

SHYAM TELECOM LIMITED

Regd. Office: MTS Tower, 3, Amrapali Circle, Vaishali Nagar,
Jaipur 302021, Rajasthan, India
Ph.: 91-141-5100343, Fax: 91-141-5100310
Website: www.shyamtelecom.com
CIN: L32202RJ1992PLC017750

NOTICE OF THE TWENTY FIRST ANNUAL GENERAL MEETING

TIME: 11.00 A.M.

DAY & DATE: Tuesday, 30th September, 2014

VENUE: HOTEL HILTON, PLOT NO. 42, GEEJGARH HOUSE, HAWA SADAK ROAD, JAIPUR-302006 (RAJASTHAN)

Notice is hereby given that the Twenty First Annual General Meeting of the Members of **SHYAMTELECOM LIMITED** will be held at **HOTEL HILTON, PLOT NO. 42, GEEJGARH HOUSE, HAWA SADAK ROAD, JAIPUR-302006 (RAJASTHAN)** on Tuesday, 30th September, 2014, at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and Profit and Loss Account for the period ended on that date together with the Directors' and Auditors' Report thereon and also the Audited Consolidated Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended on that date together with report of Auditors thereon.
2. To appoint a Director in place of Mr. Rajiv Mehrotra, (DIN NO. 00035766) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Ajay Khanna, (DIN NO. 00027549) who retires by rotation and being eligible, offers himself for re-appointment.
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 the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Mehra Goel & Company, Chartered Accountants (Registration No. 000517N), be and are hereby re-appointed as auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the 24th AGM, for the financial year ending 2017 (subject to ratification of the appointment by the members at every AGM held after this AGM) at the remuneration to be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. To approve the appointment and remuneration of Mr. Ajay Khanna (DIN NO. 00027549), as Managing Director of the Company and in this regard 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 196,197,198 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013 and any amendment thereto from time to time and subject to the necessary approvals, the Company hereby approves the appointment and remuneration of Mr. Ajay Khanna (DIN NO.00027549), as Managing Director of the Company for a period of 5 years with effect from 1st May, 2014 to 30th April, 2019 on such terms and conditions as set out below:

SALARY	Rs. 1,00,000/- (Rupees One Lacs Only) per month
MEDICAL REIMBURSEMENT	Medical Expenses incurred by the Managing Director on self and family will be reimbursed subject to the maximum of Rs. 15,000/- (Rupees Fifteen Thousand Only) in a year
CONTRIBUTION TO PF, ETC.	Contribution to the Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company.
LEAVE TRAVEL CONCESSION	For self and the family once a year in accordance with the rules of the Company.
GRATUITY	Gratuity payable as per the rules of the Company.
LEAVE ENCASHMENT	Encashment of leave at the end of the tenure as per the rules of the Company.

“RESOLVED FURTHER THAT in any financial year during the currency of the tenure of the Mr. Ajay Khanna, the Company has no profit or its profits are inadequate, the company will pay the remuneration as per Schedule V of the Companies Act, 2013 for rest of the period as the case may be and in case the company pays in excess of the said limits as specified in the schedules during the stated period then the payment of excess remuneration shall be subject to the approval of appropriate authorities.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as are incidental thereto or as maybe deemed necessary or desirable or to settle any questions or difficulty that may arise in such manner as it may deemed fit including but not limited to the filing of any application to the appropriate authorities as may be necessary and desirable to give effect to this resolution.”

- To approve the appointment of Mr. Achintya Karati (DIN NO. 00024412) as an Independent Director and in this regard 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 149,150,152 read with Schedule IV and any other applicable provisions, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules 2014, and Clause 49 of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force), Mr. Achintya Karati (DIN NO 00024412) Director of the company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from

a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company w.e.f. 1st April, 2014 to 31st March, 2019 whose office shall not be liable to retire by rotation.”

7. To approve the appointment of Mr. Vinod Juneja (DIN NO. 00044311) as an Independent Director and in this regard 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 149, 150, 152 read with Schedule IV and any other applicable provisions, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014, and Clause 49 of the Listing Agreement (including any statutory modification of re-enactment thereof for the time being in force), Mr. Vinod Juneja (DIN NO 00044311) Director of the company who retire by rotation at this Annual General Meeting and in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April, 2014 to 31st March, 2019 whose office shall not be liable to retire by rotation.”

