

STARWORTH INFRASTRUCTURE & CONSTRUCTION LIMITED

Registered Office: 130/1, Ulsoor Road, Bengaluru – 560 042.

CIN: U45201KA2008PLC047441

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that the **Extraordinary General Meeting (EGM)** of the Members of **Starworth Infrastructure & Construction Limited** will be held on **Thursday, 17.03.2022** at **04:00 P.M.**, at #130/2, Ulsoor Road, Bengaluru 560 042, India, to transact the following businesses:

SPECIAL BUSINESS:

ITEM 1: TO INCREASE THE AUTHORISED CAPITAL OF THE COMPANY AND ALTER THE CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION

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

- A) **"RESOLVED THAT** pursuant to the provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing **Rs.5,00,000/-** (Rupees Five Lakhs only) divided into 50,000 Shares of Rs.10/- each **to Rs.10,00,00,000/-** (Rupees Ten Crores only) divided into 1,00,00,000 Shares of Rs.10/- each, by creation of additional 99,50,000 Shares of Rs 10/- each.

RESOLVED FURTHER THAT Mr. Satyanarayana Kasinadhuni, Managing Director, Mr. Nani R. Choksey, Director, Mr. Ashish Ravi Puravankara, Director, ('Authorized Directors'), be and are hereby severally authorized to file all necessary forms with the Registrar of Companies, Karnataka, and to do all acts, deeds and things which are necessary to give effect to the aforementioned resolution."

- B) **"RESOLVED THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, the consent of the members be and is hereby accorded to alter **Clause V** of the Memorandum of Association of the Company as follows:

**V. The share capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) shares of Rs.10/- (Rupees Ten only) each."*

RESOLVED FURTHER THAT the authorized Directors be and are hereby severally authorized to file necessary forms with the Registrar of Companies, Karnataka and to do all acts, deeds and things which are necessary to give effect to the aforementioned resolution."

ITEM 2: TO ALTER THE ARTICLES OF ASSOCIATION OF THE COMPANY

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

"RESOLVED THAT pursuant to provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members of the Company be and is hereby accorded to alter article no. 151 of the Articles of Association of the Company with the following:

"151. Capitalization of Profits

- a) The company in general meeting may, upon the recommendation of the Board, resolve-
- i. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - ii. That such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
- b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (a), either in or towards-
- i. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - ii. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportion aforesaid;
 - iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
 - iv. the securities premium account and a capital redemption reserve account may, for the purposes of this article, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- c) The Board shall give effect to the resolution passed by the company in pursuance of this article."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid article."

ITEM 3: APPROVAL FOR APPOINTMENT OF MR. K. SATYANARAYANA (DIN:07160142) AS MANAGING DIRECTOR OF THE COMPANY AND APPROVAL OF THE REMUNERATION PAYABLE

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

"RESOLVED THAT subject to the **Article 132** of the Articles of Association of the Company and in accordance with the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with the Companies (Appointment and Qualification of Directors), Rules, 2014 [including any statutory modifications or re-enactments thereof for the time being in force], approval of the members of the Company be and is hereby accorded for the appointment of Mr. K. Satyanarayana (DIN: 07160142), as Managing Director of the Company for a period of 5 years commencing from 18/12/2021 to 17/12/2026 and liable to retire by rotation as per the Companies Act, 2013.

"RESOLVED FURTHER THAT pursuant to Article 132 of the Articles of Association of the Company and the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Act, consent of the members be and is hereby accorded to the following remuneration payable to Mr. K. Satyanarayana, Managing Director, for a period of 3 years commencing from 18/12/2021 to 17/12/2024 as specified herein below with an absolute liberty to the Board of Directors of the Company to further revise the remuneration and terms and conditions thereof within the overall limit in such manner as may be mutually agreed by the Board and Mr. K. Satyanarayana and as stated below:

Annual salary of up to a maximum of Rs. 2,50,00,000/- (Rupees Two Crore Fifty Lakhs Only) per annum, which inter alia includes:

- I. a) Basic Salary and Variable Pay;
- b) House Rent Allowance;

- c) Conveyance Allowance;
- d) Reimbursement of Medical Expenses for Self and Family as per Company's policy/ Medical Allowance ("Family" means the spouse, the dependent children and dependent parents.);
- e) Reimbursement of Leave Travel Expenses for Self and Family as per Company's policy / Leave Travel Allowance;
- f) Profit sharing range upto 6% of Profit After Tax (PAT) depending on the Key Result Areas (KRA) deliverables agreed at the beginning of every financial year on reaching specific milestones as mutually agreed upon from time to time in Mr. K. Satyanarayana's Key Performance Indicators (KPIs) and subject to overall performance of the business unit and Company, the KPI's and payout will be as per the guidelines of the Company Policy from time to time.

