



# KNR Constructions Limited

CIN: L74210TG1995PLC130199

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## POSTAL BALLOT NOTICE

### PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Members,

Notice is hereby given that pursuant to the provisions of Section 110 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with the Companies (Management and Administration) Rules, 2014 (hereinafter referred to as the 'Rules') (including any statutory modification(s) or amendment(s) thereto, that the resolutions below, in relation to:-

1. Authorization to issue equity shares to the lender on such terms and conditions as set forth in the loan agreement
2. Revision of Remuneration to Shri K Narasimha Reddy, Managing Director
3. Revision of Remuneration to Shri K Jalandhar Reddy, Executive Director
4. Re-appointment of Shri B V Rama Rao as an Independent Director
5. Re-appointment of Shri L B Reddy as an Independent Director
6. Appointment of Smt. G C Rekha as an Independent Director
7. Authorization to the Board of Directors / Committee for Borrowing Powers as per Provisions of Section 180(1) (c)
8. Authorization to the Board of Directors / Committee to mortgage/create charges on the assets of the Company as per Provisions of Section 180(1) (a)

are proposed to be passed by the members through postal ballot/electronic voting (e-voting).

The Resolutions and the relevant Statement pursuant to section 102 of the Act setting out the material facts and the reasons for the proposed resolutions are appended herewith along with a Postal Ballot Form for your consideration.

The Company has, in compliance with Rule 22(5) of the aforesaid Rules, appointed Mr. CH Veeranjanyulu, FCS, Company Secretary in whole time practice as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form sent herewith and return the Form duly completed in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer

on or before the close of the working hours i.e. by 5 P.M. on Saturday, the 10<sup>th</sup> August 2019. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny. The result of the Postal Ballot will be announced by the Chairman or in his absence by any Director of the Company on Monday, the 12<sup>th</sup> August 2019 at 11.00 A. M. at the Registered Office of the Company and the resolutions will be taken as passed effectively on the date of announcement of result by the Chairman. The Notice of the Postal ballot has been placed on the website of the Company and the result of the Postal Ballot along with the Scrutinizer's Report will also be posted on the website of the Company ([www.knrcl.com](http://www.knrcl.com)) besides communication to BSE and NSE where the equity shares of the Company are listed.

The Company is pleased to offer **e-voting facility** as an alternative to its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. In case you desire to exercise your vote by using e-voting facility then you are required to carefully follow the instructions as given for e-voting printed on the reverse of the Postal Ballot Form.

The Scrutinizer will submit his report to the Company after completion of the scrutiny and the result of the postal ballot will be declared on 12<sup>th</sup> August, 2019 at the registered office of the Company. The result will be hosted on the website of the Company ([www.knrcl.com](http://www.knrcl.com)) and will be communicated to the BSE Limited and the National Stock Exchange Limited, where the equity shares of the Company are listed.

#### **SPECIAL BUSINESS:**

##### **ITEM NO. 1**

#### **AUTHORISATION TO ISSUE EQUITY SHARES TO THE LENDER ON SUCH TERMS AND CONDITIONS AS SET FORTH IN THE LOAN AGREEMENT**

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

- (i) **RESOLVED BY WAY OF SPECIAL RESOLUTION THAT** in accordance with the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules issued there under (as amended from time to time) and the applicable provisions of Companies Act, 1956, and in accordance with the Memorandum of Association and

