



# City Online

Services Limited

Internet Services with world class technology

## **ANNUAL REPORT 2018-2019**

# CORPORATE INFORMATION

BOARD OF DIRECTORS	
<b>Mr. S. Raghava Rao</b>	Chairman & Managing Director (DIN: 01441612)
<b>Mr. M. Nageswara Rao</b>	Non Executive & Independent Director (DIN: 03267864)
<b>Mr. Thomos P. Nicodemus</b>	Non Executive & Independent Director (DIN: 00444241)
<b>Mr. V Satyanarayana</b>	Non Executive & Independent Director (DIN: 03267751)
<b>Mrs. S. Naga Durga</b>	Non Executive Director (DIN: 06697556)
<b>Mr. Ch. Harinath</b>	Executive Director (DIN: 01441704)
<b>Mr. R. Krishna Mohan</b>	Executive Director cum CFO (DIN: 01678152)

## REGISTERED OFFICE

701, 7<sup>th</sup> Floor, Aditya Trade Center,  
Ameerpet, Hyderabad,  
Telangana – 500038.  
Ph No 040-66416882, Fax: 66416891

## STATUTORY AUDITORS

M/s. Seshachalam & Co  
Chartered Accountants  
Secunderabad.

## INTERNAL AUDITORS

M/s. D. Rambabu & Co  
Chartered Accountants  
Hyderabad.

## SECRETARIAL AUDITORS

Vivek Surana & Associates  
Practicing Company Secretaries  
Hyderabad.

## BANKERS

HDFC Bank Ltd, Hyderabad  
Oriental Bank of Commerce, Hyderabad  
ICICI Bank Ltd, Hyderabad  
State Bank of India, Vijayawada

## AUDIT COMMITTEE

Mr. M. Nageswara Rao - Chairman  
Mr. Thomos P. Nicodemus - Member  
Mr. R. Krishna Mohan - Member

## NOMINATION & REMUNERATION COMMITTEE

Mr. Thomos P. Nicodemus - Chairman  
Mr. M. Nageswara Rao - Member  
Mrs. S. Naga Durga - Member

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. M. Nageswara Rao - Chairman  
Mr. Thomos P. Nicodemus - Member  
Mr. R. Krishna Mohan - Member

## INTERNAL COMPLAINTS COMMITTEE:

Mrs. S. Naga Durga - Chairperson  
Mr. Ch. Harinath - Member  
Mr. M. Nageswara Rao - Member

## INDEPENDENT DIRECTORS:

Mr. M. Nageswara Rao  
Mr. Thomos P. Nicodemus  
Mr. V Satyanarayana

## REGISTRAR & SHARE TRANSFER AGENTS

M/s. XL Softech Systems Limited,  
3, Sagar Society, Road No.3,  
Banjara Hills, Hyderabad – 500034  
Phone Number: 040-23545913,  
Fax: 040-235532214  
E-mail: xlfield@gmail.com

Listed At : BSE Limited.  
ISIN : INE158C01014  
Website : www.cityonlines.com  
Investor E-Mail Id : corp@cityonlines.com  
Corporate Identity Number : L72200TG1999PLC032114

## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Shareholders of City Online Services Limited will be held on Saturday, 28<sup>th</sup> of September, 2019 at 11.00 A.M. at the Registered Office of the Company at 701, 7<sup>th</sup> Floor, Aditya Trade Centre, Ameerpet, Hyderabad – 500038, Telangana to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31<sup>st</sup>, 2019, the Statement of Profit & Loss and Cash Flow Statement (including the consolidated financial statements) for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mrs. S. Naga Durga (DIN: 06697556) who retires by rotation and being eligible, offers herself for re-appointment.
3. **TO APPOINT AUDITORS AND FIX THEIR REMUNERATION.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Laxminivas & Co., Chartered Accountants, (ICAI Firm Registration Number 011168S) be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors of the Company, M/s. Seshachalam & Co, Chartered Accountants, (ICAI Firm Registration Number 003714S), to hold office for a term of 5 (five) years, from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in the year 2024 on such remuneration plus service taxes, out-of-pocket expenses, etc. as may be mutually agreed upon by the Board of Directors and the Auditors."

