

AGC NETWORKS LIMITED



Registered Office : Equinox Business Park (Peninsula Techno Park),
Off Bandra-Kurla Complex, LBS Marg, Kurla - West, Mumbai - 400 070
Phone : (022) 66617272 **E-mail :** Investors@agcnetworks.com **Website :** www.agcnetworks.com
CIN: L32200MH1986PLC040652

POSTAL BALLOT NOTICE

To
The Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 to transact the following Special Business by the Members of AGC Networks Limited by passing the Resolutions through Postal Ballot.

Your consideration and approval is sought for the Resolutions annexed herewith. The Statement to be annexed to Notice under Section 102 (1) of the Act, setting out the material facts and reasons for the Resolutions is also appended herewith and is being sent to you alongwith Postal Ballot Form for your consideration. The Board of Directors has appointed Dr. S. K. Jain, Practising Company Secretary as Scrutinizer for conducting the voting process through Postal Ballot in accordance with law and in a fair and transparent manner. You are requested to carefully read the instructions printed on the Postal Ballot Form and return the completed form in the enclosed self-addressed postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer on or before the close of business hours on 20th April, 2015, the last date for receipt of the completed Postal Ballot Forms. The Postage on the enclosed self-addressed postage pre-paid envelope shall be borne and paid by the Company.

In compliance with Clause 35B of the Listing Agreement and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide an option to the Members holding shares in Demat Form and in Physical Form, to vote on the Postal Ballot by way of electronic voting/ e- voting to enable Members to cast their vote electronically instead of physical Postal Ballot Form. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facilities to the Members of the Company. It may be noted that e-voting is optional. Please carefully read and follow the instructions on e-voting printed on the back of the Postal Ballot Form. In case the Member has exercised the vote in physical as well as electronic mode, the valid vote by electronic mode only will be considered. The e-voting facility is available at the link www.evotingindia.com till close of business hours on 20th April, 2015.

The Scrutinizer will submit his Report to the Chairman of the Company, upon completion of scrutiny of Postal Ballots in a fair and transparent manner. The Chairman of the Company authorised by the Board of Directors of the Company will announce the result of the Postal Ballot on the close of business hours on 21st April, 2015 at the Registered Office of the Company located at Equinox Business Park (Peninsula Techno

Park), Off. Bandra Kurla Complex, LBS Marg, Kurla (West), Mumbai, Maharashtra – 400 070 besides being communicated to the National Stock Exchange Ltd. and Bombay Stock Exchange Ltd. The result of the Postal Ballot will also be displayed at the Registered Office address and posted on the Company's website www.agcnetworks.com. The result of Postal Ballot shall also be announced through Newspaper Advertisement. The date of declaration of results of the Postal Ballot will be taken to be the date of passing of the Resolutions.

Accordingly, this Notice is hereby given to the Members of the Company for seeking their approval by way of Postal Ballot for the following Special Resolutions together with Statement as required under Section 102, of the Companies Act, 2013, setting out the material facts and reasons for the Resolutions, alongwith Postal Ballot Form for your consideration.

SPECIAL BUSINESS:

- To consider and if thought fit, to give the assent/ dissent, to the following Special Resolution:**

Grant of Employee Stock Options to the employees of the Company under AGC Network Employee Stock Option Scheme 2015:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the Company be and is hereby accorded respectively to the 'AGC Network Employee Stock Option Scheme 2015' (hereinafter referred to as the "ESOP 2015"/ "Scheme") and to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Compensation Committee already constituted by the Board under Section 178 of the Companies Act, 2013 nomenclatured as the Nomination & Remuneration Committee to exercise its powers, including the powers, conferred by this Resolution) to create, offer and grant from time to time up to 14,23,323 (Fourteen Lakhs Twenty Three Thousand Three Hundred and Twenty Three only) Options to the permanent employees, existing and future Directors including Whole-time directors but excluding the

Independent Director of the Company and its existing and future subsidiary companies whether in or outside India as may be decided solely by the Board under the Scheme, exercisable into 14,23,323 (fourteen Lakhs Twenty Three Thousand Three Hundred and Twenty Three only) Equity Shares of face value of Rs. 10/- each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the law or regulations issued by the relevant authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the Company upon exercise of Options from time to time in accordance with ESOP 2015 for the implementation of the Scheme as per applicable laws and regulations.

RESOLVED FURTHER THAT the number of Options that may be granted to any employee and director of the Company, during any one year under the ESOP 2015 shall not exceed 1% of the Issued Capital of the Company.

RESOLVED FURTHER THAT the Equity Shares to be allotted and issued by the Company in the manner aforesaid shall rank paripassu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be 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 14,23,323 (fourteen Lakhs Twenty Three Thousand Three Hundred and Twenty Three only) Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment etc. as decided by the Committee from time to time in accordance with the SEBI (Shares Based Employee Benefits) Regulations, 2014.

