

8K MILES SOFTWARE SERVICES LIMITED

Regd. Office: 1-7-241/11/D, Ramalaya, 3rd Floor, S.D. Road, Secunderabad-500 003
Corporate Office: No.7, III Floor, Ganapathy Colony, III Street, Teynampet, Chennai 600 018

NOTICE CALLING EXTRA-ORDINARY GENERAL MEETING

Notice is hereby given that an Extra-Ordinary General Meeting (“EGM”) of the Members of the Company will be held on Wednesday, the 11th day of April, 2012 at 4.00 P.M. in First Floor, No.114, Luz Church Road, Mylapore Chennai 600 004 (Phone:044-4500749) to transact the following business:

1. ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS TO NON- PROMOTERS

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

“**RESOLVED THAT** in accordance with the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “**SEBI (ICDR) Regulations, 2009**”) as in force, and subject to the regulations/guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies (“**Concerned Authorities**”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “**the Board**”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, upto 4,72,300 (Four Lacs Seventy Two Thousand Three Hundred Only) Equity Shares of Rs. 10/- (Rupees Ten) each on Preferential Basis at a price of Rs. 57/- (Rupees Fifty Seven) per equity share, including a premium of Rs. 47/- (Rupees Forty Seven) per equity share, aggregating to Rs. 2,69,21,100/- (Rupees Two Crores Sixty Nine Lacs Twenty One Thousand One Hundred Only), being higher than the price computed in compliance with Regulation 76 of Chapter VII of the SEBI (ICDR) Regulations, 2009 and subsequent amendments thereto, and on such terms and conditions and in such manner as the Board may in its absolute discretion deem fit to the following entities as mentioned below:

Sr. No.	Name of the Proposed Allottees	No of Equity Shares to be allotted	Allottee is : QIB / MF / FI / Trust / Banks
	Non Promoter Group :		
1.	Bhanu Parthasarathy	12500	No
2.	V T Lokamatha	7200	No
3.	R Parthasarathy	22400	No
4.	Vaishnavi Parthasarathy	10300	No
5.	Karthik Ramakrishnan	78500	No
6.	Triveni Mundra	17500	No
7.	V Narayanan Iyer	15700	No
8.	Aruna Srinivasan Iyer	87700	No
9.	Gowrisankaran Ramya	17500	No
10.	Shailesh B Varudkar	17500	No
11.	Sujatha Srinivasan	26300	No
12.	Ramesh K Iyer	19200	No
13.	Sandeep Bhaskar Shenoy	4300	No
14.	Shweta Sandeep Shenoy	4300	No
15.	Sudha Karthik Ramakrishnan	8700	No

16.	N Sriram	52600	No
17.	L S Krishnan	52600	No
18.	N Ruckmani	17500	No
	Total	472300	

“RESOLVED FURTHER THAT:

- (i) The relevant date for the purpose of pricing of issue of the shares in accordance with the SEBI (ICDR) Regulations, 2009 be fixed as March 12, 2012, being the 30th day prior to April 11, 2012 i.e., the date on which the Extraordinary General Meeting of the shareholders is convened, in terms of Section 81 (1A) of the Companies Act, 1956 to consider the proposed preferential issue.
- (ii) The equity shares allotted in terms of this resolution shall rank pari passu in all respects with the existing equity shares of the company.
- (iii) The new equity shares to be allotted to the Investors shall be subject to a lock-in period in accordance with Regulation 78 of the SEBI (ICDR) Regulations, 2009 and subsequent amendments thereto.
- (iv) The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of equity shares, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price on a higher side than mentioned above, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting”.

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of shares of the Company, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question, difficulties or doubts that may arise in this regard including but not limited to the offering, issue and allotment of equity shares of the Company as it may in its absolute discretion deem fit and proper”.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the company to give effect to the aforesaid resolution.”