**"FURTHER RESOLVED THAT** approval of the Company be and is hereby accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

### **SPECIAL BUSINESS:**

#### **4. REAPPOINTMENT OF MR. S. RAGHAVA RAO AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. S. Raghava Rao (DIN:01441612) Chairman and Managing Director of the Company for a period of three years with effect from 01.09.2019 to 31.08.2022 at a present remuneration of Rs. 1,55,000 p.m."

**"RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits"

**"RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. S. Raghava Rao, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time"

**"RESOLVED FURTHER THAT,** the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution."

#### **5. REAPPOINTMENT OF MR. KRISHNA MOHAN RAMINENI AS WHOLETIME DIRECTOR OF THE COMPANY:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. Krishna Mohan Ramineni (DIN:01678152) Whole-time Director of the Company for a period of three years with effect from 01.09.2019 to 31.08.2022 at a present remuneration of Rs. 1,50,000 p.m."

**"RESOLVED FURTHER THAT** in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board

of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. Krishna Mohan Ramineni, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

**6. REAPPOINTMENT OF MR. HARINATH CHAVA AS WHOLETIME DIRECTOR OF THE COMPANY:**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to reappoint Mr. Harinath Chava (DIN:01444241) Whole-time Director of the Company for a period of three years with effect from 01.09.2019 to 31.08.2022 at a present remuneration of Rs. 1,50,000 p.m.”.

“RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. Harinath Chava, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to approve the terms and conditions including any changes in remuneration and to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to the resolution.”

**7. REAPPOINTMENT OF MR. SATYANARAYANA VASI REDDY, NON-EXECUTIVE INDEPENDENT DIRECTOR FOR SECOND TERM OF 5 (FIVE) CONSECUTIVE YEARS:**

To consider, and if thought fit, to pass with or without modification(s), the following resolution 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 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Satyanarayana Vasi Reddy (DIN: 03267751) aged 82 years, who was appointed as a Non-Executive Independent Director to hold office up to 30<sup>th</sup> September, 2019, is eligible for being reappointed and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing candidature for the office of director, be and is hereby reappointed as a Non-Executive Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years with effect from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2024, not liable to retire by rotation.

“RESOLVED FURTHER THAT approval of the Members of the Company be and is hereby granted for continuation of holding of office by Mr. Satyanarayana Vasi Reddy who has attained the age of more than 75 years (Seventy five) years from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2024.”

“RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and is hereby authorized to do all such acts and take all steps as are necessary, proper, desirable and expedient in this regard to give effect to this resolution.”

**8. REAPPOINTMENT OF MR. THOMAS PRADHAN NICODEMUS, NON-EXECUTIVE INDEPENDENT DIRECTOR FOR SECOND TERM OF 5 (FIVE) CONSECUTIVE YEARS:**

To consider, and if thought fit, to pass with or without modification(s), the following resolution 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 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Thomas Pradhan Nicodemus (DIN: 00444241), who was appointed as a Non-Executive Independent Director to hold office up to 30<sup>th</sup> September, 2019, is eligible for being reappointed and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing candidature for the office of director, be and is hereby reappointed as a Non-Executive Independent

Director of the Company, to hold office for a second term of 5 (five) consecutive years with effect from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and is hereby authorized to do all such acts and take all steps as are necessary, proper, desirable and expedient in this regard to give effect to this resolution."

