

KLRF LIMITED

Regd. Office : 75/8, Benares Cape Road, Gangaikondan-627352,
Tirunelveli District, Tamil Nadu
Phone No. +91-462-2486532 Email ID : flourmills@klrf.in

NOTICE

To

The Shareholders

Notice is hereby given that Pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the below mentioned Special Resolution is proposed to be passed by Postal Ballot in respect of disposal of KLRF Textiles Unit II, one of the undertaking of the Company situated at N.Subbiahpuram Village, Sattur Taluk, Virudhunagar District, Tamil Nadu.

As per section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, any resolution under Section 180(1)(a) of the Companies Act, 2013, for sale or lease or dispose of the whole or substantially the whole of the undertaking of the company requires the approval of the shareholders by means of postal ballot. The Board has appointed Mr. M.D. Selvaraj FCS, Company Secretary in Whole-time practice as Scrutinizer for conducting the postal Ballot process in a fair and transparent manner.

In the event of the resolution as set out below if assented by the requisite majority of the shareholders by means of Postal Ballot shall be deemed to have been passed as a Special resolution at the General Meeting of the Company. The date of announcement of the result shall be considered to be the date of the General Meeting and the date of passing of the said resolution.

Special Business

To consider and if thought fit to give ASSENT/ DISSENT to the following resolution to be passed as a Special Resolution.

“Resolved that pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 1956, and Companies Act, 2013, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, and subject to such approvals as may be

required, consent of the Company be and is hereby accorded to the Board of Directors of the Company, to sell/ transfer/ lease / slump sale or otherwise dispose of the whole of the undertakings of “KLRF Textiles Unit II” (including all the Company’s rights, title and interest in its KLRF Textiles Unit II situated at N. Subbiahpuram Village, Sattur Taluk, Virudhunagar District, Tamil Nadu) together with all fixed assets at such a price and on such terms and conditions as the Board of Directors may think proper and beneficial for the Company.”

“Further Resolved that the Board of Directors of the Company be and are hereby authorized to identify a buyer, finalise terms and conditions for transfer of the undertaking, business, rights, assets and liabilities as aforesaid, the mode and structure of such transfer and its consideration, determine transfer date, and to do all such acts, deeds, matters and things including but not limited to, execution of all the necessary documents, agreements, deeds of assignment/ conveyance and other documents and to do all such acts, deeds, matters and things as may be deemed necessary or expedient in their discretion to give effect to the said Resolution.”

Statement pursuant to provisions of Section 102 of the Companies Act, 2013.

“KLRF Textiles Unit II” has been making a negative contribution to the profitability of the Company. In recent past, significant increases in input costs, high cost of debt, slowing demand, non availability of skilled labour and irregular supplies have added to the losses. Hence the management recommends that it is in the long term interest of the Company to dispose the unit. The Company would be able to realize a fair value for the unit by disposing of the same and will utilize the proceeds thereof more effectively in its other business operations.

Pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013, and all other applicable provisions, if any, of the Companies Act, 1956, and Companies Act, 2013, approval of the members is

required to be obtained through a Special Resolution through Postal Ballot, for authorizing the Board of Directors to sell, transfer, lease/ slump sale or otherwise dispose off the KLRF Textiles Unit II.

It is mandatory under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the consent of members under Section 180 (1) (a) of the Companies Act, 2013, is required to be obtained by means of voting by Postal Ballot. Accordingly, a Postal Ballot form, the Postal Ballot notice and a pre-paid business reply envelope is enclosed separately with this notice.

The Board of Directors are satisfied that it would be in the best interests of the Company, its shareholders and its employees to dispose the said undertaking as referred to in the resolution for reasons and on terms set out herein.

The Board of Directors of your Company recommends this Special Resolution for your approval through Postal Ballot.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the said resolution except to the extent of shares held by them in the Company.

Notes:

1. The Board of Directors has appointed Mr. M.D. Selvaraj FCS, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.
2. The approval of shareholders is being sought through the Postal Ballot, as required under Section 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011, for which a separate ballot paper and other communication is circulated to the members along with this notice. ***Please note that, no provision has been made for voting by electronic mode and the voting is to be done by Postal Ballot alone.***

3. You are requested to carefully read the instructions printed on the attached Postal Ballot Form and return the Form duly completed in the enclosed self-addressed, postage prepaid envelope, so as to reach the Scrutinizer before the close of working hours on or before 19th April 2014. No other form or photocopy of the form is permitted.
4. The Scrutinizer will submit the report to the Managing Director / Executive Director after completion of the scrutiny of the Postal Ballot forms.
5. A self-addressed postage pre-paid envelope is enclosed. Please use the same after you mark your votes in favour of or against the special resolution in the Postal Ballot.
6. Postal Ballot forms received after the said last date will be rejected.
7. Votes will be considered invalid on the following grounds.
 - a) if the member's signature does not tally
 - b) if the member has marked both in favour and also against the Special Resolution.
 - c) if the Postal Ballot is unsigned.
 - d) if the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.
8. The results thereof will be announced by the Managing Director or Executive Director at 4.00 p.m. on Monday 21st April, 2014 at the Registered Office of the Company.

Place : Coimbatore

Date : 12.03.2014

By order of the Board,
For KLRF Limited

(Sd.) **S. Piramuthu**
Company Secretary

Enclosure

1. Postal Ballot Form
2. Postage prepaid envelope

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POSTAL BALLOT FORM Serial No.

(Please read the instructions printed overleaf carefully before completing this form.)

1. Registered Folio No./ DP ID No. & Client ID No. * *(Applicable to investors holding shares in dematerialized form)
2. Name(s) and Registered Address of the sole/first named Shareholder / Beneficial owner, including Joint holder(s), if any (in block letters)
3. Number of shares held

I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through Postal Ballot for the sale of KLRF TEXTILES UNIT II a separate undertaking of the Company situated at N. Subbiahpuram Village, Sattur Taluk, Virudhunagar District, Tamil Nadu as per the text resolution with statement by conveying my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below:

Sl. No.	Description	No. of Shares	I/We assent the resolution (FOR)	I/We dissent the resolution (AGAINST)
1.	Special Resolution under Section 180(1) (a) of the Companies Act, 2013, for the sale / transfer / lease / slump sale of KLRF Textiles Unit II a separate undertaking of the Company situated at N. Subbiahpuram Village, Sattur Taluk, Virudhunagar District, Tamil Nadu.			

Place :

Date :

Signature of share holder
(Refer instruction No.c. over leaf)

(PTO)

INSTRUCTIONS:

- a) A member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier at the expenses of the registered member will also be accepted.
- b) Please convey your assent / dissent in this Postal Ballot Form. The assent/ dissent received in any other form shall not be considered valid.
- c) This form should be completed and signed by the member. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the company) by the first named member and in his absence, by the next named member.
- d) In case of shares are held by companies, trusts, societies, etc. the duly completed Postal Ballot form should be accompanied by a certified true copy of Board Resolution / Authority.
- e) Incomplete, unsigned or incorrectly ticked Postal Ballot Form will be rejected.
- f) Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on Saturday, the 19th April, 2014. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such a member has not been received.
- g) Voting rights shall be reckoned on the paid up value of the shares registered in the name of the member as on 7th March, 2014.
- h) Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
- i) A member is neither required to cast all his/her votes nor he/she is required to vote in the same manner.
- j) There will be one Postal Ballot Form for every Folio/ Client ID, irrespective of the number of Joint holders.
- k) The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.
- l) The Scrutinizer will submit his report after completion of the scrutiny and the results of the Postal Ballot will be announced on Monday 21st April, 2014 at 4.00 PM at the Registered Office of the Company.