

**VAKRANGEE SOFTWARES LIMITED**

Vakrangee House, Plot No-66, Marol Co-op. Industrial Estate,
Off. M.V. Road, Marol, Andheri (East), Mumbai - 400 059, INDIA.
Phone: +91 (22) 2850 3412 / 2850 4028 • Fax: +91 22 2850 2017
Email : info@vakrangee.in • www.vakrangeesoftware.com

VSL/PB/NSE/2011-2012/191

February 29, 2012

To,
Corporate Relationship Department
National Stock Exchange Limited
Exchange Plaza, BKC, Bandra (E)
Mumbai - 400 051.

Dear Sir,

Sub: Notice of Postal Ballot (6 copies) pursuant to clause 31 of the Listing Agreement

Ref.: Script Code VAKRANSOFT

With reference to the above mentioned subject and pursuant to clause 31 of the Listing Agreement, please find attached herewith 6 copies of the notice of postal ballot which shall be dispatched today i.e. 29th February, 2012 to the share holders of the Company.

Please take note of the same in your record and acknowledge the receipt of the same.

Thanking you,

For Vakrangee Softwares Limited


Pratik Bhanushali
Company Secretary





VAKRANGEE SOFTWARES LIMITED

"Vakrangee house" Plot No. 66 | Marol Co-op Industrial Estate, Off. M. V. Road | Andheri (E) | Mumbai- 400069.
Phone No. - 022-28503412, 28504028 | Fax -022-28502017. E-mail:- info@vakrangee.in • www.vakrangee.in

Notice of Postal Ballot

[Pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001]



Dear Member(s),

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, for the consent of the Members of Vakrangee Software Limited ("the Company") for the proposed resolution set out below, which consent is sought to be obtained by means of Postal Ballot. The Explanatory Statement stating all material facts and the reasons for the proposal is also appended hereto for your consideration.

The Company has appointed M/s. S. K. Jain, Practicing Company Secretary as the Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner. You are requested to carefully read the instructions printed in the Postal Ballot Form (appended hereto) and return the form duly completed in the attached self addressed, postage prepaid envelope, so as to reach the Scrutinizer before the closing of working hours on Friday, March 30, 2012. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received.

The Scrutinizer shall submit his report to the Chairman after completion of the scrutiny and the result of the voting by postal ballot will be announced on Friday, March 30, 2012 at the registered office of the Company besides being communicated to the stock exchanges on which the Company's equity shares are listed. The results of the postal ballot will also be uploaded on the web-site of the Company i.e. www.vakrangeesoftware.com and shall also be published through press releases. The day on which result of the postal ballot is announced by the Company would be the date on which the Special Resolution is passed.

SPECIAL BUSINESS

1. Increase in Authorised Share Capital

To consider and, if thought fit, to pass through Postal Ballot, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 the Authorized Share Capital of the Company be and is hereby increased from the existing Rs. 45,00,00,000/- (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores Fifty Lakhs only) equity shares of Rs. 10/- each to Rs. 75,00,00,000/- (Rupees Seventy Five

Crores only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs only) equity shares of Rs. 10/- each, by creation of 3,00,00,000 (Three Crores) further equity shares of Rs. 10/- each, ranking pari-passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

2. Authority for Capitalization of Reserves by issue of Bonus Shares

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

RESOLVED THAT:

(a) pursuant to the provisions of Article 173 of the Articles of Association of the Company, all the applicable provisions of the Companies Act, 1956 (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, a part of the amount standing to the credit of Securities Premium Account be and is hereby capitalized and transferred 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 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 (which expression shall also include the Directors' Committee), 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 of 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 (including ESOP holders) 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) pursuant to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock

Purchase Scheme) Guidelines 1999, as amended to date, and the existing Employee Stock Option Scheme ("ESOP Scheme 2008"), as approved by the members in the general meeting held on 23.09.2008, consent of the members be and is hereby accorded to the Remuneration and Compensation Committee (as constituted for supervision and administration of the ESOP Scheme 2008) to make amendments to the abovementioned ESOP Scheme 2008 as it may in its absolute discretion deem fit, including fractional entitlements thereto, adjustments with respect to number of options and exercise price for the options granted in equal or appropriate proportion to the ratio of Bonus Shares to be issued to the employees of the Company

- (i) that for the purpose of giving effect to this Resolution, the Board/Directors 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.

3. Sub-division of Shares

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

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of the Articles of Association of the Company, and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the equity shares of the Company having a nominal face value of Rs. 10/- (Rupees Ten only) per share, be subdivided into 10 (Ten) equity shares having a nominal face value of Re. 1/- (Rupee One only) per share and the relevant capital clauses in the Memorandum and Articles of Association of the Company be accordingly altered.

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee or any person which the Board may constitute/nominate to exercise its powers) be and is hereby authorised to issue new share certificates representing the sub-divided shares with new distinctive numbers (except in the case of shares held in demat form) in the aforesaid proportion, subject





to the rules laid down in the Companies (Issue of Share Certificates) Rules, 1960 with an option to either exchange the new share certificates in lieu of cancellation of the old share certificates or without physically exchanging the share certificates, by treating the old share certificates as deemed to be cancelled and also to inform the Depositories to take the necessary action to give effect to the above.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to do all such acts, deeds, matters and things including issue of fresh share certificates and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the powers herein vested in them to any Committee of Directors or any Director(s) to give effect to the aforesaid resolution."

