



(CIN : L31101MH2007PLC168823)

Regd. Office : Empire House, 214, Dr. D. N. Road, Ent. A.K. Nayak Marg, Fort, Mumbai – 1  
Tel : 022-22071501-06, Fax : 022-22071514, Email : investorshelpdesk@weizmann.co.in

**NOTICE OF POSTAL BALLOT**

(Pursuant to Section 110 of the Companies Act, 2013)

To,

The Shareholders,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (“the Act”) read with Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) (“the Rules”) to the shareholders of Karma Energy Limited (hereinafter referred to as “the Company”) to seek their approval by way of postal ballot on the Resolutions appended below that are proposed to be passed by the Members as Special Resolution(s) by way of Postal Ballot by giving their assent / dissent. The Explanatory Statement pertaining to all the Resolutions setting out the material facts and the reasons thereof is annexed hereto alongwith a Postal Ballot Form.

In the event the draft Resolutions as set out are assented to by requisite majority of Members by means of a Postal Ballot, they shall be deemed to have been passed as Special Businesses at an Extraordinary General Meeting. The Ordinary Resolution shall be declared as passed, with a simple majority and Special Resolutions shall be declared as passed if the number of votes cast in favour are not less than three times the number of votes cast, if any, against the said Resolutions. The date of the announcement of result of Postal Ballot shall be considered to be the date of Extraordinary General Meeting and the date of passing of the said Resolutions.

Please carefully read the instructions printed on the enclosed Postal Ballot Form and return the Form duly completed in the attached self-addressed, postage pre-paid envelope, so as to reach the Scrutinizer before the close of working hours on **27<sup>th</sup> August, 2014.**

1. **Creation of charge, hypothecation / mortgage on assets of the Company**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **Special resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 and Companies Act, 1956 (including any statutory modifications, amendments or re-enactments thereto), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include person(s) authorised and / or any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) for creation of mortgage / hypothecation / pledge / charge / security in any form or manner over all or any of the movable and / or immovable properties whether tangible or intangible, both present and future, or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or as may be obtained from any Bank, Financial Institutions, Trustees for holders of debentures / bonds, Bodies Corporate, other Entities, Person or Persons including securing those facilities which have already been sanctioned, including any enhancement therein together with interest, costs, charges, expenses and any other moneys payable by the Company and that the Board is further authorised to create a charge / hypothecation / pledge in whatsoever manner on the Company’s current assets, present and future, in favour of Banks, Financial Institutions, Bodies Corporate, other Entities, Person or Persons who may provide such credit facilities to the Company.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for mortgaging and / or charging the properties of the Company and for giving effect to the aforesaid resolution.”

2. **To make investments, provide loans, guarantees and securities beyond the prescribed limits**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution on as a **Special resolution**:

“**RESOLVED THAT** Pursuant to Section 186 of the Companies Act, 2013 read with the Companies (meetings of the board and its powers) Rules, 2014 as may be amended from time to time and in accordance with the provisions of the Articles of Association of the Company and subject to such further approvals as may be necessary and on such other term(s), condition(s), stipulation(s) and modification(s) as may be prescribed and specified while granting such approval(s) and which may be agreed by the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to

1. giving any loan to any person or other body corporate,
2. giving any guarantee or providing security in connection with a loan to any other body corporate or person and /or
3. acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate up to an amount, the aggregate outstanding of which should not exceed, at any given time, Rs. 300.00 Crores (Rupees Three Hundred Crore only) which shall be over and above the limits as specified in section 186(2) of the Companies Act, 2013 and the aggregate outstanding amount of loans / guarantees / securities given / provided hitherto.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the board of directors are hereby authorized to negotiate and decide from time to time, terms and conditions, execute necessary documents papers, agreements etc for investments to be made, loans / guarantees to be given and securities to be provided to any person and / or any body corporate, to do all such acts deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of these powers to any committee of Directors or Managing Director or Director or any other person.”

