

PALRED TECHNOLOGIES LIMITED

(CIN-L72200AP1999PLC033131)

Regd. Office: Plot No.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad, Telangana - 500034.

Tel: 040-66384916, 040-66384915, email: company@palred.com, website: www.palred.com

NOTICE

Notice is hereby given that an Extra-Ordinary General Meeting of the members of Palred Technologies Limited (formerly Four Soft Limited) will be held on Saturday, 4th April, 2015 at 10: 00 AM at Uma Plaza, Nagarjuna Hills, Road No.1, Banjara Hills, Hyderabad to transact the following business:

Special Business:

Reduction of Capital to the extent of 60% of the paid-up Equity Share Capital

To consider and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Section 100 to 104 of the Companies Act, 1956 read with Section 52 and other applicable provisions, if any, of the Companies Act, 2013 read with Article 57 of the Articles of Association of the Company and pursuant to relevant rules of the Companies (Court) Rules, 1959 and subject to the Confirmation of the Hon’ble High Court of Telangana and/or Andhra Pradesh and other appropriate authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any of the concerned authorities, from time to time, while granting such approvals, consents, permissions or sanctions and which may be agreed by the Board of Directors of the Company, the issued, subscribed and paid-up Equity share capital of Rs. 195,184,850/- (Rupees Nineteen Crore Fifty One Lakhs Eighty Four Thousand Eight Hundred and Fifty Only) consisting of 39,036,970 (Three Crore Ninety Lakhs Thirty Six Thousand Nine Hundred and Seventy Only) Equity Shares of Rs. 5/- (Rupees Five Only) each fully paid-up be reduced to Rs. 78,073,940 (Rupees Seven Crore Eighty Lakhs Seventy Three Thousand Nine Hundred and Forty Only) consisting of 15,614,788 (One Crore Fifty Six Lakhs Fourteen Thousand Seven Hundred and Eighty Eight Only) Equity Shares of Rs. 5/- (Rupees Five Only) each by reducing the paid-up capital to the extent of sixty percent which is in excess of the business requirements of the Company.”

“RESOLVED FURTHER THAT Mr. Palem Srikanth Reddy, Chairman and Managing Director of the Company be and is hereby authorized to take all necessary steps for effecting the reduction of capital of the Company, including but not limited to:

- a) To appoint advocate(s) in order to file and represent the Company before the Hon’ble High Court at Hyderabad for the State of Telangana and/or the State of Andhra Pradesh and/or such other authorities and to file the necessary applications, petitions, affidavits, pleadings for and on behalf of the Company and to apply and obtain certified copies of the orders, decrees, directions etc. that may be passed by the Hon’ble High Court at Hyderabad for the State of Telangana and/or the State of Andhra Pradesh and/or such other authorities courts and all such other documents as may be required for and on behalf of the Company;
- b) To verify, deal, sign, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, record and perfect all deeds, declarations, instruments, affidavits, applications, petitions, objections, consents, notices and writings whatsoever as may be usual, necessary, proper or expedite in all manners of documents, petitions, affidavits and applications in relation to the implementation of Reduction of Capital aforesaid;
- c) To make such alterations, modifications or amendments in all the applications, petitions and other documents as may be required or necessary for complying with the requirements or conditions imposed by the Hon’ble High Court and/or any other appropriate authorities and to prepare and execute applications, petitions and file the same with the Hon’ble High Court and/or any other appropriate authorities and to do all such matters connected therewith, as may be directed by the Hon’ble High Court and/or other appropriate authorities, if any, and to

appoint and retain services of such professionals as may be necessary in connection therewith including and to do all such acts, deeds, matters and things as may be required to bring the Reduction of Capital into effect;

- d) To do all such acts, matters, deeds and things as may be necessary or desirable including any directions for settling any questions or doubts or difficulty whatsoever that may arise, for the purpose of giving effect to the Reduction of Capital;
- e) To accept service of notices or other processes, which may from time to time be issued in connection with the matter aforesaid;
- f) To produce all documents, matters or other evidence in connection with the matters aforesaid on all and any of other proceedings incidental thereto or arising thereat;
- g) To make, prepare any applications, petitions, appeals and judges summons before any Court, Tribunal or Authorities;
- h) To file, submit with the Registrar of Companies, Regional Director, other statutory/regulatory authorities in India any forms, documents, affidavits through electronic media or any other computer readable media or manually to follow up the same;
- i) To do all such acts, deeds and things, as may be necessary and incidental thereto, to appoint from time to time or generally such person(s) and any such substitute(s) or sub-delegation of powers conferred vide the above to any persons, as may be necessary, and to appoint another or other in his/her or their place, for the better and more effectual doing, effecting and performing all or any such matters and things as aforesaid to all intents and purpose to give effect to this resolution."

"FURTHER RESOLVED THAT the Scheme providing for Reduction of Capital of the Company as submitted to the Stock Exchanges and as revised upon the observations by Securities and Exchange Board of India, be and is hereby approved."

"FURTHER RESOLVED THAT a copy of this resolution and/or scheme be submitted to the concerned authorities duly certified by the Managing Director of the Company."