2. ALTERATION IN ARTICLES OF ASSOCIATION OF THE COMPANY

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 31 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification, re-enactment or substitution thereof for the time being in force), the existing Clause 168 of the Article of Association be and is hereby modified as follows:-

1. The Board of Directors, may subject to the provisions of the Act resolve,
 - (a) to capitalise whole or any part to the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions.
- 2 The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards:-
 - (i) Paying up any amounts for the time being unpaid on any shares held by such, members respectively.

- (ii) Paying up in full, un-issued shares, of the Company to be allotted and distributed, credited as fully paid up, to be and amongst such members in the proportion aforesaid or
 - (iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause(ii)
- (3) A share premium account and a capital redemption reserve fund may for the purposes of this Article, only be applied in the paying up of un-issued shares to be issued, to members of the, Company as fully paid bonus shares.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard.”

**By Order of the Board
For 8K Miles Software Services Limited**

Place: Secunderabad
Date: 14.03.2012

Sd/-
(G.P.SURANA)
Managing Director

NOTES:

1. The Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956, is annexed herewith and forms part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF /HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY.
3. The Instrument appointing a Proxy must be lodged at the Registered Office of the Company at least 48 hours prior to the time of the meeting.
4. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Corporate Office of the Company on all working days except Saturday and Sunday, between 11.00 AM to 3.00 PM up to the date of the Extra-Ordinary General Meeting.
5. The Auditor's certificate certifying that the Issue of Equity Shares on preferential basis is being made in accordance with the SEBI (ICDR) Regulations, 2009 on preferential issues, will be available for inspection at the Registered Office of the Company on all working days except Saturday and Sunday, between 11.00 AM to 3.00 PM on all working days up to the date of the Extraordinary General Meeting i.e. April 11, 2012.
6. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to the Proxy Form and hand over the slip at the entrance to the place of the Meeting.
7. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification of attendance at the meeting.
8. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Extraordinary General Meeting.
9. Members are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents viz., Adroit Corporate Services Private Ltd., Industries Estate, Makwane Road, Naronwaka, Andheri (E), Mumbai - 400 059. Tele.:91-22-4227 0400 / Fax : 91-22-2850 3748. E-mail : info@adroitcorporate.com

Explanatory Statement and reasons for proposed resolutions pursuant to Section 173(2) of the Companies Act, 1956, and forming part of the Notice convening the Extra Ordinary General Meeting of the Company.

ITEM NO. 1 : PREFERENTIAL ALLOTMENT UNDER SECTION 81 (1A)

The Board of Directors of the Company (“the Board”) at their meeting held on March 14, 2012 discussed the future plans of the Company and possible growth options. Based on the above discussions, the Board in order to raise resources to meet the future capital expenditure, working capital requirements and for general corporate purposes, thought it prudent to infuse fresh equity capital in the Company by Preferential Issue of 4,72,300 (Four Lacs Seventy Two Thousand Three Hundred Only) equity shares of face value of Rs. 10/- (Rupees Ten) each of the Company at a price of Rs. 57/- (Rupees Fifty Seven) per equity share, including a premium of Rs. 47/- (Rupees Forty Seven) per equity share on Preferential Basis to Strategic Investors not forming part of the Promoter Group.

The necessary information pertaining to the proposed preferential allotment in terms of the Regulation 73(1) of SEBI (ICDR) Regulations, 2009 are set out as below:

a) Object of the Issue:

The object of the issue is to raise resources to meet the future capital expenditure, long term capital requirements and for general corporate purposes.

b) Intention of the Promoters/Directors/Key Management Persons to subscribe to this Offer:

There is no intention of the any Promoters, Directors and Key Management Persons of the Company to subscribe to the present preferential issue.

c) Shareholding Pattern before and after the Offer:

Class of Shareholders	Pre Preferential Issue		Post Preferential Issue Assuming allotment of 4,72,300 Equity Shares)	
	No of Shares	%	No of Shares	%
A. Promoters & Promoter Group				
a. Indian Promoters	37077	0.67	37077	0.62
b. NRI Promoter	3957084	71.24	3957084	65.66
Total for Promoter Group	3994161	71.91	3994161	66.28
B. Public Shareholdings				
i Institutional		-		
ii Non Institutional				
- Bodies Corporate	336136	6.05	336136	5.58
- Individuals				
a. Individual shareholders holding nominal share capital up to Rs. 1 Lac	339813	6.12	355813	5.90
b. Individual shareholders holding nominal share capital in excess of Rs. 1 Lac	560029	10.08	823429	13.66
iii Any Other				
- NRIs/ OCBs	1000	0.02	193900	3.22
- Clearing Members	154536	2.78	154536	2.56
- Directors	168486	3.03	168486	2.80
Total Public Shareholdings	1560000	28.09	2032300	33.72
GRAND TOTAL (A) + (B)	5554161	100.00	6026461	100.00

The above pre-issue shareholding pattern has been prepared on the basis of shareholdings as on 9th March, 2012.

d) Consequential Changes in the Voting Rights:

Voting rights will change in tandem with the shareholding pattern.

e) Proposed time within which allotment shall be completed:

The Board proposes to allot the Equity Shares within a period of 15 (fifteen) days from the date of passing of the resolution by the Shareholders in the Extra Ordinary General Meeting, provided that when the allotment on preferential basis is pending on account of pendency of any approval or permission for such allotment by any Regulatory Authority or the Central Government, the period of 15 (fifteen) days shall be counted from the date of such approval or permission.

- f) The identity of the proposed allottees and the Percentage of Post Preferential Issue capital may be held by them :

Sr. No.	Name of the Proposed Allottee	No. of Equity Shares held prior to the Preferential Allotment	No. of Equity Shares to be issued and allotted	No. and % of Post Issue Equity and Voting Share Capital	
				No. of Shares	%
1.	Bhanu Parthasarathy	7500	12500	20000	0.33%
2.	V T Lokamatha	1500	7200	8700	0.14%
3.	R Parthasarathy	1000	22400	23400	0.39%
4	Vaishnavi Parthasarathy	0	10300	10300	0.17%
5	Karthik Ramakrishnan	0	78500	78500	1.30%
6	Triveni Mundra	0	17500	17500	0.29%
7	V Narayanan Iyer	0	15700	15700	0.26%
8	Aruna Srinivasan Iyer	0	87700	87700	1.46%
9	Gowrisankaran Ramya	0	17500	17500	0.29%
10	Shailesh B Varudkar	0	17500	17500	0.29%
11	Sujatha Srinivasan	0	26300	26300	0.44%
12	Ramesh K Iyer	0	19200	19200	0.32%
13	Sandeep Bhaskar Shenoy	0	4300	4300	0.07%
14	Shweta Sandeep Shenoy	0	4300	4300	0.07%
15	Sudha Karthik Ramakrishnan	0	8700	8700	0.14%
16	N Sriram	0	52600	52600	0.87%
17	L S Krishnan	0	52600	52600	0.87%
18	N Ruckmani	0	17500	17500	0.29%
	Total	10000	472300	482300	8.00%

- g) **Lock-in:**

The aforesaid allotment of equity shares arising shall be locked in as per the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009.

Further, the entire Pre-Preferential allotment shareholding of all the proposed allottees, if any, shall also be under lock-in from the relevant date upto a period of six months from the date of the allotment of Equity Shares.

- h) **Change in the control or composition of the Board:**

Subsequent to the proposed issue of Equity Shares on preferential basis, there will neither be a change in control nor a change in the management of the Company. However, there will be a corresponding change in the shareholding pattern as well as voting rights consequent to the preferential allotment of equity shares.

i) Price of the Issue:

The preferential allotment of 4,72,300 (Four Lacs Seventy Two Thousand Three Hundred Only) Equity Shares of the face value of Rs. 10/- (Rupees Ten) each shall be issued at a price of Rs. 57/- (Rupees Fifty Seven) per equity share including a premium of Rs. 47/- (Rupees Forty Seven) per equity share.