3. **Transaction with Related parties under Section 188 of the Companies Act, 2013**

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution on as a **Special resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”) read with the applicable provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other provisions of applicable law/rules and subject to the approval/consent of such appropriate authorities, as may be required, under any statute for time being in force, consent of the Company be and is hereby accorded to the Board of Directors of the Company {hereinafter referred to as the “Board”, which term shall include any committee constituted by the Board of Directors of the Company or any person(s) authorized by the Board to exercise the powers conferred on the Board of Directors of the Company by this Resolution} for entering into related party transactions by the company by way of investment / disinvestment / providing any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt and/or provide inter corporate loan(s) or a combination thereof, upto an amount of Rs.300.00 Crore (Rupees Three Hundred Crore Only) to Project special purpose vehicles / subsidiary companies viz., Almi Hydro-Electric Projects Limited, Batot Hydro Power Limited, Brahmanvel Energy Limited, Joiner Hydro Power Limited and Khandesh Energy Projects Limited.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take from time to time all decisions and steps necessary or expedient or proper in respect of the above investment / disinvestment / loan(s)/guarantee(s) /security(ies) including the timing, the amount and other terms and conditions of such investment / disinvestment/ loan(s)/guarantee(s)/security(ies) and further including variation of such timing, amount, terms, conditions etc. as it may, in its absolute discretion, deem appropriate for the purpose of giving effect to this Resolution.”

By Order of the Board  
For **Karma Energy Limited**

Mumbai  
27<sup>th</sup> May, 2014

T. V. Subramanian  
CFO & Company Secretary

**NOTES :**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the businesses specified above is annexed hereto.
2. The Board vide its Resolution passed on 27<sup>th</sup> May, 2014 has appointed Shri Martinho Ferrao, FCS No. 6221, CP No. 5676, Practising Company Secretary, as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
3. The Postal Ballot Form together with the self-addressed Business Reply Envelope is enclosed for the use of the member. Please carefully read the instructions printed on the enclosed Postal Ballot Form before exercising your vote and return the Form duly completed, signifying your assent or dissent, in the attached self-addressed, postage pre-paid envelope, so as to reach the Scrutinizer within a period of 30 days from the date of despatch of notice i.e. before the close of working hours on **27<sup>th</sup> August 2014**.

4. The Notice is being sent to all the Members, whose names appeared in the Register of Members/ Record of Depositories on **20<sup>th</sup> June, 2014**. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on that date.
5. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically instead of dispatching Postal Ballot. E-voting is optional. In case a member desires to exercise his vote by using e-voting facility then he has to carefully follow the instructions as given for e-voting printed on the back side of the Postal Ballot Form. He can use the facility and log-in any number of times till he has voted on all the Resolutions or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier

Members irrespective of who have registered their e-mails for receipt of documents in electronic mode under the green initiative and who wish to vote through Postal Ballot Form can seek Duplicate Form from Registered Office of the Company and send the same by post to the Registered Office of the Company addressed to the Scrutinizer.

Members may contact Shri T V Subramanian, Company Secretary, for any grievances connected with voting by postal ballot including voting by electronic means at the Registered Office of the Company at 'Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai – 400 001, Tel. # 022-22071501.

6. The Scrutinizer will submit his Report after completion of the scrutiny, addressed to the Chairman on **30<sup>th</sup> August 2014**. The Chairman will, or in his absence any other person so authorized by him will, announce the result of voting by postal ballot on **01<sup>st</sup> September, 2014** at 4 P.M. at the Registered Office of the Company at Empire House, 214, Dr. D. N. Road, Ent. A. K. Nayak Marg, Fort, Mumbai – 400 001 and the Resolution will be taken as passed effectively on the date of announcement of the result by such authorized person, if the results of the Postal Ballots indicate that the requisite majority of the members had assented to the Resolutions. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

Members who wish to be present at the venue at the time of declaration of the result are welcome to do so. The results of the Postal Ballot along with the scrutinizer's report will also be displayed at the Company's Registered Office and hosted on the website of the Company besides being communicated to the stock exchanges on which the shares of the Company are listed.

7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days up to the date of declaration of the result of Postal Ballot.

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

##### **Item No. 1 : Creation of a charge / mortgage on assets of the Company**

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act, 1956), a company cannot sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company without the consent of the Shareholders by way of a special resolution at the general meeting of the company.