Articles of Association of the Company and applicable regulations, guidelines and/ or rules issued by RBI and/ or any appropriate statutory, governmental and other authorities and departments from time to time in this regard, the consent of the members be and is hereby accorded to the Board of Directors of the Company, to borrow the Facility from the Lenders to set up and implement the Project, on the terms and conditions contained in the common loan agreement or any other financing documents executed in relation to the Facility (including in relation to the assignment or novation or down-selling of the Facility by the Lenders to any Person), *inter-alia* by giving an option to the Lenders, at their sole discretion, to convert either whole or part of the loans, interest and any other outstanding secured obligation, in relation to the Facility (whether then due and payable or not) (**Loans**) into fully paid up and voting equity shares of the Company at the valuation to be decided by the Lenders at the time of such conversion (whether under the rights of the Lenders as per the financing documents for the Facility or under the Revised Framework for Resolution of Stressed Assets issued by Reserve Bank of India dated February 12, 2018 as amended/ replaced/ modified from time to time and the extant guidelines of the Reserve Bank of India), subject to the applicable laws on the date of conversion and in the manner specified in the written notice provided by the Lenders to the Company of their intention to convert such Loans, in the event the Company commits a default under the terms of the common loan agreement or any other financing document entered in relation with the Facility or otherwise as per the discretion of the Lenders until the repayment of the Loans to the satisfaction of the Lenders. The conversion right reserved as aforesaid may be exercised by the Lenders on one or more occasions according to the provisions of the common loan agreement or any other financing agreements executed in relation to the Facility.

- (ii) **RESOLVED FURTHER THAT** on receipt of the notice of conversion, the Company shall, subject to the provisions of the common loan agreement and other financing documents entered in connection with the Facility, take all steps necessary to get the equity shares issued to the Lenders or such other person identified by them as a result of such conversion and allot and issue the requisite number of fully paid-up equity shares to the Lenders or such other person identified by the Lenders as from the date of conversion and the Lenders shall accept the same in satisfaction of the part of the Loans so converted.
- (iii) **RESOLVED FURTHER THAT** the fully paid up equity shares so allotted and issued to the Lenders or any other person identified by the Lenders pursuant to their exercising the right of conversion, shall carry from the date of such conversion, the right to receive

proportionate dividends and other distributions declared or to be declared in respect of the equity share capital of the Company and shall rank *paripassu* in all respects with other equity shares of the Company, provided further that the Company shall increase, if required, the authorized capital of the Company, to satisfy the conversion for the time being available to the Lenders.

- (iv) **RESOLVED FURTHER THAT** the consent of members is hereby given for any amendment, change, modification to the Memorandum and Articles of Association of the Company to give effect to the above resolution.
- (v) **RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to issue and allot such number of shares to the Lenders or such other person identified by the Lenders, as may be required or as may be necessary in regard to such conversion.
- (vi) **RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and any matters flowing therefrom, connected therewith and incidental thereto, the Board of Directors be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to create, offer, issue and allot the aforesaid fully paid up equity shares and to resolve and settle all questions and difficulties or doubts that may arise in this regard including in the proposed allotment, utilization of the proceeds and to do all acts, deeds and things in connection therewith as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.
- (vii) **RESOLVED FURTHER THAT** the Board of Directors is also authorized to increase the Authorized Share Capital of the Company accordingly and will take necessary steps to complete the compliance in this regard.
- (viii) **RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid term, providing for such option and to do all such acts and things as may be necessary to give effect to the above resolution.

#### **ITEM NO. 2**

#### **REVISION OF REMUNERATION OF SHRI K NARASIMHA REDDY, MANAGING DIRECTOR**

To consider and, if thought fit, pass the following resolutions as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of the Section 196, 197 and 198 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions, if any, of the Companies Act, 2013 the fixed remuneration of Shri K Narasimha Reddy, Managing Director of the company be and is hereby revised to the amount specified in the Explanatory statement w.e.f. 1<sup>st</sup> April 2019 for the remaining period of his tenure i.e. up to 31<sup>st</sup> March 2021.”

**“RESOLVED FURTHER THAT** pursuant to Section 197 and subject to all other applicable provisions of the Companies Act, 2013 the fixed remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to Shri K Narasimha Reddy, Managing Director notwithstanding that in any financial year of the Company during his tenure as Managing Director, the Company has no profit or profits are inadequate.”

#### **ITEM NO. 3**

#### **REVISION OF REMUNERATION OF SHRI K JALANDHAR REDDY, EXECUTIVE DIRECTOR**

To consider and, if thought fit, pass the following resolutions as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of the Section 196, 197 and 198 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions, if any, of the Companies Act, 2013 the fixed remuneration of Shri K Jalandhar Reddy, Executive Director of the company be and is hereby revised to the amount specified in the Explanatory statement w.e.f. 1<sup>st</sup> April 2019 for the remaining period of his tenure i.e. up to 31<sup>st</sup> March 2021.”