RESOLVED FURTHER THAT in case of any change in capital structure such as Right issue/bonus issue, sub-division or consolidation, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Scheme shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs.10 per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the ESOP 2015 on the Stock Exchanges, where the Shares of the Company are listed and to determine all other terms which for the purpose of giving effect to any offer, issue or allotment of Equity Shares or securities or instruments representing the same, as described above under ESOP 2015 and to do all such

acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may at its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf without being required to seek further consent or approval of the members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Employee Stock Options or of the Scheme from time to time including but not limited to suspend, withdraw, terminate or revise the ESOP Scheme 2015 as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI (Share Based Employee Benefit) Regulations, 2014 and any other applicable laws.”

2. To consider and if thought fit, to give the assent/dissent, to the following Special Resolution:

Grant of Employee Stock Options to the employees of the Subsidiary Companies of the Company under AGC Networks Employee Stock Option Scheme 2015:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI Share Based Employee Benefits Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Compensation Committee already constituted by the Board under Section 178 of the Companies Act, 2013 nomenclatured as the Nomination & Remuneration Committee to exercise its powers, conferred by this resolution) to create, offer and grant from time to time up to 14,23,323 (fourteen Lakhs Twenty Three Thousand Three Hundred and Twenty Three only) Options to the permanent employees, existing and future directors, including the Whole-time Directors (but excluding the Independent Director) of the existing and future Subsidiary Company(ies) of the Company whether in or outside India (Including the permanent employees, existing and future directors, including the Whole-time Directors (but excluding the Independent Director) of AGC Networks Limited, under the AGC Networks Stock Option Scheme 2015’ (hereinafter referred to as the “ESOP 2015”/ “Scheme”), as may be decided solely by the Board under the Scheme, exercisable into 14,23,323 (fourteen Lakhs Twenty Three Thousand Three Hundred and Twenty Three only) Equity Shares of face value of Rs. 10/- each fully paid up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the law or guidelines issued by the relevant authorities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares to the eligible employees and Directors of the Company upon exercise of Options from time to time in accordance with ESOP 2015 for the implementation of the Scheme as per applicable laws and regulations.

RESOLVED FURTHER THAT the number of Options that may be granted to any employee and director of the Company, during any one year under the ESOP 2015 shall not exceed 1% of the Issued Capital of the Company.

RESOLVED FURTHER THAT the Equity Shares to be allotted and issued by the Company in the manner aforesaid shall rank paripassu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, and others, if any additional Equity Shares are required to be 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 14,23,323 (fourteen Lakhs Twenty Three Thousand Three Hundred and Twenty Three only) Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment etc. as decided by the Committee from time to time in accordance with the SEBI Regulations.

RESOLVED FURTHER THAT in case of any change in capital structure such as Right issue/bonus issue, sub-division or consolidation, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Scheme shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs. 10 per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the ESOP 2015 on the Stock Exchanges, where the Shares of the Company are listed and to determine all other which for the purpose of giving effect to any offer, issue or allotment of Equity Shares or securities or instruments representing the same, as described above under Scheme 2015 and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may at its sole and absolute discretion deem necessary or expedient and to settle any questions, difficulty or doubt that may arise in this behalf without being required to seek further consent or approval of the members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Employee Stock Options or of the Scheme from time to time including but not limited to suspend, withdraw, terminate or

revise the ESOP 2015 as it may deem fit, from time to time at its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI (Shares Based Employee Benefits) Regulations and any other applicable laws.”

3. To consider and if thought fit, to give the assent/dissent, to the following Special Resolution:

Grant of Options to issue securities equal to or exceeding one per cent but not exceeding four per cent of the issued Capital of the Company during any one financial year to identified employees under AGC Network Employee Stock Option Scheme 2015:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (which deems to include the provisions the Companies Act, 1956 applicable, if any, for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and notwithstanding ceiling limit for Grant of Option during any one Financial Year to any employee or director of the Company not exceeding one per cent of the issued Capital of the Company, the approval and consent be and is hereby accorded respectively to the ‘AGC Network Employee Stock Option Scheme 2015’ (hereinafter referred to as the “ESOP 2015”/ “Scheme”) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Compensation Committee already constituted by the Board under Section 178 of the Companies Act, 2013 nomenclatured as the Nomination & Remuneration Committee to exercise its powers, conferred by this resolution) for Grant of option to identified employees, during any one year, equal to or exceeding one per cent but not exceeding four per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of option in one or more tranches, on such terms and in such manner in the ‘AGC Network Employee Stock Option Scheme 2015’ (hereinafter referred to as the “ESOP 2015”/ “Scheme”).