Considering the need to avail additional financial assistance, over and above the present financial assistances, from Banks, Financial Institutions, Bodies Corporate, other Entities, Person or Persons, it may be required to further mortgage / charge its properties and / or extend the properties already charged to secure other assistance including securing the present facilities sanctioned and being availed. Since the creation of charge / mortgage tantamount to otherwise disposing of the undertakings of the Company, it shall be necessary to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act, 1956). Also, earlier approval of Shareholders under Section 293(1)(a) of the Companies Act, 1956 was taken on 30<sup>th</sup> September 2010 and thus considering passage of time as also notification by the Ministry of Corporate Affairs on Section 180 of the Companies Act, 2013, it is felt desirable to seek fresh approval of shareholders.

In view of the aforesaid provisions, you are requested to grant your consent to the enabling special resolution as set out at Item No.1 of the accompanying Notice.

The Directors or Key Management Persons or their relatives do not have any concern or interest, financial or otherwise in passing of the said special resolution.

**Item No. 2: To make investments, provide loans, guarantees and securities beyond the prescribed limits**

In terms of Section 186 of the Companies Act, 2013, no company shall directly or indirectly, (a) make any loan to any other body corporate / Companies; (b) give any guarantee, or provide security, in connection with a loan made by any other person to, or to any other person by, any body corporate; and (c) acquire, by way of subscription, purchase or otherwise the securities of any other body corporate, exceeding sixty per cent of its paid-up capital and free reserves, or one hundred per cent of its free reserves, whichever is more, unless authorised by a special resolution passed in a general meeting of the shareholders of the company.

Considering the net worth of the Company as also considering the fact that majority of investments / loans / guarantee / securities are to Subsidiary / Associate Companies and post notification of Section 186 of the Companies Act, 2013, giving of any loans and / or giving of any guarantee and / or providing security in connection with a loan to any subsidiary exceeding sixty per cent of the Company's paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, requires the company to seek prior approval of the members by means of a special resolution passed by a postal ballot.

Considering the fact that for ongoing business requirements, the Company would be required to continue to provide support to its subsidiaries companies in the form of investments or loans or guarantees or securities and which may exceed the limits prescribed under Section 186 of the Companies Act, 2013, it is felt desirable to obtain prior approval of the Shareholders for making investments and loans and providing guarantees and securities exceeding the prescribed limits to enable the Company to comply with Section 186 of the Companies Act, 2013,

The Directors or Key Management Persons or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution at Item No.2.

**Item No. 3 : Transaction with Related parties under Section 188 of the Companies Act, 2013**

The provisions of Section 188(1) of the Companies Act, 2013 that govern the related party transactions require a company to obtain prior approval of the Board of Directors and in case the paid up share capital of the Company is Rs.10 crore or more, the prior approval of shareholders by way of special resolution.

Since the proposed transaction is between the holding and subsidiary company which fall under the ambit of related party as per Section 2(76) of the Companies Act, 2013 the proposed investment / disinvestment / loan / guarantee / provision of security in the subsidiary company would attract Section 188 of the Companies Act, 2013 and therefore require your approval.

The disclosures required to be provided under the provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 are given herein below for perusal of the members.

- (a) Name of the related party and nature of relationship : The subsidiary companies detailed in item no.3 of the resolution.
- (b) Name of the director or key managerial personnel who is related, if any : none of the Directors or Key managerial personnel are related except to the extent of their directorship in the subsidiary companies.
- (c) Nature of relationship : Subsidiary company
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement : As may be decided by the Board of Directors at relevant time within the overall limits approved by the members.
- (e) Any other information relevant or important for the members to take a decision on the proposed resolution : Nil

Your Company being a holding company of the companies referred to in resolution at item no. 3 and hence a related party and therefore may be deemed to be concerned in the said resolution.

None of the directors or Key managerial person are concerned or interested, financial or otherwise in the resolution except to the extent of their directorship in the said subsidiary companies.

By Order of the Board  
For **Karma Energy Limited**

Mumbai  
27<sup>th</sup> May, 2014

T. V. Subramanian  
CFO & Company Secretary