For and on behalf of the Board of Directors

Sd/-

Palem Srikanth Reddy
Managing Director
(DIN-00025889)

Date: 02.03.2015
Place: Hyderabad

Notes:

1. A 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/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, in respect of the resolution mentioned above is annexed herewith.
3. The notice of the EGM is being sent by electronic mode to all members whose email addresses are registered with the Company/depository participant unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the notice is being sent through permitted mode.
4. Members may also note that the notice of EGM will be available on the company's website www.palred.com. The notice will also be available at the registered office of the company for inspection during normal business hours.

Members may write to company@palred.com, for any queries or any communication in physical form in addition to electronic form.

5. In case of members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman will offer an opportunity to such members to vote at the meeting for the business specified in the accompanying notice. In other words, the members who have exercised their right to vote by electronic means or postal ballot shall not vote at the meeting. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company. If a member casts votes by all the modes, then voting done through electronic means shall prevail and Ballot shall be treated as invalid.

Voting by Electronic Means

In accordance with the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by SEBI, and section 108 of the Companies Act, 2013 and the rules made thereunder, the Company is providing facility to vote by electronic means.

The company has engaged the services of M/s. Karvy Computershare Private Limited to provide e-voting facilities and enabling the members to cast their votes in a secure manner. The period of e-voting for the extra-ordinary general meeting shall be as follows:

Commencement of E-voting: Monday, 30th March, 2015 at 9:00AM
End of E-voting : Monday, 30th March, 2015 at 5:00PM

Instructions and other information relating to e-voting are as under:

A. Members receiving an e-mail from Karvy.

- Open the e-mail which contains your user ID and password for e-voting. Please note that the password is an initial password.
- Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- Enter the login credentials (user id and password mentioned above). Your folio No/DP No. will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User Id and Password for casting your vote.
- After entering these details appropriately, click "LOGIN".
- You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any one and that you take utmost care to keep your password confidential.
- You need to log in again with new credentials.
- On successful login, the system will prompt you to select the E-voting Event Number for Palred Technologies Limited.
- On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under (FOR/AGAINST) or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
- Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

- You may then cast your vote by selecting an appropriate option and click "Submit".
- A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can log in any number of times till they have voted on the resolution(s).
- Corporate/Institutional members (i.e. other than individuals, HUF, NRI etc) are also required to send scanned certified true copy (PDF) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the scrutinizer at e-mail id ssrfcs@gmail.com. They may also upload the same in the e-voting module in their Login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT No."

- Members receiving physical copy of the Notice of EGM and attendance slip

Initial password is provided as follows, at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

Please follow all the steps from S.No. (II) to (XIII) above, to cast vote.

Common Instructions

- i. **E-voting shall not be allowed beyond 5:00 PM on 30th March, 2015. During the e-voting period, members of the Company, holding shares either in physical form or in dematerialized form, as on 27th February, 2015 may cast their vote electronically. Once the vote on a resolution is cast by the members, the members shall not be allowed to change it subsequently.**
- ii. In case of any query pertaining to e-voting, please visit Help & FAQs section available at Karvy's website <https://evoting.karvy.com>.
- iii. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on 27th February, 2015.
- iv. The Board of Directors has appointed **Mr. S. Sarveswar Reddy**, Practicing Company Secretary, (C.P. No- 7478) as scrutinizer to scrutinize the e-voting and postal ballot process in fair and transparent manner.
- v. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the General Meeting unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. In case of members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman will offer an opportunity to such members to vote at the meeting for the business specified in the accompanying notice. In other words, the members who have exercised their right to vote by electronic means or postal ballot shall not vote at the meeting. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company. If a member casts votes by all the modes, then voting done through electronic means shall prevail and Ballot shall be treated as invalid.
- vii. The results of e-voting and postal ballot and physical voting at the meetings on resolution shall be aggregated and declared after the EGM of the Company and the resolutions will be deemed to be passed on the date of declaration of results subject to receipt of requisite number of votes in favour of the resolution.
- viii. The results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.palred.com) and on Karvy's website (evoting.karvy.com) within two (2) days of passing of the resolutions and communication of the same to the BSE Limited and the National Stock Exchange of India (NSE).

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

1. Salient features of the Scheme of Capital Reduction

- i. In the month of October, 2013, the Company disposed off its entire business undertaking by obtaining the shareholders consent in terms of section 293 (1) (a) by way of postal ballot dated 18th September, 2013 for a consideration of Rs.251, 65, 90,355/- (Rupees Two Hundred and Fifty One Crores Sixty Five Lakhs Ninety Thousand Three Hundred and Fifty Five only).
- ii. Later, the Board of Directors decided and paid an interim dividend of Rs. 29/- per share to the shareholders of the Company in the month of October, 2013 aggregating to Rs. 113, 20, 72,130/- (Rupees One Hundred Thirteen Crores Twenty Lakhs Seventy Two Thousand One Hundred and Thirty only).
- iii. Subsequent to the payment of dividend, the Board at its meeting held on 1st December, 2014, after deliberating on and considering the present business model, the future revenues and after considering the other business factors, opined that the present shareholders' funds available with the Company are in excess of its requirements approximately by an amount of Rs. 38 crores which could not be effectively deployed in the business.
- iv. Hence, after evaluating various alternatives, the Board at its meeting held on 1st December, 2014 decided to reduce 60% of the paid up share capital of the Company by cancelling and extinguishing 60% of the shares of the Company of face value of Rs. 05/- (Rupees Five only) each and return to the shareholders an amount of Rs. 16.50/- (Rupees Sixteen and Fifty Paise only) per share (including a premium of Rs. 11.50/- per share).
- v. This resolution is subject to the confirmation of the Hon'ble High Court of Judicature at Telangana and/or Andhra Pradesh.

