



## KPIT Technologies Limited

*(formerly KPIT Cummins Infosystems Limited)*

Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase-I, MIDC, Hinjewadi, Pune -411057.

Telephone No. : 020-6652 5000 | Fax No.:020-66525001 | website: [www.kpit.com](http://www.kpit.com)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an EXTRAORDINARY GENERAL MEETING of the members of KPIT TECHNOLOGIES LIMITED will be held on Friday, 11<sup>th</sup> day of April, 2014 at 10.30 a.m. at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase-I, MIDC, Hinjewadi, Pune - 411 057, to transact the following business:

1. **(a) To consider, and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956 as amended, modified or re-enacted from time to time, including the corresponding provisions of Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended, modified or re-enacted from time to time (hereinafter referred to as “SEBI Guidelines”) 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 to the Employee Stock Option Plan 2014 (**“ESOP 2014”**) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the HR & Compensation (Remuneration) Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, in India or out of India, including any director of the Company, except an employee/director who is a promoter or belongs to the promoter group as defined in SEBI Guidelines, options exercisable into not more than 1,000,000 of the equity shares of the Company (**“Equity Share(s)”**) under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant authority; each option would be exercisable for one Equity Share of the face value of Rs. 2/- each fully paid-up on payment of the requisite exercise price to the Company.”

**“RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division and others, if any additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 1,000,000 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of options from time to time in accordance with the Employee Stock Option Plan and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares.”

**“RESOLVED FURTHER THAT** in case the Equity Shares are either sub-divided or consolidated, then the number of shares to be allotted under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.2/- per Equity Share bears to the revised face value of the Equity Shares after such sub-division or consolidation, and the price of acquisition payable by the option grantees shall automatically stand reduced or augmented, as the case may be, in the same proportion as the revised face value of the Equity Shares after such sub-division or consolidation bears to the present face value of Rs.2/- per Equity Share, without affecting any other rights or obligations of the said allottees.”

**“RESOLVED FURTHER THAT** the shares may be allotted in accordance with ESOP 2014 either directly or through a trust which has been or may be set up in any permissible manner and that ESOP 2014 may also envisage for providing any financial assistance to the trust, subject to the applicable law(s), to enable the trust to acquire, purchase or subscribe to the shares of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the scheme(s) on the stock exchanges, where the securities of the Company are listed as per the provisions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, as amended, modified or re-enacted from time to time, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company in this regard.”

(b) To consider, and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:-

**“RESOLVED THAT** pursuant to the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956 as amended, modified or re-enacted from time to time, including the corresponding provisions of Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended, modified or re-enacted from time to time (hereinafter referred to as “SEBI Guidelines”) 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 to the Employee Stock Option Plan 2014 (**“ESOP 2014”**) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the HR & Compensation (Remuneration) Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the present and future subsidiaries of the Company, in India or out of India, including any director of such subsidiary, except an employee/director who is a promoter or belongs to the promoter group as defined in SEBI Guidelines, options exercisable into equity shares of the Company (**“Equity Share(s)”**), subject to the overall ceiling of 1,000,000 Equity Shares as mentioned in Resolution (a) above, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority; each option would be exercisable for one Equity Share of the face value of Rs. 2/- each fully paid-up on payment of the requisite exercise price to the Company.”

**“RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division and others, if any additional Equity Shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 1,000,000 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot Equity Shares upon exercise of options from time to time in accordance with the Employee Stock Option Plan and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares.”

**“RESOLVED FURTHER THAT** in case the Equity Shares are either sub-divided or consolidated, then the number of shares to be allotted under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.2/- per Equity Share bears to the revised face value of the Equity Shares after such sub-division or consolidation, and the price of acquisition payable by the option grantees shall automatically stand reduced or augmented, as the case may be, in the same proportion as the revised face value of the Equity Shares after such sub-division or consolidation bears to the present face value of Rs.2/- per Equity Share, without affecting any other rights or obligations of the said allottees.”