**9. Reappointment of Mr. Nageswara Rao Mandavill, Non-Executive Independent Director for Second Term of 5 (Five) Consecutive Years:**

To consider, and if thought fit, to pass with or without modification(s), the following resolution 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 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Nageswara Rao Mandavill (DIN: 03267864), who was appointed as a Non-Executive Independent Director to hold office up to 30<sup>th</sup> September, 2019, is eligible for being reappointed and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing candidature for the office of director, be and is hereby reappointed as a Non-Executive Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years with effect from 1<sup>st</sup> October, 2019 to 30<sup>th</sup> September, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel of the Company be and is hereby authorized to do all such acts and take all steps as are necessary, proper, desirable and expedient in this regard to give effect to this resolution."

For and on behalf of the Board  
For **City Online Services Limited**

Place: Hyderabad  
Date: 14.08.2019

Sd/-  
**S. Raghava Rao**  
Chairman & Managing Director  
(DIN: 01441612)

## **Route Map Venue for Annual General Meeting**





## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting.  

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2019 to 28.09.2019 (Both days inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The Securities and Exchange Board of India issued a circular for submission of PAN/Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN/Aadhar card details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN/Aadhar card details to the Company/ Registrar and Share Transfer Agents (M/s. XL Softech Systems Limited.)
9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **xlfield@gmail.com**, Share Transfer Agents of the Company for their doing the needful.
11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
14. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2018-19 is being sent in the permitted mode.
15. Members may also note that the Notice of the 20<sup>th</sup> Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website [www.cityonlines.com](http://www.cityonlines.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [corp@cityonlines.com](mailto:corp@cityonlines.com).

## 16. Voting through Electronic Means (E-Voting Facility)

Pursuant to the provisions of Section 108 of the Act read with the rules there under and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 20<sup>th</sup> Annual General Meeting scheduled to be held on Saturday, 28<sup>th</sup> September, 2019 at 11.00 A.M at 701, 7<sup>th</sup> Floor, Aditya Trade Center, Ameerpet, Hyderabad –500 038, Telangana.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorized Agency to provide e-voting facilities.

The e-voting facility will be available during the following voting period:

Commencement of e-voting: **From 25.09.2019 at 9.00 a.m.**

End of e-voting: **Up to 27.09.2019 at 5.00 p.m.**

**The cut-off date (i.e. the record date) for the purpose of e-voting is 20.09.2019.**

Please read the procedure and instructions for e-voting given below before exercising the vote.

This communication forms an integral part of the Notice dated 14.08.2019 for the AGM scheduled to be held on Saturday, 28<sup>th</sup> September, 2019 at 11.00 A.M. at 701, 7<sup>th</sup> Floor, Aditya Trade Center, Ameerpet, Hyderabad –500 038, Telangana which is enclosed herewith and is also made available on the website of the Company [www.cityonlines.com](http://www.cityonlines.com). Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through CDSL for all shareholders of the Company to enable them to cast their votes electronically on the resolution mentioned in the Notice of the 20<sup>th</sup> Annual General Meeting of the Company dated 14<sup>th</sup> August 2019.

### Procedure and instructions for e-voting

- (i) The E-voting period begins on 25<sup>th</sup> September, 2019 (9.00 A.M) and ends on 27<sup>th</sup> September, 2019 (5.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, 20.09.2019 of 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	<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"> <li>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.</li> <li>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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both 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 < **City Online Services Limited** >
- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **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 linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xx) 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).

## 2. OTHER INSTRUCTIONS:

- (i). Since the Company is required to provide facility to the members to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form and not casting their vote electronically, may cast their vote at the Annual General Meeting.
- (ii) The voting rights of shareholders shall be in proportions to the shares held by them in the paid equity share capital of the Company as on the cut-off date i.e. 20<sup>th</sup> September 2019.
- (iii) The Company has appointed Mr. Vivek Surana, Practicing Company Secretary as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
- (iv) The Scrutinizer shall after the conclusion of the Voting at the Annual General Meeting first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by him.
- (v) Voting is provided to the members through e-voting and at the Annual General Meeting of the Company. A Member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the Company.
- (vi) If a Member casts votes by both modes, then voting done through e-voting shall prevail.



