

NOTICE OF ANNUAL GENERAL MEETING

Acropetal Technologies Limited,

Registered office: #2/10, 3rd Floor, Ajay Plaza, 1st Main, N S Palya Bannerghatta Road, Bangalore- 560 076

Notice is hereby given that the Tenth Annual General Meeting of Acropetal Technologies Limited will be held on Wednesday, the 28th September, 2011 at 11.00 a.m. at Kutchi Bhavan, #44B, 1st Main Road, J.P. Nagar, 3rd Phase, Opp. Mini Forest, (Near Shoppers' Stop, Bannerghatta Road), Bangalore -560 078 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss account for the year ended on that date together with the reports of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Mohan Hosahalli Ramakrishna who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ramdas Janardhana. Kamath who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. **To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.**

"RESOLVED THAT Dr. D.K.Subrahmanya Reddy, who was appointed as director on 11.12.2009 to fill the casual vacancy caused by resignation of Mr. Anil T. Shridhar whose term of office will end at the ensuing annual general meeting on 28th September, 2011 and for the appointment of whom (Dr.D.K.Subrahmanya Reddy)the company received notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the director be and is hereby appointed as a director of the Company whose period of office will be liable for retirement by rotation.

7. **To consider and if thought fit to pass with or without modification(s) the following resolution as a special resolution.**

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company, be and is hereby altered as follows:

1. The following be inserted as Articles 3A, 3B, 3C, 3D, 3E after the existing Article 3:

SHARES 3A

The shares shall be under the control of the Directors who at their discretion may allot the shares either at par or at a premium or refuse to allot any shares or allot less than the number applied for to such person for such valuable consideration and at such times as they may determine subject to these regulations, provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

- a. The Shares in the Capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form.
- b. The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depositories and or to offer its fresh shares , debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.
- c. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996, with details of shares held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India, a Branch Register of Members resident in that State or Country.

3B

Except as ordered by a Court of competent jurisdiction or by Law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any shares or whose name appears as the beneficial owner of shares in the records of the Depository , as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.

3C

The Company may issue debentures, debenture Stock Loan or Loan Stock, Global Depository Receipt (GDR), American Depository Receipts(ADRs) Share Warrants or any other securities, convertible into or exchangeable for the shares of the Company or conferring the Right to allotment or option of Right to call for allotment of shares of the Company, securities linked to Equity Shares, securities with Warrants including Foreign Currency Convertible Bonds (FCCBs) subject to and in accordance with applicable laws, including the provisions of the Companies Act, 1956, the Securities and Exchange Board of India (SEBI) Guidelines, Regulations and instructions and subject to other legal and Regulatory provisions to any eligible person including Qualified Institutional Buyers, Foreign/Resident investors, Indian and or multinational financial institutions, mutual funds, Banks, Non-Resident Indians, stabilizing agents and any other categories of investors whether they be holders of the shares of the Company or not.

Provided however that Debentures, Debenture Stock or Loan/Loan Stock or other securities herein mentioned conferring the right to allotment or conversion into shares of the Company shall not be issued except with the sanction of the company in General Meeting.

3D

ISSUE OF SHARES TO EMPLOYEES ETC.

Subject to the provisions of the Companies Act, 1956 and the Articles of Association, the Board may from time to time, create, offer and issue to or for the benefit of the Company's employees and to such categories of Directors as may be permitted and to the employees/Directors of the Company's holding company or subsidiary companies, such number of equity shares of the Company of the face value of Rs.10/- for subscription on such terms and conditions, as may be determined by the board/Committee of the Board, prior to the issue and offer , in consultation with the authorities concerned and in accordance with such Guidelines/Regulations or other provisions of law, as may be prevalent at that time, but ranking pari passu, with the existing equity shares of the Company.

1. The issue price of such shares shall be determined by the Board/Committee of the Board in accordance with the laws prevalent at the time of the issue.
2. In the alternative to equity shares mentioned above, the Board/Committee of the Board may also issue bonds,

equity warrants or other securities convertible or non-convertible into equity shares, as may be permitted in law, from time to time.