8. To approve the appointment of Mr. C. S. Malhotra (DIN NO. 00276335) as an Independent Director and in their regard 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 149, 150, 152 read with Schedule IV and any other applicable provisions, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014, and Clause 49 of the Listing Agreement (including any statutory modification of re-enactment thereof for the time being in force), Mr. C. S. Malhotra (DIN NO 00276335) Director of the Company who retire by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April, 2014 to 31st March, 2019 whose office shall not be liable to retire by rotation.”

9. To approve the appointment of Mr. Narendra Kumbhat (DIN NO. 00035665) as an Independent Director and in their regard 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 149, 150, 152 read with Schedule IV and any other applicable provisions, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Director) Rules, 2014, and Clause 49 of the Listing Agreement (including any statutory modification of re-enactment thereof for the time being in force), Mr. Narendra Kumbhat (Din no 00035665) Director of the company who retire by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April, 2014 to 31st March, 2019 whose office shall not be liable to retire by rotation.”

10. 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 Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder as read

with Schedule IV to the Act, as amended from time to time and as per Listing Agreement entered into by the Company with the stock exchanges where shares of the Company are listed, Ms. Nishi Sabharwal (holding DIN No.06963293), a non-executive & Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 consecutive years for a term up to the conclusion of 26th Annual General Meeting of the Company i.e in the year 2019 and she is not liable to retire by rotation.”

- 11 To adopt new Article of Associations of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider, and if thought fit, to pass with or without modification(s), the following resolution, as an **SPECIAL RESOLUTION**:

“RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorized to do all act, and take all such steps as may be necessary papers or expedient to give effect to this resolution.”

12. To approve the remuneration of the Cost Auditor for the Financial Year ending 31st March, 2015 and in this regard 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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s K G Goel & Associate, Cost Accountants (Registration No. 000024) appointed by the Board of Directors to conduct the Audit of the Cost records of the company for the financial year ending 31st March, 2015 be paid the remuneration of Rs. 40,000/-.

“RESOLVED FURTHER that the Board of Directors of the company be and is hereby company authorized to do all act, and take all such steps as may be necessary papers or expedient to give effect to this resolution.”

13. To authorise Board to Mortgage/ Create charge on properties of the Company for securing loan and other financial assistance and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED that the consent of the Company be and it is hereby accorded in terms of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company, both present and future, and/ or conferring power to enter upon and to take possession of assets of the Company in certain events, to and in favour of Financial Institutions/ Banks for securing the loan and other financial assistance obtained/ to be obtained by the Company.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the documents for creation of the aforesaid mortgages and/ or charges and to do all such acts and things as may be necessary for giving effect to the above resolution.”

**By Order of the Board of Directors
For Shyam Telecom Limited**

Sd/-

Dharmender Dhingra

Vice President (Legal) & Company Secretary

Place : New Delhi

Dated: 11th August, 2014

Registered Office:

MTS Tower, 3, Amrapali Circle,
Vaishali Nagar, Jaipur-302021
Rajasthan, India

NOTES: -

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

An instrument appointing a proxy should be duly completed, stamped & signed, and must be sent so as to reach the Company's Registered Office not less than 48 hours before the time scheduled for the commencement of the Meeting.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the 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 shareholder.
3. Please bring the Admission Slip duly filled-in and copy of the Annual Report to the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2014 to 30th September, 2014. (Both days inclusive).
5. Members desirous of getting any information from the Company are requested to send their queries to the Company at its Registered Office well in advance so that the same may reach at least 7 days before the date of the Meeting to enable the management to keep the required information, readily available at the Meeting.
6. Corporate Members are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. Members are requested to immediately intimate the change of their address, if any, along with pin-code numbers with the Registered Office of the Company quoting their Folio Numbers and members holding shares in electronic form may inform the same to their Depository Participants.
8. Information U/s 205 read with the Companies Unpaid Dividend (Transfer to General

Revenue Account of the Central Government) Rules 1978, as amended is given below:

- **Pursuant to Section 205 of the Companies Act, 1956**, all unclaimed/unpaid dividends upto the financial year ended 31.03.1996 have been transferred to the General Revenue Account of the Central Government, Shareholders who have not yet encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Rajasthan, Corporate Bhawan, G/6-7 Second Floor, Residency Area, Civil Lines, Jaipur-302001 (RAJ) by submitting an application in the prescribed Form.
- Consequent upon the New Companies Act, under section 205, of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount of dividend for the subsequent years i.e. from financial year ended 31.03.1996 and onwards, remaining un-paid or unclaimed for a period seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund.
(IEPF) set up by the Government of India and no payments shall be made in respect of any such claims.
- The unclaimed/unpaid dividend for the year ended 31.03.2001 has been transferred to the Investor Education and Protection Fund.