**“RESOLVED FURTHER THAT** pursuant to Section 197 and subject to all other applicable provisions of the Companies Act, 2013 the fixed remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to Shri K Jalandhar Reddy, Executive Director notwithstanding that in any financial year of the Company during his tenure as Executive Director, the Company has no profit or profits are inadequate.”

#### **ITEM NO. 4**

#### **APPOINTMENT OF SHRI B V RAMA RAO (DIN: 00972552) AS AN INDEPENDENT DIRECTOR**

To consider and, if thought fit, pass the following resolutions as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri B V Rama Rao (DIN: 00972552), who was appointed as an Independent Director and who holds office of Independent Director up to 30.09.2019 and being eligible, candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years commencing from 1<sup>st</sup> October 2019.”

#### **ITEM NO. 5**

#### **APPOINTMENT OF SHRI L B REDDY (DIN: 00956445) AS AN INDEPENDENT DIRECTOR**

To consider and, if thought fit, pass the following resolutions as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri L B Reddy (DIN: 00956445), who was appointed as an Independent Director and who holds office of Independent Director up to 30.09.2019 and being eligible, candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years commencing from 1<sup>st</sup> October 2019.”

#### **ITEM NO. 6**

#### **APPOINTMENT OF SMT. G C REKHA (DIN: 08464587) AS AN INDEPENDENT DIRECTOR**

To consider and, if thought fit, pass the following resolutions as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt. G C Rekha (DIN: 08464587), who qualifies for being appointed as an Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, commencing from 1<sup>st</sup> October 2019.”

#### **ITEM NO. 7**

**AUTHORIZATION TO THE BOARD OF DIRECTORS/ COMMITTEE FOR BORROWING POWERS AS PER PROVISIONS OF SECTION 180(1) ( C ) OF THE COMPANIES ACT, 2013**

To consider and, if thought fit, pass the following resolutions as a Special Resolution:

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“**Companies Act**”), as amended from time to time (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of KNR Constructions Limited (“**Company**”), the consent of the Members of the Company be and is hereby accorded, to borrow any sum or sums of money (including non- fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more banks, financial institutions and such other persons, firms, bodies corporate, 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) may, at any time, may exceed the aggregate of paid up share capital and free reserves provided however, that the total amount so borrowed by the Company shall not exceed a sum of Rs. 5000,00,00,000/- (Rupees Five Thousand Crores) outstanding at one time.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the board of directors/Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution”.

**ITEM NO. 8**

**AUTHORIZATION TO THE BOARD OF DIRECTORS / COMMITTEE TO MORTGAGE AND/OR CREATE CHARGE ON THE ASSETS OF THE COMPANY PER SECTION 180(1) ( A ) OF THE COMPANIES ACT, 2013**

To consider and, if thought fit, pass the following resolutions as a Special Resolution:

“**RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules made there under, to authorize the Board Directors/Committee of the Company to mortgage and create charge on all the immovable and movable properties of the Company where-so-ever situated, present and future and the whole or substantially the whole of the undertaking of the Company and/or giving the power to take over the management of the business and the concern of the Company in certain events whether such power is contained in the documents creating mortgage/ charge or otherwise to

or in favour of financial institutions/ banks to secure the amount advanced/ agreed to be advanced/ lent to the Company/ its holding company/ subsidiary(ies) and/ or associate company(ies) together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, primarily on prepayment or on redemption, guarantee commission, result of devaluation/ revaluation/ fluctuation in the rates of exchange or foreign currencies involved, payable by the Company/ its holding company/ subsidiary(ies) and/ or associate company(ies) to financial institutions/ banks under their respective sanctions/ loan agreements entered into/ to be entered into by the Company/ its holding company/ subsidiary(ies) and/ or associate company(ies) in respect of the said term of loan/ credit limits.”