The allowances mentioned above which are not fully utilized by the Director would be paid as taxable salary.

- II. Medical Insurance: As per Company's policy.
- III. Provident Fund Contribution: As per Company's policy.
- IV. Gratuity: As per Company's policies
- V. Encashment of Leave: As per Company Rules.
- VI. Office facilities: Use of telephones, fax, internet, hand phones, computers, laptops, printers and other electronic gadgets for official purposes as per Company's policy shall not be considered as perquisites.
- VII. The perquisites would be valued as per the applicable provisions of the Income Tax Act, 1961 read with the Rules made there under.

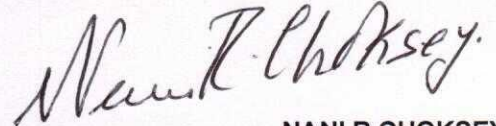
The Board of Directors may from time to time grant / include any other allowances (in point (I)) and/or perquisites as per the applicable statutory provisions including the Act."

RESOLVED FURTHER THAT subject to requisite approvals, the Board of Directors be and is hereby authorized to fix the remuneration (as specified herein above), as may be required, sign any documents from time to time on behalf of the Board of Directors.

RESOLVED FURTHER THAT Mr. Ashish Ravi Puravankara, Mr. Nani R. Choksey, Directors of the Company be and are hereby severally authorised to take necessary actions to give effect to the said resolutions.

RESOLVED FURTHER THAT any One of the Directors of the Company be and are hereby severally authorised to take all steps to give effect to the above resolution."

By Order of the Board of Directors
For Starworth Infrastructure & Construction Limited



NANI R CHOKSEY
DIRECTOR
DIN: 00504555

Place: Bengaluru
Date: 21.02.2022

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IS ANNEXED HERewith

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM 1: APPROVAL TO INCREASE THE AUTHORISED CAPITAL OF THE COMPANY AND ALTER THE CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION

The Authorized Share Capital of the Company is **Rs.5,00,000/-** (Rupees Five Lakhs only) divided into 50,000 Shares of Rs.10/- each.

In order to meet the requirements of the business, it is proposed to increase the Authorized Share Capital of the Company from existing **Rs.5,00,000/-** (Rupees Five Lakhs only) divided into 50,000 Shares of Rs.10/- each to **Rs.10,00,00,000/-** (Rupees Ten Crores only) divided into 1,00,00,000 Shares of Rs.10/- each, by creation of additional 99,50,000 Shares of Rs 10/- each.

The proposal for increase in Authorized Share Capital and amendment of Memorandum of Association of the Company requires approval of members at a general meeting.

The Board of Directors recommends passing of the **Ordinary Resolution** set out in **Item No.1** of the Notice.

None of the directors /key managerial personnel or any of their relatives, is / are directly or indirectly concerned or interested, financial or otherwise, in the resolutions set out at item No. 1.

ITEM 2: TO ALTER THE ARTICLES OF ASSOCIATION OF THE COMPANY

To ensure that the provisions of the Articles of Association are conducive to the business requirements of the Company, it is required to alter article no.151 as stated below:

Existing article no. 151

“151. Capitalization of Profits

- a) The company in general meeting may, upon the recommendation of the Board, resolve-
 - i. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - ii. That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
 - i. paying up any amounts for the time being unpaid on shares held by such members respectively.
 - ii. paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or

- iii. partly in the way specified in sub-clause (i) and partly that specified in sub-clause (ii);
- c) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares."

Propose article no. 151

"151. Capitalization of Profits

- a) The company in general meeting may, upon the recommendation of the Board, resolve-
 - i. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - ii. That such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
- b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (a), either in or towards-
 - i. paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - ii. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportion aforesaid;
 - iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);
 - iv. The securities premium account and a capital redemption reserve account may, for the purposes of this article, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- c) The Board shall give effect to the resolution passed by the company in pursuance of this article."

In this regard, the the Articles of Association would have to be altered by passing the necessary Resolutions in the Extraordinary General Meeting of the members of the Company.

The proposal to alter the Articles of Association of the Company requires approval of members at a general meeting.