9. A brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise, names of Companies in which they hold directorship and membership/Chairmanship of Board Committee, shareholder etc. as stipulated in clause 49 of the Listing Agreement are given in a separate section in Report of Corporate Governance.
10. The Shares of the Company are at present listed on Bombay Stock Exchange and National Stock Exchange. Listing Fees to all the Stock Exchanges had been paid up to 31st March 2014.
11. Explanatory Statement pursuant to Sections 102(I) of the companies Act, 2013 pertaining to Special Business, i.e. Item No. 5 to 13 are annexed herewith.
12. Copy of the Annual Report 2014 is being sent by electronic mode only to all the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report 2014 are being sent by the permitted mode.
13. Members may also note that the Notice of the Twenty first Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.shyamtelecom.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office for inspection between 11.00 A.M. to 1.00 P.M. on any working day up to the date of the Meeting. 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 investor email id: compoficer@shyamtelecom.com

14. 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, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "Shyamtelecom e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "SHYAM" of Shyam Telecom Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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 etc. together with attested specimen signature

of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to the an_kukreja@rediffmail.com email a/c of Scrutinizer with a copy marked to evoting@nsdl

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (i) Initial password and user id are enclosed in a separate sheet sent alongwith AGM notice. EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - (iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl
 - (iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - (v) 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).
 - (vi) The e-voting period commences on 24th September, 2014 (11:00 AM) and ends on 26th September, 2014 (5:00 PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-of date (record date) of 29th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (vii) 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-of date (record date) of 29th August, 2014.
 - (viii) Mr. A. N. Kukreja, Practicing Company Secretary (C P No. 2318) has been appointed as the Scrutinizer of the company to conduct the e-voting process in a fair and transparent manner.
 - (ix) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (x) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.shyamtelecom.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE Limited and BSE Limited.

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement forms part of the Notice convening the 21st Annual General Meeting:

Item no. 5

The Board of Directors appointed Mr. Ajay Khanna, Managing Director of the Company w.e.f. 1st May, 2009 to 30th April, 2014 for a period of 5 years vide Meeting held on 25th April, 2009. The Board has re-appointed Mr. Ajay Khanna as Managing Director of the Company with effect from 1st May, 2014 to 30th April, 2019, for a period of 5 years at remuneration prescribed in the resolutions. The Company has made a phenomenal progress under his able guidance. The Board reappointed him in its Board Meeting held on 30th May, 2014. None of the other Director's are interested except Mr. Arun Khanna who is a brother of Mr. Ajay Khanna who is being appointed.

Item No. 6, 7, 8 & 9

Mr. Achintya Karati, Mr. Vinod Juneja, Mr. C. S. Malhotra & Mr. Narendra Kumbhat are Non Executive Independent Directors of the Company. They joined the Company as Directors on 20/07/2004, 28/08/2008, 20/01/2009 and 29/07/1999 respectively.

It is proposed to appoint Mr. Achintya Karati, Mr. Vinod Juneja, Mr. C. S. Malhotra & Mr. Narendra Kumbhat as Independent Director under section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement to hold office w.e.f. 1st April, 2014 to 31st March, 2019.

The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013 from members proposing the candidatures of the Mr. Achintya Karati, Mr. Vinod Juneja, Mr. C. S. Malhotra & Mr. Narendra Kumbhat for the office of Independent Director.

The Company has received consent in writing from Mr. Achintya Karati, Mr. Vinod Juneja, Mr. C. S. Malhotra & Mr. Narendra Kumbhat to act as Director in form DIR-2 pursuant to Rule 8 of the companies (Appointment & qualification of Directors) Rule 2014. The Company has also received declaration from all the directors that they meet the criteria of Independent as prescribed under Sub Section(6) of section 149 of the Companies Act, 2013 and the Listing Agreement. In the opinion of the Board Mr. Achintya Karati, Mr. Vinod Juneja, Mr. C. S. Malhotra & Mr. Narendra Kumbhat are Independent of the Management of the Company.