2. No-Objection/ Observation Letter from the Stock Exchanges

In-terms of Clause 24(f) of the Listing Agreement, the Company obtained No-objection/Observation Letter to the reduction of capital from The National Stock Exchange of India Limited and BSE Limited vide their letters dated 25th February, 2015 respectively.

3. Capital Structure and shareholding pattern of the Company.

The capital structure and shareholding pattern of the Company pre reduction of capital as on 1st December, 2014 and post reduction of capital are as follows:

Capital Structure:

Particulars	Pre-reduction of capital (in Rs.)	Post-reduction of capital (60%)(in Rs.)
Authorized capital		
5,60,77,600 Equity shares of Rs. 5/- each	28,03,88,000	28,03,88,000
6,96,120 14% redeemable optionally convertible cumulative preference shares of Rs. 100/- each	6,96,12,000	6,96,12,000
Issued, subscribed and paid-up capital (Equity shares of Rs. 5/- each)	19,51,84,850	78,073,940

Shareholding Pattern:

Particulars	Prior to the Scheme		After the implementation of the Scheme	
	No. of Shares (Rs. 05/- each)	% to total	No. of Shares (Rs. 05/- each)	% to total

Promoter's & Group	1,83,17,304	46.92	73,26,922	46.92
Institutions/ Mutual Funds etc	300	0.00	120	0.00
Foreign Institutional Investors	6,63,022	1.70	2,65,209	1.70
Bodies Corporate	22,72,588	24.45	9,09,035	5.82
Resident Individuals	1,51,54,011	18.19	60,61,604	38.82
Foreign Nationals	11,10,032	2.84	4,44,013	2.84
Foreign Bodies	10,84,742	2.78	4,33,897	2.78
NRIs	3,78,217	0.96	1,51,287	0.97
Clearing Members	56,604	0.40	22,641	0.15
Trusts	150	0.00	60	0.00
Total	3,90,36,970	100	1,56,14,788	100

4. The registered Office of the Company is situated in Hyderabad, Telangana State, therefore the Company would file an application for the approval of the reduction of capital before the Hon'ble High Court of Telangana and/or Andhra Pradesh on passing the Special Resolution.
5. The Company shall file a certified copy of the order of the Hon'ble High Court sanctioning the scheme of capital reduction with the Registrar of Companies, Telangana and/or Andhra Pradesh.
6. A record date will be fixed, subject to the approval by the Stock Exchanges, for the purpose of returning the amount, in proportion to the shares held by the members as on the record date.
7. In accordance with the Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by SEBI, the Complaints Report and Observation Letter of the Stock Exchanges are enclosed herewith.
8. The Notice is being sent to all members by post, whose names appear in the Register of Members, as on 27th February, 2015.
9. The copies of the following documents will be open for inspection at the Registered Office of the Company on all working days (Monday to Friday between 11:00 AM to 01:00 PM) till the date of EGM:
 - Memorandum of Association and Articles of Association of the Company.
 - The audited balance sheet and profit and loss account for the year ended 31st March, 2014.
 - Complaints Report submitted by the Company with the Stock Exchanges.
 - Valuation Report submitted by M/s Namburu & Associates, an Independent Chartered Accountant.
 - Fairness Opinion by M/s Mark Corporate Advisors Private Limited, Merchant Bankers.
 - Copies of the observation letters dated 25th February, 2015 of the National Stock Exchange of India Limited and BSE Limited granting No-objection/observation letter to the reduction of capital.
 - Notice to equity shareholders and the explanatory statement, copies of which may be obtained free of cost.

The Board of Directors of the Company recommends to the shareholders for passing the proposed special resolution.

None of the Directors, key Managerial Personnel or their relatives are directly/indirectly concerned or interested in any manner in the above resolution, except to the extent of their shareholding in the company.

For and on behalf of the Board of Directors

Date: 02.03.2015
Place: Hyderabad

Sd/-
Palem Srikanth Reddy
Managing Director
(DIN-00025889)

1. Reduction of paid-up equity share capital of the Company to the extent of 60%.

Signed this day of..... 2015

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PALRED TECHNOLOGIES LIMITED

Plot No.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence at the Extra-Ordinary General Meeting of the Company to be held on Saturday, 4th April, 2015 at Uma Plaza, Nagarjuna Hills, Road No.1, Banjara Hills, Hyderabad- 500034

Shareholders/Proxy's Signature _____

Shareholders/Proxy's full name _____
(In block letters)

Folio No. / Client ID _____

No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.