing a resolution by its Board of Directors followed by passing of a Special Resolution to that effect by the members. The Company, being in Information Technology sector, no sectoral cap/ ceiling is applicable.

In the proposal of raising further funds as in Item No.1, depending upon the mode of fund raising, FPIs may also buy the Securities of the Company. In view of this, it is proposed to increase the aggregate limit for holding of securities by FPIs to 49% from 24%. At present, FPIs hold Equity Shares amounting to 4.48% of the paid-up capital of the Company.

The members are, therefore, requested to accord their approval, for the purpose of increasing the aggregate limits as set out in the resolution.

Pursuant to Section 102 of Companies Act, 2013, the Board of the Company do and hereby confirm that none of its Directors, Key Managerial Personnel and relatives thereof are interested, financially or otherwise, in the aforesaid resolutions.

#### **Item No 3 & 4**

##### **(A) Present Stock Option Schemes**

The shareholders have, in their General Meetings, vide special resolutions, approved formulation of Equity Stock Option Schemes from time to time, for the benefit of employees and Non promoter Directors of the Company and of the subsidiary Companies and further approved necessary authorizations thereof, as per the details given below

<b>General Meetings</b>	<b>Name of the Stock Option Plan</b>	<b>Maximum Number of Equity Share Options</b>
28 <sup>th</sup> August, 2000	ESOP 2000	1,60,000
9 <sup>th</sup> April, 2003	ESOS 2003	5,00,000
24 <sup>th</sup> December, 2004	ESOS 2004	12,00,000
18 <sup>th</sup> September, 2008	ESOS 2008	12,00,000
5 <sup>th</sup> August, 2009	ESOS 2009 Plan A	5,00,000
5 <sup>th</sup> August, 2009	ESOS 2009 Plan B	7,50,000
29 <sup>th</sup> July, 2013	ESOS 2013	10,00,000
<b>Total</b>		<b>53,10,000</b>

Apart from the above, the members in their meeting held on 24<sup>th</sup> December, 2004 have approved grant of 1,00,000 shares under Employee Stock Purchase Scheme (ESPS 2004).

In terms of the above approvals and in accordance with the Securities Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as SEBI Guidelines), the Company had in consultation with the Merchant Bankers, viz, Indbank Merchant Banking Services Limited, formulated the detailed schemes for ESOP 2000, ESOS 2003, ESOS 2004, ESOS 2008, ESOS 2009 Plan-A and ESOS 2009 Plan-B and the Compensation Committee (CC) of the Board of Directors of the Company have been granting options under the subject schemes from time to time. The Company is in the process of framing detailed scheme for implementing ESOS 2013. The details of each of the above mentioned schemes are being disclosed every year in the Annual Report of the Company.

##### **(B) Proposed Employee Stock Option Scheme, 2014 (ESOS 2014)**

In order to cover further categories of employees and to grant additional stock options to eligible employees and further in order to incentivize and retain the right talent under the current market conditions, it is proposed to formulate fresh stock option schemes with varied conditions of vesting and exercise which are beneficial to the employees. Accordingly, the Company plans to formulate "Employee Stock Option Scheme 2014" (ESOS 2014) with the aggregate shares underlying the stock option scheme as 10,00,000 equity shares of Rs.10/- each

The schemes shall be formulated in accordance with the guidelines laid down under the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, with subsequent amendments thereto and such other laws, as may be applicable in this regard.

The information as required under Clause 6.2 of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 with subsequent amendments thereto, explaining the salient features of the proposed scheme is given below:

##### **BRIEF TERMS AND CONDITIONS OF EMPLOYEE STOCK OPTION SCHEME 2014 (ESOS 2014)**

###### **i) Total Number of options to be granted:**

The Options underlying the grant under the scheme shall not exceed 10,00,000 (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company, as may be applicable from time to time) convertible into one Equity Share of Rs.10 each.

**ii) Identification of classes of employees entitled to participate in the ESOS 2014**

The Scheme shall extend to all the permanent employees on the rolls of the Company and its subsidiaries (present and future) as may be determined by the CC. The scheme shall also extend to new recruits of the Company and its subsidiaries as may be determined by CC from time to time.

The Scheme shall not extend to any Independent Directors, Promoter or those belonging to the Promoter Group or to any Director, who either by himself or through his relatives(s) or through any Body Corporate, directly or indirectly hold more than 10% of the outstanding Equity Shares of the Company.

**iii) Requirements of vesting and period of vesting:**

The continuation of employee in the services of the Company / Subsidiary shall be the primary requirement of the vesting. The CC shall formulate the other requirements of vesting which may inter-alia include efficiency or productivity criteria. The grant of options shall be made as per the ESOS 2014 scheme as framed by the CC. The minimum vesting period of an option under the Scheme shall not be less than a period of 12 months from the date of grant(s) of options and maximum vesting period shall not exceed ten (10) years from date of grant or such period as may be determined by the CC. The share option may vest in tranches subject to the terms and conditions as may be stipulated by the CC. The CC shall have absolute discretion in fixing the vesting period and vesting schedule for each tranche of vesting.