All such issues as above are to be made in pursuance of Securities and Exchange Board of India (SEBI) (Employees' Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or in such other forms as may be permitted in law, to be drawn up and approved by the Board/Committees of the Board.

3E Buy Back of Shares

The Company and/or the Board of Directors shall have power, subject to and in accordance with Sections 77A, 77AA, 77B and other applicable provisions of the Act or the corresponding provisions, rules, regulations and guidelines prescribed by the Government of India, the Securities and Exchange Board of India or any other authority, to purchase any of its own fully paid up shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the company or proceeds of any issue of shares or other specified securities, provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by law on such terms, conditions and in such manner as may be prescribed by the law from time to time in respect of such purchase.

2. The following be inserted as Article 29A after the existing Article 29

Article 29A

The fully paid shares of the Company shall be free from all lien and in case of partly paid Shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such Shares.

3. The following be inserted as Article 85A after the existing Article 85

Article 85A

Passing of resolution by postal ballot.

Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing resolutions by the members of the Company by means of a postal ballot and /or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting, such business in a General Meeting of the Company:

- a. Any business that can be transacted by the Company in a General Meeting and
- b. Particularly, resolution relating to such business as the Central Government may by notification, from time to time declare to be passed only by postal ballot.
The Company shall comply with the procedure for such postal ballot and or other ways prescribed by the Central Government in this regard".

4. The following be inserted after the existing Article 142

Provided that, if the terms of issue of any shares provide that they rank pari passu in all respects with the existing shares of the Company, including payment of dividend, such shares shall have rights to dividends equal to then existing shares.

"RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to do and perform all the acts and deeds as they may think fit and proper for giving effect to aforesaid resolution."

8. To consider and if thought fit, to pass with or without modifications(s) the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to Section 293(1)(d) and other applicable provisions, if any of the Companies Act, 1956 and all other enabling provisions ,if any, and in supersession of the Ordinary Resolution passed at the Extraordinary General Meeting of the Company held on 31st July, 2008, the consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company, to borrow such sum or sums of monies in any manner from time to time with or without security and upon such terms and conditions as they may think fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that, the total amount upto which monies may borrowed by the Board of Directors shall not any time exceed Rs. 300 Crores (Rupees Three Hundred Crores only) over and above the paid-up Capital of the Company and its free reserves."

9. To consider and if thought fit, to pass with or without modifications(s) the following resolutions as a Special Resolution

"RESOLVED THAT that pursuant to the provisions of Section 372 A and all other applicable provisions, if any, of the Companies act, 1956(including any amendment to or re-enactment thereof) and subject to such sanction, permissions and clearances as may be required, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for making investments by the Company of a sum not exceeding Rs.300 Crores (Rupees Three Hundred Crores only) by way of subscription and or purchase of securities in any other body corporate or bodies corporate notwithstanding that such investments exceed the limits prescribed by law for the time being in force"

"RESOLVED THAT that for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to take all such action, to do all such acts, deeds and matters and things as may be necessary or desirable and to settle any question or difficulty that may arise this matter."

10. To consider and if thought fit to pass with or without modification(s) the following resolutions as a special resolution.

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any of the Companies Act, 1956(including any statutory modification(s) or re-enactments thereof for the time being in force), the Memorandum and Articles of association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, guidelines issued by the Securities and Exchange Board of India(SEBI) and other applicable regulations/guidelines and subject to other approvals ,permissions, consents and/or sanctions as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms ,conditions, alterations and modifications as may be considered appropriate and agreed to by the Board of Directors (hereinafter referred to as "the Board," which term shall include any Committee of Directors), consent of the Company be and is hereby accorded to the Board to create, offer ,issue and allot in one or more tranche(s), not exceeding 40,00,000 equity shares and or equity linked instruments (including options/warrants restricted stock units), equity shares issued through American Depository Receipts(ADRs) and or Global Depository Receipts(GDRs) and or other instruments or securities of the Company which could give rise to issue of equity shares (herein after referred to as "Securities") or such other adjusted figure for any bonus, stock, split or other reorganization of capital structure as may be applicable from time to time, to the permanent Employees of the Company whether working in India or out of India and to the Directors of the Company, whether whole time director or not (herein after referred to as "Employees") as may be

permitted, through an Employee Stock Option Scheme, determined in accordance with SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as amended or other provisions of law as may be prevailing at that time on such terms and conditions as the Board of Directors in its absolute discretion may deem fit and that the Board be and is hereby authorized to finalize all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for time being in force.