The Board of Directors recommends passing of the **Special Resolution** set out in **Item No.2** of the Notice.

A copy of the Articles of Association of the Company is available for inspection at the Registered Office of the Company during working hours on any working day.

None of the directors /key managerial personnel or any of their relatives, is / are directly or indirectly concerned or interested, financial or otherwise, in the resolutions set out at item No. 2.

ITEM 3: APPROVAL FOR APPOINTMENT OF MR. K. SATYANARAYANA (DIN:07160142) AS MANAGING DIRECTOR OF THE COMPANY AND APPROVAL OF THE REMUNERATION PAYABLE

The Board at its meeting held on December 18, 2021, appointed Mr. K. Satyanarayana (DIN: 07160142), as additional director pursuant to Section 161 of the Companies Act, 2013, and will hold office upto the date of the ensuing Annual General Meeting. Further, pursuant to Sec.203 of the Companies Act, 2013, the Board appointed him as Managing Director for a period of 5 years with effect from 18/12/2021 to 17/12/2026.

Mr. K. Satynarayana has 34 plus years of experience across various spectrums of the Construction industry, with a proven record in completing complex projects and establishing business units. Mr. K. Satynarayana has worked with prestigious organisations like Tata Projects Limited, Nagarjuna Constructions and Afcons. In his previous assignment, he was associated with Tata Projects Limited as Chief Operating Officer, and also served as Board of Director in ARTSON ENGINEERING LIMITED, TEIL PROJECTS LIMITED. He holds a Degree - BE- Civil from Andhra University and has international accreditations like the IPMA Level-D and Six Sigma Green Belt and also underwent an Executive Leadership program with Wharton University, USA.

The Board considers that his association would be of immense benefit to the Company and its desirable to avail his services as Managing Director. Therefore, the Board of Directors requests your approval to the remuneration payable to Managing Director.

The following additional detailed information as per Section – II of Schedule V is as follows:

I. General Information:					
a)	Nature of industry	Construction			
b)	Date or expected date of commencement of commercial production.	Company with turnover			
c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Company was incorporated in the year 2008			
d)	Financial performance based on given indicators.(Rs.in lakhs)	Year	Turnover	Profit	Net worth
		2017-18	17,373.78	588.33	2,226.14
		2018-19	18,932.74	304.35	2,581.15
		2019-20	13,928.35	18.51	2,580.44
		2020-21	6,878.61	(284.57)	2,279.46
e)	Foreign investments or collaborators if any	No			
II. Information about the appointee:					
a)	Background details	<ul style="list-style-type: none"> Civil Engineering IPMA Level-D and Six Sigma Green Belt 			
b)	Past remuneration	Rs.2.08 crores p.a.			
c)	Recognition or awards	<p>Achievements:</p> <ul style="list-style-type: none"> Diversification in to High-Tech business like Smartcity, Nuclear, Defence and Aerospace. As business unit head, built complete organisation including Workforce, P&M, Technology Adoption, AGILE Culture and Capability Building. Started New Business Unit and converted it in to about 3000 Crs division in about four years Developed SBG into lifeline of Organisation which contributes about 40% of Revenue & Profits, with Highly engaged 3500+ employees (EES > 4.7) and Strong Customer Base (> 30% repeat Business), Net Working Capital best in the industry. Executed many Marque Projects which are of National Importance and has large intrinsic value to the society, many of them are 1st of its kind in the Country. They have not only added 			

		laurels to the company but also have improved lives of Millions of People.
d)	Job profile and his suitability	<p>Nature of Work: Responsible for the Overall operations and management including P & L of the business entity and:</p> <p><u>Objective of the Role</u></p> <ul style="list-style-type: none"> • To drive Business strategies and operation plan in line with organizational objectives. • Prepare and implement the annual budget of the company with revenue and cash flow planning and management while minimizing overheads and other fixed costs • Prepare and implement comprehensive business plan. • Build long term, trusting business relationships with business partners. • Oversee company's financial performance & investments • To Develop and implement the Business Strategy in order to drive top & bottom line growth and to obtain desired market positioning. <p><u>Strategic</u></p> <ul style="list-style-type: none"> • Ensure formulation of short, medium and long term strategy of the company through active engagement in the annual business target setting cycle and periodic monitoring and control of progress • Responsible for driving the commercial and financial growth and profitability of the company • Represent the company at all major external events and platforms • Liaise with various industry bodies, governmental stakeholders and customer interest groups to ensure intelligence on the developments in the industry both generally and in the locations of operations • Develop new initiatives across processes and technologies to meet or exceed the company's financial objectives with the timely delivery of quality products and services • Ensure complete synchronization between all the functions of the company and their alignment to the broader objectives of the company <p><u>Operational</u></p> <ul style="list-style-type: none"> • Increase Turnover & Profitability. • Process & SOP Implementation • Supervise the respective executives and provide timely motivational guidelines. • Vendor & Sub- Contractor Development Program • Measures to improvise Cost Savings thorough Mass purchase & Scale leveraging <p><u>Financial</u></p> <ul style="list-style-type: none"> • Oversee the process of annual reports generation, monitor accounts to the financial objectives of the company • Ensure company revenue and cash flow planning, minimizing overheads and other fixed costs for smooth operations <p><u>Business Development</u></p>