By order of the Board
For **AGC Networks Limited**

Sd/-
Pratik Bhanushali
Company Secretary
M. No. 23091

Registered Office:

Equinox Business Park
(Peninsula Techno Park),
Off. Bandra Kurla Complex, LBS Marg, Kurla (West),
Mumbai ,Maharashtra ,400070

Place : Mumbai

Date : 12th March, 2015

NOTES

1. Explanatory Statement and reasons for the proposed Resolutions stated herein above, pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) read with the Companies (Management and Administration) Rules, 2014.
2. The Company has appointed M/s. S. K. Jain & Company, Practicing Company Secretaries as Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner.
3. A Member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer i.e. Dr. S. K. Jain in the attached self-addressed business reply envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or sent by courier or registered / speed post at the expense of the shareholder will also be accepted.
4. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with Rules made there under and Clause 35B of the Listing Agreement, the Company is offering e-voting facility to all the Members of the Company to send their assent or dissent in respect of the Resolutions through Postal Ballot / e-voting contained in Notice dated 12th March, 2015
5. The votes should be cast either in favour or against by putting the tick [✓] mark in the column provided for assent or dissent. Postal Ballot Form bearing [✓] in both the columns will render the form invalid.
6. Kindly note that the shareholders can opt for only one mode of voting, i.e. either by physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by physical Postal Ballot also and vice versa, however, in case shareholders cast their vote by both physical Postal Ballot and e-voting, then voting done through valid e-voting shall prevail and voting done Physical Postal Ballot will be treated as invalid.
7. The Notice is being sent to all the Members, Whose names appear in the Register of Members as on 13th March, 2015.
8. There will be only one Postal Ballot Form for every folio Irrespective of the number of Joint Shareholder(s) .
9. In case of shares held by Companies, Trusts, Societies etc, the duly completed Postal Ballot Form should be accompanied by a Certified True Copy of Board Resolution /Authority Letter.
10. A Shareholder need not use all the votes or cast all the votes in the same way.
11. Incomplete, unsigned or Incorrect Postal Ballot Forms will be rejected. The Scrutinizer’s decision on the validity of a Postal Ballot will be final and binding.
12. The Resolutions shall be taken as passed effectively on the date of declaration of the result. The result will be declared on or before 21st April, 2015 at the Registered Office of the Company located at Equinox Business Park (Peninsula Techno Park), Off. Bandra Kurla Complex, LBS

Marg, Kurla (West), Mumbai ,Maharashtra – 400 070. The result will also be published on the Newspaper.

13. Relevant documents referred to in the accompanying notice are open for inspection by the Members at the registered office of the Company on all working days, except Saturday and Sunday Between 12.00 noon to 2:00 p.m. up to 20.04.2015

INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 22/03/2015 and 10.00 am and ends on 20/04/2015 and 6.00 pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13/03/2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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 8 digits of the sequence number 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 in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ 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. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <AGC Networks Limited> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESSES SET OUT IN THE NOTICE OF POSTAL BALLOT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1 & 2.

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary Company(ies) for their continuous hard work, dedication and support, which has led the Company and the Subsidiary Company(ies) on the growth path. The objective of the ESOP 2015 is to provide an incentive to attract and retain the key employees by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Accordingly the Board of Directors (“the Board”) of the Company at its meeting held on 12th March, 2015 approved introduction of the ESOP 2015 subject to the Approval of the members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (the “SEBI Regulations”) and authorised the Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 to formulate the detailed terms and conditions of the ESOP 2015 and to administer and implement the ESOP 2015 in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (the “SEBI Regulations”).

Approval of the members is being sought for issue of Stock Option to the eligible employees of the Company and its subsidiary Company (in or outside India), including its Managing and/or Whole Time Directors, based on the recommendations from the Managing Director and CEO of the Company (except in the case of issuance of stock options to Managing Director and CEO himself where the decision shall be take by Nomination and Remuneration Committee).

The ESOP 2015 is formulated in accordance with SEBI Regulations.

The main features of the ESOP 2015 which is as under:

1. Total number of Options to be granted:

14,23,323 (fourteen Lakhs Twenty Three Thousand Three Hundred and Twenty Three only) Options exercisable into an aggregate of 14,23,323 (fourteen Lakhs Twenty Three Thousand Three Hundred and Twenty Three only) of Equity Shares in the Company of face value of Rs. 10/- each fully paid-up, would be available for grant to the eligible employees of the Company and eligible employee of the Subsidiary Company(ies) aggregately under ESOP 2015, in one or more tranches.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOP 2015.

SEBI (Share Based Employee Benefits) Guidelines, 2014 require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

Following classes of employees are entitled to participate in the ESOP 2015:

- a. Permanent employees of the Company working in India or out of India;
- b. A director of the Company, whether a Whole-time Directors or not but excluding an independent director; or.
- c. An employee as defined in clause (a) or (b) of a Subsidiary, in India or outside India.

Following persons are not eligible:

- a. an Employee who is a Promoter or belongs to the Promoter Group; or
- b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company, and Independent Directors.