The relevant date for the purpose of pricing of issue of the shares is 12th March, 2012, being the 30th day prior to 11th April, 2012 i.e., the date on which the Extra-Ordinary General Meeting of the shareholders is convened, in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed preferential issue. In terms of Regulation 76 of the SEBI (ICDR) Regulations, 2009 the price at which the equity shares are issued on preferential basis is determined at Rs. 57/- per share which is not less than the higher of the following:

- (i) The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchange during the six months preceding the relevant date, i.e. Rs. 49.16/- per equity share; or
- (ii) The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchange during the two weeks preceding the relevant date, i.e. Rs. 56.76/- per equity share.

j) Undertakings:

The undertaking(s) required under Paragraphs (f) and (g) of Sub-regulation (1) of Regulation 73 of Chapter VII of SEBI ICDR Regulations will not be applicable to the Company, as the Company's Equity Shares are listed on the Stock Exchanges for more than the minimum period as specified under Regulation 76(3) of the SEBI ICDR Regulations.

k) Auditor's Certificate:

A copy of the certificate from the Statutory Auditors of the Company, M/s GHG Associates, Chartered Accountants, certifying that the issue of the Equity Shares is being made in accordance with the requirement of SEBI (ICDR) Regulations, 2009 for Preferential Issues, will be available for inspection at the Corporate Office of the Company during 11.00 a.m. and 3.00 p.m. on any working day except Saturday & Sunday up to the date of Extraordinary General Meeting and at the meeting.

The consent of the Shareholders is being sought pursuant of Section 81(1A) and other applicable provisions of the Companies Act, 1956, if any, and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges in India where the Company's shares are listed.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

Your Directors recommend the Special Resolution as set out in the notice for your approval.

ITEM NO.2 AMENDMENT IN ARTICLES OF ASSOCIATION

Presently the Article of Association of Company permits capitalization of reserves subject to the approval of the Shareholders in the General Meeting. Pursuant to the provision presently available in the Companies Act and SEBI (ICDR) Regulations, Board of the Directors can authorize the capitalization of reserves, if there has been suitable provision in the Articles of the Company. It is therefore proposed to amend the Article by amending the existing clause 168 of the Article of Association so as to enable the Company to give effect of capitalization of the reserves with the approval of Board of Directors only without requiring the approval of the shareholders in the General meeting.

**By Order of the Board
For 8K Miles Software Services Limited**

Sd/-
(G.P.SURANA)
Managing Director

Place: Secunderabad
Date: 14.03.2012

8K MILES SOFTWARE SERVICES LIMITED

Regd. Office: 1-7-241/11/D, Ramalaya, 3rd Floor,S.D.Road, Secunderabad-500 003
Corporate Office: No.7, III Floor, Ganapathy Colony, III Street, Teynampet, Chennai 600 018

PROXY FORM

DP ID & Client ID No. _____
Folio No _____
No. of Shares _____

I/We _____
of _____
being a Member/Members of 8K Miles Software Services Limited hereby appoint _____

_____ of _____
or failing him /her _____ of _____
as my / our proxy in my/our absence to attend and vote for me/us, and on my/our behalf at the Extraordinary General Meeting of the Company to be held on Wednesday, 11th April, 2012 at 4:00 P. M. and/or at any adjournment thereof.

Signed this _____ day of _____ 2012

Signature _____



Note: 1. The Proxy must be deposited at the Corporate office of the Company at No.7, III Floor, Ganapathy Colony, III Street, Teynampet, Chennai 600 018 not less than 48 hours before the time for holding the meeting.

------(Tear Off)-----

8K MILES SOFTWARE SERVICES LIMITED

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Corporate Office: No.7, III Floor, Ganapathy Colony, III Street, Teynampet, Chennai 600 018

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE.

Name of the Shareholder (In Block Letters)

Register Folio No/DP ID & Client ID No. _____

No. of Shares held _____

Name of the Proxy (In Block Letters) in case the Proxy attends instead of the Shareholder(s).

I hereby record my presence at the EXTRAORDINARY GENERAL MEETING of the Company being held at First Floor, No.114, Luz Church Road, Mylapore Chennai 600 004 on Wednesday, 11th April, 2012 at 4:00 P. M.

Signature of the Shareholder or Proxy _____