**“RESOLVED FURTHER THAT** the shares may be allotted in accordance with ESOP 2014 either directly or through a trust which has been or may be set up in any permissible manner and that ESOP 2014 may also envisage for providing any financial assistance to the trust, subject to the applicable law(s), to enable the trust to acquire, purchase or subscribe to the shares of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the scheme(s) on the stock exchanges, where the securities of the Company are listed as per the provisions of the listing agreement with the concerned stock exchanges and other applicable guidelines, rules and regulations.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, as amended, modified or re-enacted from time to time, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company in this regard.”

By Order of the Board of Directors  
For KPIT Technologies Limited

R Swaminathan  
Company Secretary

Place : Pune

Date : 22<sup>nd</sup> February, 2014

**NOTES:**

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms a part of this notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members/Proxies are requested to bring the attendance slip duly filled in.
4. Queries, if any, with regard to this notice may be sent to Mr. R. Swaminathan, Company Secretary at swaminathanr@kpit.com.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (FOR BOTH  
RESOLUTION 1(a) AND 1(b)):**

The Company appreciates the critical role people play in the organizational growth. It strongly feels that the value created by its people should be shared with them. Accordingly, the Company has been granting stock options to employees under its Employee Stock Option Plan (ESOP) 2004 scheme and ESOP 2006 scheme. Under these schemes, the stock options are granted at an exercise price which is equal to the closing price of the Company's share on the day before the date of grant, at the stock exchange which has the highest trading volume in Company's shares on that day.

With the Company's rapid growth in the last few years, it has moved into next phase in its journey of growth and in this phase, the Company feels the need to attract talent at senior levels from across the globe. In order to help the Company do that, it has become necessary to offer a different kind of employee stock option plan which maximizes benefits for the employees/option holders. Therefore, the Company has devised a new employee stock option scheme (Employee Stock Option Plan 2014 or ESOP 2014) which will give the right to the option holder to apply for the Company's shares at a price of Rs. 2/- per share. It is a common industry practice to implement these kinds of stock option schemes to attract and retain talent at senior levels. These schemes also result in much lower dilution of equity share capital of the Company.

Under the proposed Employee Stock Option Scheme, 1,000,000 employee stock options are proposed to be issued to employees fulfilling such criteria to be finalized, each stock option giving the right to the option holder to subscribe for one equity share of the Company at a price of Rs. 2/- per share. The implementation of the scheme will be subject to the approval of the shareholders of the Company.

If approved by the shareholders, stock options under the proposed scheme are expected to be granted to the employees over a period of two years. The options are expected to vest over a period of one to three years from the date of grant and the vested options shall be exercisable within a period of three years from the date of vesting. Thus, the dilution in the equity share capital of the Company would happen over a period of 1 to 8 years. Considering that a maximum of 1,000,000 equity shares (less than 0.60% of the total equity shares

of the Company) will be issued against these options, the impact of these stock options on the earning per share of the Company will be negligible.

Under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended, modified or re-enacted from time to time (hereinafter referred to as "SEBI Guidelines"), the members of the Company shall pass a separate special resolution if options are sought to be issued to employees of any subsidiary(s) of the Company and hence, special resolution 1 (b) above is being put up to the approval and consent of the members.

The main features of ESOP 2014 are as under:

**1. Total number of options to be granted:**

A total number of options equal to 1,000,000 equity shares of the Company ("Equity Shares") would be available for being granted to eligible employees of the Company and employees of its present and future subsidiaries under ESOP 2014. Each option when exercised would be converted into one Equity Share of Rs. 2/- each fully paid-up.

Vested options that lapse due to non-exercise 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.