"RESOLVED FURTHER THAT pursuant to the provisions of the listing agreement executed by the Company with the Stock Exchanges the total options granted to the Non-Executive Directors including independent directors of the Company shall not exceed 10% of the total options granted to the employee, in any financial year and in aggregate, during the tenure of this scheme."

"RESOLVED FURTHER THAT the equity shares so issued under Employee Stock Option scheme shall rank pari passu with the existing equity shares of the Company in all respects including payment of dividend."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to agree to, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit including those stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as the board may in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this Resolution, provided that such variation, modifications, alterations or revisions are not detrimental to the interest of the Employees."

"FURTHER RESOLVED that the Securities may be allotted directly to such Employees or in accordance with the Scheme through any appropriate mechanism including through "Trust." or any other entity which may be set up for that purpose and that the Scheme may also contain provisions for functioning of the said Trust/Entity."

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI Guidelines."

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

"RESOLVED THAT pursuant to provisions of Section 163 of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of members together with the index of members and relevant documents and certificates required to be annexed with the annual return under section 160/161 of the Companies Act, 1956 and/or any of the documents as required to be kept at the registered office of the Company under the aforesaid Sections, at the office of Registrar and Transfer Agent, Sharex Dynamic(India) Private Limited Unit No.1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road Andheri (East), Mumbai 400072 and at such places to where the Registrar and transfer Agent may shift its office from time to time instead of at the Registered Office of the Company".

By Order of the Board

Place: Bangalore
Date : 12th August, 2011

Shobha Acharya
Company Secretary

Registered Office
#2/10, 3rd Floor, Ajay Plaza, 1st Main
N S Palya, Bannerghatta Road, Bangalore- 560 076

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will be closed from 21st September, 2011 to 28th September, 2011 (both days inclusive).
3. The Board of Directors have recommended a dividend of Rs. 1.20 per equity share of Rs. 10 each for the year ended 31st March 2011. Dividend as recommended by the Board, if approved at the Annual General Meeting will be payable to those members whose names appear in the Register of Members as on the date of the Annual General Meeting. The dividend in respect of shares held in electronic form will be payable to those beneficial owners of the shares as on the above date, as per the details furnished by the Depositories for this purpose.
4. A member desirous of getting any information on the accounts or operations of the company is requested to forward his/her queries to the company at least seven working days prior to the meeting, so that the required information can be made available at the meeting, if permitted by the Chairman.
5. Members are requested to bring their attendance slips duly filled in and their copy of the Annual Report to the Meeting.
6. Members are requested to notify immediately any change in their address to the company or its Share Transfer Agents and in case their shares are held in dematerialised form, this information should be passed on to their respective Depository Participants without any delay.
7. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Businesses are annexed hereto.
8. No gifts will be distributed at the Annual General Meeting.
9. The Ministry of Corporate Affairs vide circular No.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively has undertaken a Green initiative in corporate Governance and allowed companies to send documents to their shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail IDs as follows.
 - a) If you are holding shares in demat form register/update your e-mail ID with the depository participant with whom you are maintaining your demat account.
 - b) If you are holding shares in physical form, register/update your e mail ID with the Company or with our Registrar and Transfer Agent i.e. Sharex Dynamic (India) Pvt. Limited.
10. The Securities and Exchange Board of India(SEBI) has mandated the submission of Income Tax Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participant with whom demat accounts are maintained. Members holding shares in physical form can submit their PAN details either to the Company or to the Company's Registrar and Transfer Agent i.e. Sharex Dynamic (India) Pvt. Limited.
11. SEBI has made it mandatory to distribute dividends through Electronic mode. Therefore the Company will use the bank account details furnished by the Depositories for distributing dividends to shareholders holding shares in electronic form. Members are requested to notify any change in their Bank account details to their Depository Participant immediately.