Mr. Achintya Karati, Mr. Vinod Juneja, Mr. C. S. Malhotra & Mr. Narendra Kumbhat are not disqualified from being appointed as director in terms of section 164 of the Companies Act, 2013 and have given their intimation in form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

Copy of draft letters for their appointment as Independent Director setting their terms and conditions as available for inspection by members at the registered office of the company between 11.00 A.M. to 1.00 P.M. on any working day up to date of the AGM. Mr. Achintya Karati, Mr. Vinod



Juneja, Mr. C. S. Malhotra & Mr. Narendra Kumbhat are interested in the resolution set out respectively at item no. 6,7,8, & 9 of the Notice with regards to their respective appointments. The relation of Mr. Achintya Karati, Mr. Vinod Juneja, Mr. C. S. Malhotra & Mr. Narendra Kumbhat may be deemed to be interested in the resolutions set out respectively 6,7,8 & 9 of the notice to the extent of their shareholders interest, if, any in the company none of the other Director/ Key Managerial Person of the Company / their relative are in any way concerned /interest financially or otherwise in these resolutions. The Board commends the ordinary Resolution set out in item no. 6,7,8, & 9 for approval of Shareholders.

Item no. 10

Mrs. Nishi Sabharwal being eligible and is proposed to be appointed as an Independent Director for 5 consecutive years for a term up to the conclusion of 26th Annual General Meeting of the Company i.e in the year 2019 and she is not liable to retire by rotation.

Mrs. Sabharwal is a Masters in Economics, from Agra University. In a career spanning 30 years, she has held numerous senior positions across various business segments. She has worked with the largest multinational bank for 12 years across business segments. Worked with the third largest Indian Private bank for 3 years. She is specialized in Client Experience Management, Relationship Banking, Wealth Management, Investment Advisory, Private Banking, Business Banking, International Trade Services, Branch Banking, Team Building Management, Business Development, Channel Management.

Mrs. Nishi Sabharwal has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mrs. Nishi Sabharwal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management.

The Board considers that Mrs. Sabharwal association would be of immense benefit to the Company and it is desirable to appoint of Mrs. Sabharwal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Sabharwal as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs. Sabharwal being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

Item no. 11

The existing Articles of Associations (AOA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014,



MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal (“Tribunal”) such as variation of rights of holders of different classes of shares (Section 48), Reduction of Share Capital (Section 66), Compromises, Arrangements and Amalgamations (Chapter XV), Prevention of Oppression and Mismanagement (Chapter XVI), Revival and Rehabilitation of Sick Companies (Chapter XIX), Winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and Valuation by Registered Valuers (Section 247). However, substantive Sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several Regulations of the existing AOA of the Company require alteration or deletions in several Articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table ‘F’ of the Act which sets out the model Articles of Association for a Company limited by Shares. Shareholder’s attention is invited to certain salient provisions in the new draft AOA of the Company viz:

- a) Existing articles have been streamlined and aligned with the Act;
- b) Company’s lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- c) The nominee(s) of a deceased sole member are recognized as having title to the deceased’s interest in the shares;
- d) Independent Directors of the Company shall not be liable to retire by rotation and they shall not be entitled to ESOPs
- e) Company to comply with the provisions of the Rotation of Auditors as provided under the Companies Act, 2013.
- f) New provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;

The proposed new draft AOA is being uploaded on the Company’s Website for perusal by the shareholders.

None of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 11 of the Notice.

The Board commends the Special Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

Item no. 12

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.12 of the Notice for approval by the shareholders.

Item no. 13

To finance the Working Capital requirements and the Capital Expenditure programme, the Company would be required to raise Funds through Borrowings and it may be required to have the borrowings secured by way of Mortgage and / or Charge on the immovable and movable properties of the Company both present and future.

Section 180(1)(a) of the Companies Act, 2013 provides inter alia, that the Board of Directors of a Company shall not without the consent of the Company in General Meeting sell, lease otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of Financial Institutions/ Banks may be regarded as disposal of the Company's properties/ undertakings, it is necessary for the Members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of the Mortgage/ Charge.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the aforesaid resolution. The Board commends the Special Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

**By Order of the Board of Directors
For Shyam Telecom Limited**

Sd/-

**Dharmender Dhingra
Vice President (Legal) & Company Secretary**

Place : New Delhi

Dated: 11th August, 2014

Registered Office:

MTS Tower, 3, Amrapali Circle,
Vaishali Nagar, Jaipur-302021
Rajasthan, India