4. Alteration in Memorandum of Association

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

"RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956, and consequent to passing of resolutions as mentioned in item no. 1 and 3 of this notice, the existing clause V of the Memorandum of Association of the Company be and is hereby altered by the following new clause:

V. The Authorized Share Capital of the Company is Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 75,00,00,000 equity shares of Rs.1/- (Rupee one only) each aggregating Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) with power to increase or reduce the same in accordance with the provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT any one of the Directors and/or the Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. Alteration of Articles of Association

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company and consequent to passing of resolutions as mentioned in item no. 1 and 3

of this notice, Article 4 of the existing Articles of Association be substituted with the following new Article 4.

4.* The Authorized Share Capital of the Company is Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 75,00,00,000 equity shares of Rs.1/- (Rupee one only) each aggregating Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) with power to increase or reduce the capital of the Company of the Company for the time being in force."

Explanatory statement as required under Section 173 (2) of the Companies Act, 1956 in respect of the business specified above is annexed hereto.

By order of the Board of Directors,

Sd/-

Pratik Bhanushali
Company Secretary & Sr. Manager - Legal

Place: Mumbai.

Dated: 23rd February, 2012

Registered Office:-

"Vakrangee House", Plot No. 66,
Marol Co-op Industrial Estate, Off. M. V. Road,
Andheri (E), Mumbai - 400059

Explanatory Statements pursuant to Section 173(2) and 192 (A) of the Companies Act, 1956

Item No. 1

The present Authorized Capital of the Company is Rs. 45,00,00,000/- (Rupees Forty Five Crores only) comprising of 4,50,00,000 (Four Crores Fifty Lakhs only) equity shares of Rs. 10/- each. To give effect to the proposal for issue of Bonus Shares as recommended by the Board of Directors at their meeting held on 23rd February, 2012, it has become essential to increase the Authorized Capital. The Resolution is therefore to increase the Authorized Share Capital from Rs. 45,00,00,000/- (Rupees Forty Five Crores only) divided into 4,50,00,000 (Four Crores Fifty Lakhs only) equity shares of Rs. 10/- each to Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs only) equity shares of Rs. 10/- each

Directors of the Company are interested in this resolution to the extent of their respective shareholding / options in the Company.



Your directors recommend the resolution for approval of the member.

Item No.2

The Board of directors at their meeting held on 23rd February, 2012 after reviewing the excellent performance of the Company and the present level of Reserves & Surplus of Rs. 323.65 crores, being well over 13 times the present Paid-up Equity Capital of Rs. 25.02 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.

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 and further to authorise the Remuneration and Compensation Committee to make adjustment and amendments to the Employee Stock Options Scheme 2008.

Directors of the Company are interested in this resolution to the extent of their respective shareholding in the Company.

Your directors recommend the resolution for approval of the members.

Item No. 3

Over a period of time the share price of the Company has shown an improvement reflecting the performance of the Company. The Sub-division of equity shares have been proposed with a view to broad base by encouraging the participation of retail investors and also with a view to increase the liquidity of the equity shares of the Company. The Board of Directors of the Company in its meeting held on 23rd February, 2012 recommended sub-division of each equity shares of the Company of face value of Rs 10/- each to face value of Re. 1/- each.



Directors of the Company are interested in this resolution to the extent of their respective shareholding / options in the Company.

Your directors recommend the resolution for approval of the member

Item Nos. 4 & 5

The existing clause V of the Memorandum of Association and Article 4 of Articles of Association specify the present Authorised Capital of the Company. In view of increase in Authorised Share Capital from Rs. 45,00,00,000/- to Rs. 75,00,00,000/- and sub-division in face value of the equity shares from Rs. 10/- each to Re. 1/-, the present clause V of the Memorandum of Association and Article 4 of Articles of Association need to reflect both the increase in Authorised Share Capital and sub-division of the equity shares.

As per the provision of Section 16 & 94 and 31 of the Companies Act, 1956, approval of the shareholder is required for amending the Authorised Share Capital in Memorandum of Association and Articles of Association respectively. Consequent to change in Authorised Share Capital, Clause V related to the Share Capital Clause in the Memorandum and Article 4 of Articles of Association will also change as stated in the Resolution.

A copy of the existing Memorandum and Articles of Association as well as the draft form of the amended Memorandum and Articles of Association of the Company is available for inspection by members at the Registered Office of the Company during working hours on any working day.

Directors of the Company are interested in this resolution to the extent of their respective shareholding / options in the Company.

Your directors recommend the resolution for approval of the member.

By order of the Board of Directors,

Sd/-

Pratik Bhanushali
Company Secretary & Sr. Manager - Legal

Place: Mumbai,

Dated: 23rd February, 2012

Registered Office:-

"Vakrangee House", Plot No. 66,
Marol Co-op Industrial Estate, Off. M. V. Road,
Andheri (E), Mumbai - 400059