12. Corporate members are requested to send a duly certified copy of the Board resolution/power of attorney authorizing their representatives to attend and vote at the meeting.
13. All the documents mentioned in this Notice are available for Inspection at the Registered Office of the Company on all working days during office hours.

By Order of the Board

Place: Bangalore
Date: 12th August 2011

Shobha Acharya
Company Secretary

Registered Office
#2/10, 3rd Floor, Ajay Plaza, 1st Main
N S Palya, Bannerghatta Road, Bangalore - 560 076.

INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT ABOUT THE DIRECTORS BEING APPOINTED/REAPPOINTED.

1. Mr. Mohan Hosahally Ramakrishna

Mr. Mohan Hosahally Ramakrishna is a Bachelor of management from Mangalore University and has more than 10 years experience in the field of Institutional Finance. He has structured various financial products and has successfully engaged in institutional sales of various financial products. His areas of expertise are in leading sales teams, solutions and institutional sales engagements in the domain of finance.

He is not a director in any company except in Arcopetal Technologies Limited. He is a member of Audit, Remuneration and shareholders grievances committees of Arcopetal Technologies Limited.

He does not hold any shares in the Company.

2. Mr. Ramdas Janardhana Kamath, Independent Director;

Mr. Ramdas Janardhana Kamath is a Commerce Graduate and a CAIIB (Certified Associate of Indian Institute of Bankers) by profession and was the former Chairman & Managing Director of Andhra Bank and Canara Bank. His work includes handling of branches of commercial banks to business development, monitoring and control of commercial units of bank; experience in heading zonal set-ups that functioned as mini-banks with greater autonomy and freedom in their operations, responsible for implementation and administration of corporate policies. He was in charge of Treasury and International Operations Wings, Credit Wing and Personnel Wing at the Head Office of Canara Bank.

He has served as a Member of IBA Committee on Banking Operations. He has held prestigious positions like Member on the Governing Board of Institute of Banking Personnel Selection (IBPS); Member on the Governing Board of National Institute of Bank Management (NIBM), Pune; Member on the Governing Board of Southern India Bank's Staff Training College (SIBSTC); Member of the Governing Council of the Indian Institute of Bankers (IIB), Mumbai; Member of the Managing Committee of the Indian Bank's Association; Chairman of Systems & Procedures Committee of Indian Bank's Association; Member of the Committee of Public Sector Member Banks (COPSEMB) of Indian Bank's Association; Chairman of the Working Group on "Corruption Perception Index" of Indian Bank's Association amongst others.

He is a director in the following companies.

- Subhash Kabini Power Corporation Limited.
- Parsvnath Developers Limited.
- Parsvnath Infra Limited.

- Parsvnath Retail Limited.
- Parsvnath Hotels Limited.
- SPML Technologies Limited.

He is the Chairman of the Audit committee of ,Subhash Kabini Power Corporation Limited, Parsvnath Developers Limited, Parsvnath Infra Limited and Acropetal Technologies Limited.

He is also a member of Remuneration Committee of Parsvnath Developers Limited & Acropetal Technologies Limited.

He does not hold any shares in the Company.

3. The profile of Dr. D.K. Subrahmanya Reddy is given in the explanatory statement to the Notice of the Annual General Meeting.

By Order of the Board

Place: Bangalore
Date: 12th August, 2011

Shobha Acharya
Company Secretary

Registered Office
#2/10, 3rd Floor, Ajay Plaza, 1st Main
N S Palya, Bannerghatta Road
Bangalore- 560 076

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business.