		<ul style="list-style-type: none"> ● Increase Current/Prospective Order Book Position of the company ● Ability to develop and implement corporate branding to attract prospective customers ● Understanding of product pricing strategies ● Plan cost effective operations, new technology for effective & efficient completion of projects <p>Behavioural Skills</p> <ul style="list-style-type: none"> ● Strategic Orientation ● Customer Orientation ● Communication Skills ● Delivery excellence ● Negotiation Skills ● Creative Thinking ● People management <p>Suitability: With 34 plus years of experience, Mr. K. Satyanarayana contributes positively to the Board through Strategic leadership, marketing innovation, operational integration, sustainability best practices.</p> <p>Mr. K. Satyanarayana manages the day-to-day operations of the business with his primary focus anchored on opportunity identification. He has also been instrumental in implementing best construction practices through acquiring new material resources and focusing on technology as a means to achieve quality construction.</p>
e)	Remuneration proposed	Upto Rs.2.50 crores p.a
f)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Mr. Shailendra Kumar Tripathi as CEO & Dy. Managing Director of JMC Projects (India) Limited – Rs. 3.43 crores p.a. apart from perquisites, allowances. He has 3 decades of experience.
g)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	N.A.
h)	Age	56 years
i)	Date of first appointment on the Board	December 18, 2021
j)	No. of share held	Nil
k)	Relationship with Directors, Managers & KMP	N.A.
l)	Number of Board meeting attended during previous year	1

m)	Other Directorship	Director at Teil Projects Limited (The Company is under liquidation)
n)	Chairman / Member of the Committees of Boards of other companies	Nil
III. Other Information		
a)	Reasons of loss or inadequate profits	The company is in the business of construction of buildings. The COVID-19 pandemic had a significant impact on the construction sector. With the outbreak of the pandemic caused by COVID-19 lockdown was imposed. Post lockdown, the restrictions on transport of manpower, materials etc., resulted in much lower billing, while fixed expenses had to be borne by the Company. Lower billing and higher costs resulted in loss for FY 21.
b)	Steps taken or proposed to be taken for improvement	Emphasis is on Cost control and cost management from the initial stages of the project and to enforce inventory control, manpower planning, resource planning, contract management, introducing new construction technology. Also: <ul style="list-style-type: none"> a) Substantial progress on team building through lateral recruitment. b) Revenue substantially improved from Rs.68 cr in FY 21 to Rs.240 cr (unaudited) in FY 22. c) Vendor and Labour payments streamlined to get better support on cost. d) The focus is on Claims Management, Collections, Negotiations with Vendors. e) Actions initiated on reduction of wastages & inventory, enhancement of productivity & workforce mobilisation, on-time Billing of Customers etc.
c)	Expected increase in productivity and profits in measurable terms.	<ul style="list-style-type: none"> a) Employee productivity from Rs.27 Lakhs per employee in FY 21 improved to Rs.96 Lakhs per employee in FY 22. Target set to reach Rs.1.64 cr in FY 23 b) Revenue target set for Rs.503 cr in FY 23 c) Profit Before Tax for FY 22 is expected to be Rs.4 cr subject to Auditors' confirmation.

Except Mr. K. Satyanarayana, none of the Directors, Key Managerial Personnel or their relatives are interested or concerned in the resolution relating to his appointment.

The Board of Directors recommends passing of the Special Resolution set out in **Item No.3** of the Notice.

**By Order of the Board of Directors
For Starworth Infrastructure & Construction Limited**

Nani R. Choksey

**NANI R CHOKSEY
DIRECTOR
DIN: 00504555**

**Place: Bengaluru
Date: 21.02.2022**