“**RESOLVED THAT** the Board of Directors/Committee and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, things and deeds as may be necessary to give effect to this resolution.”

By Order of the Board of Directors

Place: Hyderabad  
Date: 04.07.2019

Sd/-  
**M. V. VENKATA RAO**  
Company Secretary

**EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED BY SECTION 102 (2) OF THE COMPANIES ACT, 2013**

**ITEM NO. 1**

The members may note that as the Company has approached several lenders (Bank and Financial Institutions) for availing financial assistance for Company/its subsidiary Company/ Associate Companies and in this regard Board/Committee has to agree on the terms of Sanction Letter where the Lender has the option of converting the Facility into fully issued and paid up equity shares of the Company accorded to the terms and conditions contained in the financing documents, including the terms and conditions to provide, *inter alia*, for an option to the Lender , on the occurrence of an event of default under the financing documents, to convert the whole or part of the outstanding amounts under the financing documents (including, principal, interest, further interest etc., whether then due or payable or not), into fully paid up equity shares of the Company on one or more occasion at par value and in the manner specified in a notice in writing to be given by the Lender to the Company.

However, pursuant to Section 62(3) of the Companies Act, 2013 and rules made thereunder, approval of shareholders is required for the issuance and allotment of the shares consequent to conversion of debt into equity, by passing Special Resolution



Hence these resolutions at item no 1 is commended for your approval.

None of the Directors is concerned or interested in the aforesaid resolution apart from the Directors holding shares of the company to the extent of the equity shares held by them

However, there is no contract or agreement involved in the above business.

#### **ITEM NO. 2 & 3**

Taking into account the good work that the management has been doing especially by Shri K Narasimha Reddy, Managing Director and assisted by Shri K Jalandhar Reddy, Executive Director & CFO it is felt that the proposal for revision of the fixed remuneration for their remaining period of the tenure of appointment w.e.f 1<sup>st</sup> April 2019 and leaving other terms and condition unchanged. The details of remunerations are as follows

Sl. No.	Name & Designation	Current Remuneration in Rs. Per Month	Revised Remuneration in Rs. Per Month
1	K Narasimha Reddy Managing Director	30,00,000	45,00,000
2.	K Jalandhar Reddy Executive Director	20,00,000	30,00,000

The whole time directors will not be entitled to sitting fee for attending meetings of the Board or of any Committee thereof.

Pursuant to Provisions of the Companies Act, 2013, consent of the members of the company is required by way of special resolution for the above purpose subjects.

The Board of Directors of the company recommends the Special Resolutions for approval of the Shareholders.

None of the other Directors of the Company except Shri K Narasimha Reddy, Shri K Jalandhar Reddy and Smt. K Yashoda are in any way concerned or interested in this resolution.

#### **ITEM NO. 4 & 5**

Shri B V Rama Rao (DIN 00972552) and Shri L B Reddy(DIN 00956445) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company up to 30.09.2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Shri B V Rama Rao and Shri L B Reddy as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Shri B V Rama Rao and Shri L B Reddy would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, it is proposed to re-appoint Shri B V Rama Rao and Shri L B Reddy as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Shri B V Rama Rao and Shri L B Reddy are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

In the opinion of the Board, Shri B V Rama Rao and Shri L B Reddy fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4 and 5 are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Shri B V Rama Rao and Shri L B Reddy setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Shri B V Rama Rao and Shri L B Reddy are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective re-appointments. The relatives of Shri B V Rama Rao and Shri L B Reddy may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special

Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the members.

#### **ITEM NO. 6**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Smt. G C Rekha (DIN: 08464587), be appointed as an Independent Director on the Board of the Company. The appointment of Smt. G C Rekha, shall be effective upon approval by the members in the Meeting and she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Smt. G C Rekha (DIN: 08464587) that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Smt. G C Rekha fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations. Smt. G C Rekha is independent of the management and possesses appropriate skills, experience and knowledge. Details of Smt. G C Rekha are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Smt. G C Rekha setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members

#### **ITEM 7**

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors/committee shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 of the Notice, to enable to the Board of Directors / Committee to borrow money in excess of the aggregate of the paid up share capital and

free reserves of the Company. Approvals of members is being sought to borrow money upto 5000 Crores (Rupees Five Thousand Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

Your Directors commend this resolution for approval of the shareholders as a special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 except to the extent of shares held by them in the Company.