**iv) Exercise price or pricing formula:**

As per SEBI (Employees Stock option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the companies granting option to its employees pursuant to ESOS will have the freedom to determine the exercise price subject to conforming to the accounting policies specified in clause 13.1 of the aforesaid guidelines, which specifies that any option discount to the market price should be accounted for as deferred employee compensation and amortized over the vesting period (Option discount means the excess of the market price of the share as on the date of grant of the option under ESOS over the exercise price of the option).

Subject to the above Clause, the Company has the freedom to price the options. The exercise price in respect of each tranche of the options shall not be less than the face value of the equity shares (which shall be calculated in accordance with the applicable law and if applicable, adjusted from time to time for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company) on the date of grant of option. The CC of the Board of Directors, in its absolute discretion, would fix the exercise price for each tranche of option grant in accordance with the provisions of the SEBI (Employees Stock option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999.

**v) Exercise period and procedure for exercise:**

The options granted under ESOS 2014 shall be exercisable at such times and under such conditions as may be determined by the Compensation Committee from time to time. The options shall become exercisable in part or whole, but within the overall exercise period permitted under the Scheme.

**vi) The appraisal process for determining the eligibility of employees to the ESOS 2014:**

The eligible employees from each of the categories will be determined by the CC. The CC may prescribe different sets of criteria for each of the tranche of options, categories of the eligible employees with respect to the tranches, performance benchmark to be achieved, tenure of service etc.

**vii) Maximum number of options to be issued per employees and in aggregate:**

The maximum number of options granted to any one employee in a year will not equal or exceed 1% of the issued equity share capital of the Company (excluding outstanding warrants and conversions) at the time of granting the Option. However approval of the shareholders by way of separate resolution would be sought in case the Company proposes to grant options to the identified employee(s) exceeding one percent of the Issued Capital of the Company.

**viii) Accounting Policies:**

The Company shall comply with the accounting policies specified in Schedule I referred in Clause 13.1 of the SEBI guidelines, in respect of the Shares issued under ESOS 2014.

**ix) Method of Valuation:**

The Company shall use one of the applicable methods (intrinsic value or fair value) to value its options.

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, 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, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share (EPS) of the Company shall also be disclosed in the Directors Report.

Pursuant to Section 102 of Companies Act, 2013, the Board of the Company do and hereby confirm that none of its Directors, Key Managerial Personnel and relatives thereof are interested, financially or otherwise, in the aforesaid resolutions.

By Order of the Board  
**For RAMCO SYSTEMS LIMITED**

Rajapalayam  
27.07.14

**P.R.RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN

**RAMCO SYSTEMS LIMITED**

(CIN: L72300TN1997PLC037550)

REGISTERED OFFICE: 47, P.S.K NAGAR, RAJAPALAYAM - 626 108.

CORPORATE OFFICE: 64, SARDAR PATEL ROAD, TARAMANI, CHENNAI - 600 113.

TEL: +91 44 2235 4510 / 3090 4000; WEBSITE: www.ramco.com

**ramco****POSTAL BALLOT FORM**

Particulars required	Details
Name(s) of Shareholder(s) (in block letters) (including joint holders, if any)	
Registered address of the sole / first named shareholder	
Registered folio No. (for those holding physical shares)	
DP ID No. and Client ID No (for those holding shares in dematerialised form).	
Number of shares held	

I/We hereby exercise my/our vote in respect of the Special Resolutions to be passed through Postal Ballot for the business stated in the Notice of the Company by sending my/our assent or dissent to the said resolutions by placing the tick (  ) mark at the appropriate box below:

Resolution No	Resolutions	Assent	Dissent
1	Resolution authorising the Board of Directors to create, offer, issue and allot Equity Shares or any other Securities as set out in the Resolution to the tune of up to Rs. 5000 million		
2	Resolution approving the collective Investment limit of Foreign Portfolio Investors beyond 24% and upto 49% of the paid-up capital of the Company as set out in the Resolution		
3	Resolution approving the formulation of new ESOS named Employee Stock Option Scheme 2014 (ESOS 2014) and grant of options to the Employees of the Company to an extent not exceeding 10,00,000 equity shares as set out in the Resolution		
4	Resolution approving grant of options under ESOS 2014 to employees of Subsidiary Companies as set out in the Resolution		

Place : \_\_\_\_\_

Date : \_\_\_\_\_

\_\_\_\_\_  
(Signature of the shareholder)

# Email ID: \_\_\_\_\_

# To be provided by Members holding equity shares in physical form

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