- (vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.cityonlines.com](http://www.cityonlines.com) and on the website of CDSL and will be communicated to the BSE Limited.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
18. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. upto the date of Annual General Meeting.
19. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
20. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

For and on behalf of the Board  
For **City Online Services Limited**

Place: Hyderabad  
Date: 14.08.2019

Sd/-  
**S. Raghava Rao**  
Chairman & Managing Director  
(DIN: 01441612)

## EXPLANATORY STATEMENT

Pursuant to Section 102(1) of the Companies Act, 2013

### ITEM No. 3

#### **APPOINTMENT OF M/S LAXMINIVAS & CO, CHARTERED ACCOUNTANTS AS THE STATUTORY AUDITORS OF THE COMPANY:**

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder M/s. Seshachalam & Co, Chartered Accountants, the present Auditors of the Company complete their term as Auditors and in terms of their appointment made they are holding office of the auditors up to the conclusion of the 20th AGM and hence, would retire at the conclusion of the forthcoming 20th AGM. As per the provisions of the Companies Act, 2013 ("the Act"), no listed company shall appoint an audit firm (including its affiliate firms) as auditors for more than two terms of five consecutive years. M/s. Seshachalam & Co, Chartered Accountants will complete period of ten years at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. Seshachalam & Co, Chartered Accountants during their association with the Company as its auditors. For the purpose of appointment of new Auditors, the Audit Committee along with the Management, invited proposals from the reputed firms of Chartered Accountants and had detailed discussion with representatives of those firms.

The Committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of business, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, the Audit Committee recommended M/s. Laxminivas & Co., Chartered Accountants (Firm Registration No. 011168S), Hyderabad as the Company's new Statutory Auditor. The Company will be paying the same fee (Rs. 4 lakhs p.a. plus taxes as applicable) to the new auditors that it was paying to the retiring auditors.

M/s.Laxminiwas & Co. (LnCo) was established in 1973. LnCo journey so far involved progressively adding varied service lines and offering clients with diverse services with expertise and quality.

LnCo team consisting of **100+** members guided by **9 partners** have specialized in various fields to consistently deliver quality service and beyond. Their growth has led to LnCo getting together as a direct member of Allinial Global which is accounting firm association of legally independent accounting and consulting firms with offices in North America and throughout the world through international members and partnerships.

LnCo is having offices at Hyderabad, Vizag, Bengaluru, Mysuru and Chennai. Services range from Audit and Assurance, Tax and regulatory, GST, Risk Advisory Services, Transaction Advisory Services and other Support Services.

M/s. Laxminivas & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, as per the said requirements of the Act, M/s. Laxminivas & Co., Chartered Accountants are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of this 20th Annual General Meeting (AGM) until the conclusion of the 25th AGM, to the Members for their approval as may be applicable.

The Board of Directors recommends the Ordinary Resolution for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution.

### ITEM No. 4

#### **REAPPOINTMENT OF S. RAGHAVA RAO AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY:**

Mr. S. Raghava Rao (DIN: 01441612) was appointed as Chairman and Managing Director of the Company for a period of 3 years from 1st September 2016 to 31st August 2019 at the 17<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2016.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 14.08.2019, approved the re-appointment of Mr. S. Raghava Rao (DIN: 01441612) as Chairman and Managing Director of the Company for a term of three years commencing from 01.09.2019 to 31.08.2022 with a present remuneration of Rs. 1,55,000 per month.

Accordingly the Board of Directors recommends to pass the above resolution as an Ordinary Resolution as set out in the item no. 4 of the notice for reappointment of Mr. S. Raghava Rao as Chairman and Managing Director of the Company.

Save and except Mr. S. Raghava Rao (DIN: 01441612), Chairman and Managing Director, being an appointee and Mrs. Suryadevara Nagadurga, Director, his relatives and none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.