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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTIONS ALONG WITH EXPLANATORY STATEMENTS THERETO, PASSED BY SHARE HOLDERS OF AGC NETWORKS LIMITED BY MEANS OF POSTAL BALLOT ON MONDAY, DECEMBER 10, 2012 PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

RESOLUTIONS PASSED

ITEM NO.1

Increase of Authorized Share Capital and consequent Alteration of Memorandum of Association and Articles of Association

RESOLVED THAT pursuant to sections 16, 31, 94 and all other applicable provisions, if any, under the Companies Act, 1956, the Authorised Share capital of the Company (Equity Quotient) be and is hereby increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crore fifty lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 30,00,00,000/- (Rupees Thirty Crores) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- (Rupees Ten).

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby amended as under;

'The Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- (Rupees Ten) each and 10,00,000 (Ten lakh) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each with a right to receive dividends from year to year at a rate or rates not exceeding 15% per annum as may be determined by the Board of Directors at the time of issue of these Shares, with power to increase or reduce such Capital from time to time, in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the Shares in the Capital for the time into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions. If and whenever the Capital of the Company is divided into Shares of different classes, the rights of any such claims may be varied, modified, affected, extended, abrogated or surrendered as provided in the Articles of Association of the Company and the legislative provisions for the time being in force.'

RESOLVED FURTHER THAT consequent upon the increase in the authorized share capital, the existing Article 4A of the Articles of Association of the Company be and is hereby amended as under;



4A. The Authorised Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into :-

i) 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- (Rupees Ten) each and

ii) 10,00,000 (Ten lakh) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred) each with a right to receive dividends from year to year at a rate or rates not exceeding 15% per annum as may be determined by the Board of Directors at the time of issue of these shares; each with the rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in these presents and with power to increase or reduce the capital and to divide the shares in the capital of the Company for the time being into Equity Share Capital and/or Preference Share Capital with qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the Act or provided by these presents.

ITEM NO.2

Issue of Bonus Shares by way of capitalization of Reserves

RESOLVED THAT:

(a) pursuant to the provisions of Article 120 of the Articles of Association of the Company, all the applicable provisions of the Companies Act, 1956 and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), as recommended by the Board of Directors and subject to such other approvals, consents, permissions and sanctions, as may be necessary from appropriate authorities, the Board of Directors of the Company ("the Board which term shall be deemed to include any Committee which may be constituted to exercise powers conferred by this resolution") be and is hereby authorized to capitalize a sum not exceeding Rs. 14,23,32,320 out of the Company's Securities Premium Account or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2012 and that the said sum be transferred to Share Capital Account, and that such sum be applied for allotment of 1,42,33,232 new equity shares of Rs. 10/- each of the Company as fully paid-up bonus shares to the persons whose names shall appear in the Register of Members or in the respective beneficiary account with their respective Depository Participants, on the 'Record Date' to be determined by the Board of Directors, as holders of the existing equity shares of Rs. 10/- each of the Company, and that such new equity shares credited as fully paid-up be accordingly allotted as Bonus Shares to such persons respectively as aforesaid in the proportion of one (1) new equity bonus share of Rs.10/- each for every one (1) existing fully paid Equity Share Rs. 10/- each held by such persons respectively on the Record Date;



- (b) that the Bonus Shares so allotted shall rank *pari passu* in all respects including dividend with the existing equity shares of the Company;
- (c) that the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company;
- (d) that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company held by each such member, and not as income or distribution in lieu of Dividend;
- (e) that no letter of allotment shall be issued in respect of the Bonus Shares but in the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in physical form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities;
- (f) if any, fractional shares arising out of the issue and allotment of the Bonus Shares to the members whose name appears on the Record Date (fractional entitlements), such fractional entitlements shall be issued and allotted by the Board (including committees thereof) to such authorised person or persons or trust (Person) as may be nominated in this behalf by the Board, who shall hold the fractional entitlement on behalf of the members and such Person is authorized to sell such shares at appropriate time & price it deem(s) fit and the net sale proceeds, after adjusting the cost and expenses in respect of such sale, shall be distributed to the Members in proportion to their respective fractional entitlements thereto,
- (g) that the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) and other foreign investors and / or distribution of net sale proceeds in respect of fractions to which such Members may be entitled, be subject to the approval of the Reserve Bank of India, as may be necessary;
- (h) The Board be and is hereby authorized to take necessary steps for listing of the bonus shares so allotted on the Stock exchanges where the securities of the Company are listed as per the Listing agreements with the stock exchanges concerned and other applicable laws and regulations.
- (i) 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 and give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise with regard to or in relation to the issue or allotment of bonus shares and dealing with the fractional entitlements and that the Board's decision shall be final and binding."



EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 1

Increase of Authorized Share Capital and consequent Alteration of Memorandum of Association and Articles of Association

The present Authorised Share Capital of the Company is Rs. 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each and 10,00,000 (Ten lakh) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each. As separate proposal for issuance of Bonus Shares by capitalization of Reserves amounting to Rs. 14,23,32,320 has been submitted for the approval of shareholders under Item No. 2 of this notice. To give effect to the proposal for issue of Bonus Shares as recommended by the Board of Directors at their meeting held on 30th October, 2012, it has become essential to increase the Authorised Share Capital. The Resolution is therefore to increase the Authorised Share Capital from Rs. 35,00,00,000 - (Rupees Thirty Five Crores only) divided into 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of Rs. 10/- (Rupees ten) each and 10,00,000 (Ten lakh) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees hundred only) each to Rs. 40,00,00,000/- (Rupees Forty Crores only) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- (Rupees Ten) each and 10,00,000 (Ten lakh) Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees Hundred only) each. Upon increase in authorized capital of the Company, Clause V of the Memorandum of Association and Article 4A of Article of Association is also required to be altered to give effect of the increase.

ITEM NO. 2

Issue of Bonus Shares by way of capitalization of Reserves

The Board of directors at their meeting held on 30th October, 2012 after reviewing the excellent performance of the Company and the present level of Reserves & Surplus of Rs. 247.90 Crores, being well over approximately 17.40 times the present Paid-up Equity Capital of Rs. 14.23 Crores, recommended that a part of the amount standing to the credit of Securities Premium Account be capitalized and transferred from Securities Premium Account to Share Capital Account and that such sum be applied for allotment of new equity shares of Rs. 10/- each of the Company as fully paid up Bonus Shares in the ratio of one (1) equity shares for every one (1) existing equity shares held.

The issued subscribed and paid up capital of the Company presently is 1,42,33,232 Equity Shares of Rs. 10 each aggregating to Rs. 14,23,32,320. Accordingly 1,42,33,232 equity shares would be issued as fully paid up Bonus Shares to the eligible members of the Company. Consequently the paid up equity shares capital of the Company would stand increased to Rs. 28,46,64,640 consisting of 2,84,66,464 equity shares of Rs. 10 each.



Such Fully Paid-up Bonus Shares shall be distributed to the Members of the Company, whose names appear on its Register of Members or in the respective beneficiary account with their respective Depository Participants, on the Record Date to be determined by the Board of Directors/Directors Committee.

The Bonus Shares so allotted shall rank *pari passu* in all respects including dividend with the existing equity shares of the Company. It is also proposed to give authority to the Board to deal with fractions, if any, arising out of the issue and allotment of the Bonus Shares, on the exact distribution in the said proportion.

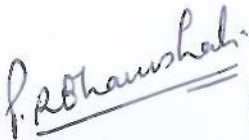
The issue of fully paid bonus shares by way of capitalization of reserves is allowed under section 205(3) of the Companies Act, 1956. Articles 120 of the Articles of Association of the Company permits capitalization of reserves by applying the same towards payment of unissued shares to be allotted to the Members.

To enable issuing the Bonus shares, a separate proposal for the increase of the authorized share capital has also been submitted for the Shareholders approval under item 1.

A copy of the Memorandum of Association of the Company together with proposed alteration is available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Certified to be true.

For AGC Networks Limited


Pratik Bhanushali
Company Secretary