3. Terms of the scheme:

- (1) The company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the employees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the employees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.
- (4) A company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the schemes were rendered unattractive due to fall in the price of the shares in the stock market:

Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the employees and approval of the shareholders in general meeting has been obtained for such re-pricing.

4. Transferability of Employee Stock Options:

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the employee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an employee who has been granted benefits under a scheme is transferred or deputed to an associate/subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

5. Requirements of vesting and period of vesting:

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising.

In case of	All Unvested Securities/options	All Vested Securities/options
Death*	Immediately vest - have to get exercised within 1 year from such vesting	Have to get exercised within 12 months from such vest*
Permanent incapacitation	Immediately vest - have to get exercised within 1 year from such vesting	Have to get exercised within 12 months from such vest
Retirement	Vesting continues during remaining term specified	24 months to exercise
Voluntary Resignation	Forfeited/Lapse	3 months to exercise
Termination for cause as defined in the Scheme	Forfeited/Lapse	Forfeited/Lapse
Termination without cause as defined in the Scheme	Forfeited/Lapse	3 months to exercise

* Option shall vest in and exercised by legal heirs of the deceased employee.

The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

6. Maximum period within which the Options shall be vested:

Options granted under ESOP 2015 would vest within the period of 5 years from the date of grant of such Options as per the terms and conditions mentioned in the ESOP scheme 2015.

7. Exercise price or pricing formula:

The Exercise Price shall be the price not being less than the face value of an Equity Share as determined by the Nomination and Remuneration Committee.

8. Exercise period and the process of Exercise:

The vested Options shall be eligible for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 24 months from the date of vesting of such Options.

The vested Option shall be exercisable by the Employees by a written application to the Company/ Nomination and Remuneration Committee expressing his/ her desire to

exercise such Options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

9. Appraisal process for determining the eligibility of employees under ESOP 2015:

The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration Committee from time to time.

The employees would be granted Options under the ESOP 2015 based on various parameters such as work performance, period of service, rank or designation and such other parameters as may be decided by the Compensation Committee from time to time.

10. Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted to any specific employee under the scheme shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital of the Company per grant and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

11. Certificate from auditors:

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

12. Disclosure and Accounting Policies:

(1) Any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

(2) Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under these regulations then the company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

13. Method of Option valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the options granted. 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 and the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' report.

As the ESOP 2015 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

A copy of the scheme shall be kept for inspection by the members for 3 days i.e. from 15.4.2015 to 17.04.2015 at the Registered Office during office hours.

14. Rights of the option holder.

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

15. Consequence of failure to exercise option

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, - (a).may be forfeited by the company if the option is not exercised by the employee within the exercise period; or (b).may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the ESOS.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 1 & 2, except to the extent of their existing shareholding entitlements, if any, under the ESOP Scheme.

The Board of Directors commend passing of the resolution as Special Resolution by the Shareholders of the Company.

Item No. 3

The resolution set out at Item No. 1 and Item No. 2 provides that a Company may grant option to an employee and to a director of the Company and its subsidiary company (ies) not exceeding one per cent of the issued capital of the Company in one year. However, the Company may identify certain employee/s to whom it may be necessary to grant option exceeding one per cent in one year to ensure continuity of their service with the Company. The resolution as set out in Item No. 3 provides that the Company may grant option equal to or exceeding one per cent but not exceeding four per cent in one year to identified employee/s or director/s of the Company.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 3, except to the extent of their entitlements, if any, under the ESOP Scheme.

The Board of Directors commend passing of the resolution as Special Resolution by the Shareholders of the Company.

By order of the Board
For **AGC Networks Limited**

Sd/-
Pratik Bhanushali
Company Secretary
M. No. 23091

Registered Office:

Equinox Business Park
(Peninsula Techno Park),
Off. Bandra Kurla Complex, LBS Marg, Kurla (West),
Mumbai ,Maharashtra ,400070

Place : Mumbai

Date : 12th March, 2015

INVESTOR FRIENDLY TIPS

Dear Shareholders,

Would you like to have all updated information about your Company at the click of your mouse? Would you like to contribute to AGC's CSR (Corporate Social Responsibility) initiative? Would you like to know how? It's simple! Just ensure that you have a tick against each of the below boxes.

- My email id is mentioned in the postal ballot form (attached herewith)
- I have emailed my updated contact details, including email id to investors@agcnetworks.com / pradeep_mokale@dfssl.com
- I have initiated / will initiate at the earliest; the process of getting my physical shares demat

We would like to thank you for your initiative to contribute to society. Following are some of the benefits,

- Information at the click of a mouse and thus speed and ease of communication
- Confidentiality of information which will only be accessed by you
- Savings on paper consumption
- Thus contribution to an eco friendly environment
- Savings on related costs

Thank you!