Item 6 :

Dr. D. K. Subrahmanya Reddy was appointed as a director on 11.12.2009 in the casual vacancy caused by the resignation of Mr. Anil T. Shridhar. Mr. Anil T. Shridhar was last appointed in the Annual General Meeting held on 29th September 2009 and was due for retirement at the ensuing AGM. It is proposed to appoint Dr. D. K. Subrahmanya Reddy as a director whose office is liable to retire by rotation.

Dr. D. K. Subrahmanya Reddy holds a Masters degree in Physics from Andhra University and has a PhD in Nuclear Medicine from Andhra University and more than 35 years experience in the field of Medicine.

The Board recommends his appointment as a Director in the interest of the Company.

Except Dr. D. K. Subrahmanya Reddy, none of the Directors is interested or concerned either directly or indirectly in passing the resolution.

The Company has received a Notice proposing the candidature of Dr. D. K. Subrahmanya Reddy pursuant to section 257 of the Companies Act, 1956.

He does not hold directorship in any other company except in Acropetal Technologies. Limited He is a member of Audit Committee and the Chairman of Shareholder Grievance Committee of Acropetal Technologies Limited.

He does not hold any shares in the Company. The Board recommended its appointment.

Item 7 :

In order to update the Articles of Association of the Company and to keep it in consonance with the needs of a

listed Company and to incorporate the amendments made to the Companies Act, 1956, the Board of Directors, subject to the approval of the shareholders approved the amendments to the Articles of Association of the Company.

In terms of provisions of Section 31 of the Companies Act, 1956, the Articles of Association of a company may be altered with the approval of its members by passing a Special Resolution.

None of the Director of the Company is interested in this Resolution.

The Board recommends the alteration as proposed.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendments is available for inspection by the members of the Company at its registered office on any working day of the Company during working hours.

Item 8 :

Under Section 293(1) (d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in General Meeting, borrow monies apart from temporary loans obtained from the Company' Bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

At the Extra ordinary General Meeting of the Company held on 31st July, 2008, a resolution was passed under Section 293(1)(d) of the Companies Act, 1956, enabling the Company to borrow monies upto a maximum limit of Rs. 250 Crores.

In order to provide additional funds that will be needed for future expansion and diversification activities of the Company, it is proposed to increase this limit to Rs. 300 Crores, over and above the paid up Capital and its free reserves, in suppression of the earlier resolution passed on 31st July, 2008. The proposal requires the approval of the Company in the general meeting by an ordinary resolution under Section 293(1) (d) of the Companies Act, 1956.

The directors recommend the Resolution for adoption.

None of the Director is concerned or interested in this resolutions.

Item 9 :

There are opportunities for your Company to take over companies which are in the same or allied business such as your company. Substantial growth in a short term is possible only through takeovers, mergers and tie-ups through strategic investments, both in India and in overseas market. This process will require that the Company undertake to buy and subscribe to securities which could be in excess of the mandated limits as laid down in the Companies Act, 1956 and upto Rs. 300 crores. The proposed resolution is an enabling resolution so as to permit the Board of Directors to look and assess viable projects that the Company can invest in the future as to increase the shareholders wealth by qualitative acquisitions. Section 372A of the Companies Act, 1956 requires that the shareholders' consent be taken for investments in the securities of other bodies corporate in excess of the prescribed limits.

None of the director is in any way concerned or interested in the resolution.

The directors recommend the resolution for approval of the members.

Item 10 :

Your Company has always believed in rewarding employees for their sustained hard work, dedication and sincerity, which has resulted in the growth of the Company. Towards this, it is proposed to implement the Employee Stock Option Scheme called ATL ESOS-2011 (The Scheme). The main objective of The Scheme is to give employees who are performing well, opportunity to gain from the Company's performance thereby acting as a motivation to the employees.

Stock Options have long been recognized as an effective instrument, to align the interests of employees with those of the Company, and its shareholders. It provides an opportunity to the employees of the Company, and its shareholders to have a share in the growth of the Company. It creates a common sense of ownership and shall pave way for an unified approach to the common goal of enhancing overall shareholder's value.