SEBI guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of 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 ceiling of 1,000,000 Equity 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):**

All permanent employees of the Company and its present and future subsidiaries including directors thereof, but excluding the promoters of the Company, as may be decided by the board of directors of the Company (or any committee of the board including the HR & Compensation (Remuneration) Committee or any other committee as may be constituted by the board of directors, from time to time) ("the Board"), would be entitled to be granted stock options under ESOP 2014.

**3. Transferability of employee stock options:**

The stock options granted to an employee will 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 an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

**4. Requirements of vesting and period of vesting:**

The options granted shall vest so long as the employee continues to be in the employment of the Company or its subsidiaries or continues to be a director thereof, as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted 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 and maximum vesting period as specified below).

The options would vest not earlier than one year and not later than five years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.

**5. Exercise Price:**

The exercise price would be equal to face value of shares at Rs. 2/- per option.

**6. Exercise Period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire on completion of three years from the date of vesting of options.

The options will be exercisable by the employees by a written application to the Company to exercise the options in such manner and on execution of such documents as may be prescribed by the Board from time to time. The options will lapse if not exercised within the specified exercise period.

**7. Appraisal Process for determining the eligibility of the employees to ESOP 2014:**

The appraisal process for determining the eligibility of the employees will be specified by the Board and will be based on criteria such as role / designation of the employee, length of service with the Company or its subsidiaries, past performance record, future potential of the employee and/or such other criteria that may be determined by the Board at its sole discretion.

**8. 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 be more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

**9. Disclosure and Accounting Policies:**

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines.

**10. Method of option valuation**

To calculate the employee compensation cost, the Company shall use the intrinsic value method for valuation of the options granted.

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on earning per share of the Company shall also be disclosed in the Directors' Report.

As the Employee Stock Option Scheme 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 81(1A) and all other applicable provisions, if any, of the Act and as per clause 6 of the SEBI Guidelines.

None of the Directors or key managerial personnel of the Company or their relatives is in any way, concerned or interested in the resolutions, except to the extent of the securities that may be offered to them under the scheme.

Your Directors recommend the resolutions for your approval.

By Order of the Board of Directors  
For **KPIT Technologies Limited**

**R Swaminathan**  
Company Secretary

**Place : Pune**

**Date : 22<sup>nd</sup> February, 2014**



## KPIT Technologies Limited

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### PROXY FORM

I/We ..... of ....., being member(s) of the above named Company hereby appoint ..... of ..... or failing him/her of ..... of ..... as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on Friday, 11<sup>th</sup> day of April, 2014 at 10.30 a.m. at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase-I, MIDC, Hinjewadi, Pune - 411 057, India.

Signed this ..... day of 2014

|               |  |
|---------------|--|
| Folio No.     |  |
| DP ID No.     |  |
| Client ID No. |  |
| No. of shares |  |

Affix Re. 1  
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stamp  
and sign  
across it

#### NOTE:

Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and the proxy need not be a member. The proxy form duly completed should be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.



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### ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting venue)

I/We hereby record my/our presence at the Extraordinary General Meeting of the Company held on Friday, 11<sup>th</sup> day of April, 2014 at 10.30 a.m. at KPIT Auditorium, SDB-II, 35 & 36, Rajiv Gandhi Infotech Park, Phase-I, MIDC, Hinjewadi, Pune - 411 057, India.

|   |  |           |
|---|--|-----------|
| Folio No.                                   |  | Signature |
| DP ID No.                                   |  |           |
| Client ID No.                               |  |           |
| Full Name of Shareholder (in BLOCK LETTERS) |  |           |
| Full Name of Proxy (in BLOCK LETTERS)       |  | Signature |

#### NOTES:

- Interested Joint Members may obtain attendance Slip from the Registered / Corporate Office of the Company.
- Members/Joint Members/Proxies are requested to bring the attendance Slip with them. Duplicate attendance Slips will not be issued at the entrance of meeting room.



## BOOK-POST

If undelivered please return to :

**LINK INTIME**  
INDIA PVT LTD



**(Unit : KPIT Technologies Limited)**

Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001.