#### **ITEM 8**

Section 180(1)(a) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not mortgage and create charge on all the immovable and movable properties of the Company where-so-ever situated, present and future and the whole or substantially the whole of the undertaking of the Company, except with the consent of the Company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 8 of the Notice, to enable to the Board of Directors/ Committee to mortgage and /or create charge to the extent of new Borrowing limits of the Board of Directors, of all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the company to or in favour of any Financial Institutions, Banks, NBFCs or Agencies to secure the term loan and other financial assistance that has been or may in future be granted by them to the Company / subsidiary(ies) and/ or associate company(ies) from time to time.

Your Directors commend this resolution for approval of the shareholders as a special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 except to the extent of shares held by them in the Company.

By Order of the Board of Directors

Sd/-  
**M. V. VENKATA RAO**  
Company Secretary

#### **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Wednesday, 10<sup>th</sup> July 2019 from 9:00 AM and ends on Saturday, 10<sup>th</sup> August 2019 upto 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 5<sup>th</sup> July 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to

share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Annexure to the Notice dated 4<sup>th</sup> July, 2019 Details of Directors seeking appointment / re-appointment**

<b>Particulars</b>	<b>Shri B V Rama Rao</b>	<b>Shri L B Reddy</b>	<b>Smt. G C Rekha</b>
Age	81 Years	78 Years	45 Years
Qualification	Masters Degree in Economics from Osmania University, Master's in Public Administration from Kennedy School of Government, Harvard, USA and was also conferred the title of Overseas Fellow Member of the Economic Development Institute, by the World Bank	Fellow Member of The Institute of Chartered Accountants of India and is a Senior Partner in M/s L B Reddy & Co., a Chartered Account Firm	B.Com., Basic Computers, Medical Terminology, Hospital Billing and Coding
Experience (including expertise in specific functional area)/ Brief Resume	Shri B V Rama Rao joined the Indian Administrative Service in 1973 and has over 34 years of experience in areas such as development, administration and industrial management. During his stint with the Indian Administrative Service, Shri B V Rama Rao has served in various positions including Chief Secretary to the Government of Andhra Pradesh and Chairman and Managing Director, Nizam Sugars Limited until his retirement in 1997	Shri Reddy started his career with Syndicate Bank and has worked in various capacities in the Bank before retiring as General Manager. He has over three decades of experience in areas such as planning, accounts, inspection, computer policy and development. He was also on deputation from Syndicate Bank to Rayalaseema Grameena Bank as Chairman for six years.	Worked as billing and coding specialist and administrator in health sector
Terms and Conditions of Appointment / Reappointment	As per the resolution at item no. 4 of the Notice convening Postal Ballot on 4th July 2019 read with explanatory statement thereto	As per the resolution at item no. 5 of the Notice convening Postal Ballot on 4th July 2019 read with explanatory statement thereto	As per the resolution at item no. 6 of the Notice convening Postal Ballot on 4th July 2019 read with explanatory statement thereto
Remuneration last drawn (including sitting fees, if any)	Rs. 15.50 Lakhs	Rs. 15.50 Lakhs	NA
Remuneration proposed to be paid	Sitting Fees as approved by the Board from time to time	Sitting Fees as approved by the Board from time to time	Sitting Fees as approved by the Board from time to time
Date of first appointment on the Board	26.12.2005	26.12.2005	30.05.2019
Shareholding in the Company as on March 31, 2019	Nil	Nil	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the year	1	1	NA
Directorships of other Boards as on March 31, 2019	Nil	<ul style="list-style-type: none"> <li>• Indira Television Limited</li> <li>• New Era Insurance Broking Services Private Limited</li> <li>• Virtual Agri Services Private Limited</li> </ul>	Nil
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Nil	Nil	Nil