The following explanatory statement sets out various disclosures as required by clause 6.2 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (herein referred to as the ESOS Guidelines) and the salient features of the proposed Scheme are as under :

(a) Total Number of the options to be granted:

The Total number of options to be granted under The Scheme to the employees including independent Directors of the Company whether working in or outside India of the Company, would not exceed 40,00,000 options or such other adjusted figure for any bonus, stock, split or other reorganization of capital structure as may be applicable from time to time. One option entitles the holder of option to apply for one equity share of the Company.

(b) Identification of classes of employees entitled to participate in ESOS-

The permanent Employees and independent & Whole Time Directors of the Company and also the new employees joining in future are eligible to participate in this Scheme as may be decided by the Board from time to time.

Employees who are either promoters or belong to promoter group as defined in SEBI Guidelines will not be eligible for grant of options.. Further, a Director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company shall not be eligible to participate in the Scheme.

The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

(c) 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. Vesting of options shall take place over a maximum period of 3 years with a minimum vesting period of 1 year from the date of grant.

Vesting of Employee Stock Options granted under The Scheme occurs in tranches as follows or as may be stipulated by the Board.

Period	Vesting Proportion
At the end of one year from date of Grant	40%
At the end of Two years from date of Grant	30%
At the end of Three years from the date of Grant	30%

(d) Maximum period of vesting within which the option shall be vested:

The maximum period of vesting may extend up to 3 years from the date of grant of options.

(e) Exercise Price or pricing Formula:

The Exercise price shall be a price, as may be determined by the Board/ Compensation Committee ,which shall not be less than the par value of the share and more than the market value of the share.

The Board /Compensation Committee could under special circumstances decide that the exercise price shall be Rs.10/- per share. In such cases, the immediately succeeding Directors' Report/Corporate Governance Report shall carry details of the same.

(f) Exercise Period and the process of Exercise:

Exercise period will commence from the vesting date and may extend up to one year from the date of vesting of options. The Options will be exercisable by the Employees by a written application to the designated officer of the Company to exercise the options, in such manner, subject to such terms and condition and on execution of such documents ,as may be prescribed by the Board/ compensation committee under The Scheme. The options will lapse if not exercised within the specified exercise period. The options may also lapse under certain circumstances even before the expiry of the specified exercise period.

(g) Appraisal Process for determining the eligibility of employees to The Scheme:

The appraisal process for determining the eligibility of the employees will be specified by the Board/ Compensation Committee based among other things, on the following:

Objectives

1. To serve as means of increasing organizational effectiveness.
2. To provide an opportunity for promoting an atmosphere of trust and openness.
3. To reward meritorious performance.
4. To set individual performance target ,in line with organizational goals &
5. To bring in a culture of customer service.

(h) Maximum number of options to be issued per employee and in aggregate

The Maximum number of options to be granted to each employee will depend upon rank/designation of the employee as on date of grant of options .However , no employee shall be entitled to more than 1% of the issued capital at the time of grant of options in any single fiscal year of the Company. Total number of options in aggregate reserved under The Scheme is 40,00,000. The Compensation Committee shall decide on the number of options to be granted to each employee within this limit.

As per the revised Clause 49 of the listing Agreement ,the resolution for introducing Employee Stock Options should specify the limits for maximum number of stock options that can be granted to non Executive Directors ,including Independent Directors ,in any financial year and in aggregate. Accordingly ,it is proposed to fix the following limits for Non-executive directors:

- Not to exceed 10%(Ten Percent) of the total options granted to the employees, in any financial year and in aggregate ,during the tenure of this scheme.

(i) Accounting Methods:

The Company shall conform to the accounting policies specified in Clause 13.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase scheme) guidelines,1999,and /or such other guidelines/rules as may be applicable from time to time.

(j) Method of Valuation options:

The Company shall calculate the employee compensation cost using intrinsic value method. The difference between the Compensation cost so calculated and the Compensation cost that would have been recognized if the Company had used Fair Value Method and its impact on the profits and earning per share shall be disclosed in the Director's Report.

