



KNR CONSTRUCTIONS LIMITED

CIN: L74210DL1995PLC238364

Regd. Off. C-125, Anand Niketan, New Delhi – 110021

Corp. Off. KNR House, 3rd & 4th Floors, Plot No.114, Phase-I, Kavuri Hills, Hyderabad – 500033

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Website: www.knrcl.com, email investors@knrcl.com

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) the Company hereby seeks your approval through Postal Ballot for increase of remuneration of Managing Director and Two Executive Directors as detailed in the respective resolutions. 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 6 P.M. on Monday, the 29th December 2014. 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 Tuesday, the 30th December 2014 at 11.00 A. M. at the Corporate 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) 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 alternate 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.

SPECIAL BUSINESS:

ITEM NO. 1

INCREASE IN 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 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. 1st November 2014 for the remaining period of his tenure i.e. up to 31st March 2016.”

“RESOLVED FURTHER THAT pursuant to Section 197 and subject to all other applicable provisions of the Companies Act, 2013 the 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. 2

INCREASE IN 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 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. 1st November 2014 for the remaining period of his tenure i.e. up to 31st March 2016.”

“RESOLVED FURTHER THAT pursuant to Section 197 and subject to all other applicable provisions of the Companies Act, 2013 the 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. 3

INCREASE IN REMUNERATION OF SHRI M RAJESH 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 remuneration of Shri M Rajesh Reddy, Executive Director of the company be and is hereby revised to the amount specified in the Explanatory statement w.e.f. 1st November 2014 for the remaining period of his tenure i.e. up to 30th April 2016.”

“RESOLVED FURTHER THAT pursuant to Section 197 and subject to all other applicable provisions of the Companies Act, 2013 the remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to Shri M Rajesh 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.”

By Order of the Board of Directors

Place : Hyderabad
Date : 24-11-2014

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 to 3

In view of the good performance of the Company, like increase in Turnover from Rs. 708.70 Crores in 2009-2010 to Rs. 837.03 Crores in the year 2013-2014 and increase in Net Profit After Tax from Rs. 50.28 to Rs. 60.98 and increase of EPS from Rs. 17.88 to Rs. 21.68 for the corresponding period keeping in view of the contribution made by Managing Director and Two Executive Directors for achieving the above performance and over all development of the Company, the Board approved the proposal for increase of Remunerations to Managing Director and the Two Executive Directors in accordance with the Provisions of the Companies Act, 2013 for their remaining period of the tenure of appointment w.e.f 1st November 2014. 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	10,00,000	20,00,000
2.	K Jalandhar Reddy Executive Director	500,000	10,00,000
3	M Rajesh Reddy Executive Director	500,000	10,00,000

In addition to the above, they are entitled to the following benefits at the company's cost.

- i) Medical Reimbursement: Actual expenses incurred for self and Family shall be reimbursed subject to maximum of one month salary per annum.
- ii) Club Fees: This includes Admission and Membership Fee not exceeding Rs.50,000/- per annum
- iii) Personal Accident Insurance: Premium shall not exceed Rs. 20,000/- per annum.
- iv) Provident Fund and Superannuation Fund: Contribution towards Provident Fund and Superannuation Fund shall be as per the company's policy.
- v) Gratuity: Gratuity payable shall not exceed half a month's salary for each completed year of service.
- vi) Car for office use and Telephone facility at residence will be provided.

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 Resolution for approval of the Shareholders..

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

By Order of the Board of Directors

Place : Hyderabad
Date : 24-11-2014

Sd/-
M. V. VENKATA RAO
Company Secretary

INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope which shall be properly sealed with adhesive or adhesive tape. The members residing outside India should stamp the envelope appropriately. The envelope containing Postal Ballot Form, if sent by courier or by Registered Post at the expense of the member will also be accepted. The Postal Ballot Form may also be deposited personally at the address provided on the attached envelope.
2. The self-addressed postage pre-paid envelope bears the postal address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The voting period commences on Saturday the 29th November 2014 and ends on Monday the 29th December 2014. The Postal Ballot Form duly completed and signed (as per specimen signature registered with the Company) should be sent to the Scrutinizer appointed by the Company at the registered office of the Company on or before the close of the working hours i.e. by Monday the 29th December 2014.
4. Postal Ballot(s) received after this date will be treated as if the reply from the member has not been received and the same will not be considered.
5. In case shares are jointly held, this Form should be completed and signed by the first named member and in his/her absence, by the next named member.
6. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority Letter together with attested specimen signature(s) of the authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form.
7. The voting rights shall be reckoned on the paid up value of Equity Shares registered in the name of Shareholders as on 14th November 2014.
8. Members are requested not to send any paper (other than the resolution/authority letter/copy of nomination/power of attorney as mentioned in instruction No. 6 above) along with the Postal Ballot Form in the enclosed business reply self addressed postage pre-paid envelope as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelopes would be destroyed by the Scrutinizer.
9. A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Postal Ballot Form. Postal Ballot Form bearing tick (✓) mark in both the columns will render the same invalid.
10. A member, including the member who has opted to receive the documents electronically may seek duplicate Postal Ballot Form from the corporate office of the Company. However, the duly filled in and signed duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at instruction No. 3.
11. The vote in this Postal Ballot cannot be exercised through proxy.
12. There will be only one Postal Ballot Form for every Folio/ Client ID.
13. Incomplete, unsigned, improperly or incorrectly tick marked Postal Ballot Form will be rejected.
14. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.
15. A member can opt only one mode for voting i.e. either by Physical Ballot or e-voting. In case you are opting for e-voting, then do not vote by Physical Ballot and vice versa. However, in case member(s) cast their vote both by Physical Ballot and e-voting, then the voting done through physical Ballot shall prevail and voting done by e- voting will be treated as invalid.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 9.00 am Saturday the 29th November 2014 and ends on 6.00 pm Monday the 29th December 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 14th November 2014, 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.
- (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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">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).

- (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 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.
 - 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, under help section or write an email to helpdesk.evoting@cdslindia.com.