(k) Disclosures in the Directors' Report:

The Company shall calculate the employee compensation cost using intrinsic value of Stock Options. The difference between the Compensation cost so calculated and the Compensation cost that would have been recognized if the Company had used Fair Value Method and its impact on the profits and earning per share shall be disclosed in the Director's Report

Clause 6 of the ESOS Guidelines requires that any ESOS scheme for offering stock options to the employees of the Company must be approved by the shareholders by way of special resolution. Further more ,as the scheme will entail further shares to be offered to persons other than existing shareholders of the Company ,consent of the members is required by way of a special resolution pursuant to the provisions of Section 81(1A) of the Companies Act,1956.

Accordingly the resolutions are being placed for the approval of the shareholders pursuant to the provisions of Section 81(1A) of the Companies Act,1956. and clause 6 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 and all the applicable provisions of law for the time being in force.

The Securities may be allotted directly to such Employees or in accordance with The Scheme, through any appropriate mechanism including through "Trust." or any other entity which may be set up for that purpose and that the Scheme may also contain provisions for functioning of the said Trust/Entity.

Your Directors recommend the resolutions to be passed as Special Resolution.

The directors who would be eligible or would qualify to join The Scheme may be deemed to be concerned or interested in this item of business to the extent that the options that may be offered to them under The Scheme.

Item 11

Register of Members and Index and other related books and papers etc., are required to be kept at the Registered Office of the Company. Sharex Dynamic (India) Private Limited, Mumbai has been appointed as our Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Therefore the Register of Members and other documents will have to be kept at the office of the RTA. The approval of the Members by Special Resolution is required in terms of Section 163(1) of the Act, for keeping the aforementioned Registers and documents at a place other than the Registered office of the Company It is therefore proposed to get the approval of the Members for keeping the Register of Members etc at the office of the RTA. The Board recommends the Special Resolution for your approval.

None of the Director of the Company is interested either directly or indirectly passing this resolution.

By Order of the Board

Place: Bangalore
Date: 12th August,, 2011

Shobha Acharya
Company Secretary

Registered Office
#2/10, 3rd Floor, Ajay Plaza, 1st Main
N S Palya, Bannerghatta Road
Bangalore- 560 076

ACROPETAL TECHNOLOGIES LIMITED

Registered Office: # 2/10, 3rd Floor, Ajay Plaza, N S Palya, Bannerghatta Road, Bangalore - 560076.

ATTENDANCE SLIP

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Name of the attending Shareholder / Proxy. _____
(in block letters)

Folio No.....

DP ID and Clients ID Nos.....

No. of Shares held.....

I hereby record my presence at the TENTH ANNUAL GENERAL MEETING of the Company, being held on Wednesday, the 28th September, 2011 at 11.00 a.m. at Kutchi Bhavan, #44B, 1st Main Road, J.P.Nagar 3rd Phase, Opposite, Mini Forest, (Near Shoppers's Stop, Bannerghatta Road), Banagalore-560 078

SIGNATURE OF SHAREHOLDER/PROXY _____

NOTE:

- 1. Shareholder / Proxy is requested to bring the Attendance Slip with him/her when they come to the meeting.
- 2. No separate attendance slip will be issued at the time of meeting.



ACROPETAL TECHNOLOGIES LIMITED

Registered Office: # 2/10, 3rd Floor, Ajay Plaza, N S Palya, Bannerghatta Road, Bangalore- 560076.

PROXY FORM

Folio No.....

DP ID and Clients ID Nos.....

No. of Shares held.....

I/We
ofin the district of being a
Member/Members of Acropetal Technologies Limited hereby appoint..... of
.....in the district of or
failing him/her of in the district of or
..... ofin the district of or
..... ofin the district of
as my/our Proxy to attend and vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the
Company, to be held on Wednesday the 28th September , 2011 at 11.00 a.m. and at any adjournment thereof.
Dated this day of 2011

Signature



Notes:

- 1. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company.
- 2. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting. The Proxy need not be a member.

For office use only	Proxy No.	Date of Receipt



