



KLRF Limited

CIN : L15314TN1961PLC004674

Regd. Off: 75/8, Benares Cape Road, Gangaikondan, Tirunelveli – 627352

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POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Shareholder(s),

Notice is hereby given pursuant to the provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") (including any statutory modification or re-enactment thereof for the time being in force) and other applicable provisions of the Act and Rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the below mentioned resolutions are proposed to be transacted / passed by the Members as Special Resolutions through Postal Ballot/ e-voting process for the purpose set out herein:

- a. Change the name of the Company from "**KLRF Limited**" to "**Kovilpatti Lakshmi Roller Flour Mills Limited**"
- b. Raising of capital through a preferential issue of Equity Shares pursuant to the provisions of Section 42 & 62 of the Companies Act, 2013 read with relevant Rules made thereunder and Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Board of Directors of the Company, at their meeting held on 26th February 2018, have approved the above-mentioned matters subject to, inter alia, the approval of the shareholders of the company and such other authorities as may be required.

The Statement setting out the material facts concerning the resolutions set out in Item No. 1 & 2 of the Postal Ballot Notice dated 26th February, 2018 pursuant to Section 102 of the Companies Act, 2013 relating to the resolutions are annexed. The Postal Ballot Notice is placed on the website of the Company www.klrf.in.

You are requested to send your assent or dissent for the Resolutions within 30 days in either of the following modes: -

- (a) by filling in the necessary details in the Postal Ballot form enclosed, signing the same at the marked place and returning the same in the enclosed postage pre-paid business reply envelope; or
- (b) by e-voting through the platform provided by Central Depository Services (India) Limited ("CDSL"), the e-voting agency appointed by the Company for the purpose.

The Board of Directors of the Company vide their resolution passed on 26th February, 2018 has appointed Mr.M.D.Selvaraj, FCS of M/s.MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the voting through postal ballot process and through electronic means in a fair and transparent manner.

Members are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form, duly completed in all respects in the enclosed self-addressed, postage pre-paid business reply envelope, so as to reach the scrutinizer on or before the close of working hours at 5.00 PM on Friday, the 30th March 2018. Your assent / dissent received after 5.00 PM on Friday, the 30th March, 2018 would be strictly treated as if a reply from you has not been received. The postage on the enclosed self-addressed postage pre-paid business reply envelope shall be borne and paid by the Company.

As required under the provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is also providing e-voting facility as an alternative to exercising the voting right through postal ballot form. Accordingly, instead of returning the Postal Ballot Form, members

may choose to cast their vote electronically through the CDSL e-voting platform. The e-voting platform will be opened for tendering your votes from 9:00 AM on Thursday the 1st March, 2018 to 5.00 PM on Friday, the 30th March, 2018. Members opting for e-voting may follow the procedure, as recommended by CDSL, which is specified along with this Notice.

The Scrutinizer shall submit his report to the Managing Director or the Executive Director of the Company. The result of the postal ballot shall be:

- ❖ Announced on or before 11.00 A.M. on Saturday, 31st March, 2018
- ❖ Displayed on the website of the Company and CDSL on Saturday, 31st March, 2018 and
- ❖ Communicated to BSE Limited (BSE), the stock exchange where the equity shares of the company are listed.

In the event, the resolutions as set out below are assented by the requisite majority of the shareholders by means of Postal Ballot process, it shall be deemed to have been passed as Special Resolutions at the General Meeting of the Company and it shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

SPECIAL BUSINESS

Item No.1:

Approval for change of name of the Company from “KLRF Limited” to “Kovilpatti Lakshmi Roller Flour Mills Limited”

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 Section 13(2), 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules framed thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of BSE Limited, Central Government (power delegated to Registrar of Companies) and such other necessary approvals, consents, permissions and sanctions, as may be required in this regard from any appropriate authority and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), the consent of the members of the Company be and is hereby accorded for changing the name of the company from **“KLRF Limited”** to **“Kovilpatti Lakshmi Roller Flour Mills Limited”**.

RESOLVED FURTHER THAT consequent upon change of name the Memorandum of Association & Articles of Association of the Company be altered by deleting the existing name **“KLRF Limited”** wherever appearing and substituting it with the new name **“Kovilpatti Lakshmi Roller Flour Mills Limited”**.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

Item No.2:

Approval for issue of Equity Shares through preferential issue

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 Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on Preferential Issue as contained in Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (**“SEBI ICDR Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 as amended (“**SEBI LODR Regulations**”), the Rules, Regulations and notifications etc. issued by the Reserve Bank of India from time to time and any other Guidelines and clarifications issued by any other competent authority, from time to time, to the extent applicable and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any Statutory / Regulatory Authorities, including but not limited to Securities and Exchange Board of India (“**SEBI**”), BSE Limited and any other Institutions or Bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to 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 to create, offer, issue and allot, such number of equity shares of Rs.10/- each at a price determined in accordance with Chapter VII of SEBI ICDR Regulations on the ‘Relevant Date’ for an amount aggregating up to ₹ 5 Crores (Rupees Five Crores only) on a preferential basis to the following persons (“**Proposed Allottees**”) to the extent detailed below, upon such terms and conditions as may be deemed appropriate by the Board in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.

Sl. No	Name of the proposed allottees	Amount against issue of equity shares (in ₹)
1.	Mr. V. Jagannathan jointly with Mr. Suresh Jagannathan & Mrs. J. Chandrakanthi	1,30,00,000
2.	Mr. Suresh Jagannathan	81,00,000
3.	Mr. Sharath Jagannathan	1,89,00,000
4.	M/s. Cape Flour Mills Private Limited	1,00,00,000
	Total	5,00,00,000

Note: The number of equity shares to be allotted to the proposed allottees can be determined only once the price per equity share on the relevant date is determined in accordance with SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations, the “Relevant Date” for the purpose of calculating the floor price for the issue of equity shares of the Company shall be 28th February, 2018, being the date 30 days prior to the last date of receipt of Postal Ballot Forms i.e. 30th March, 2018.

RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall rank pari passu in all respects (including entitlement to voting powers and dividend) with the existing fully paid-up equity shares of face value of ₹10/- each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company.

RESOLVED FURTHER THAT the pre-preferential allotment shareholding of the Proposed Allottees, the aforesaid equity shares allotted in terms of this resolution shall be subject to lock-in as per the provisions of Chapter VII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the equity shares allotted in terms of this resolution shall be listed and traded on the Stock Exchange on which the existing equity shares of the Company are listed.

RESOLVED FURTHER THAT the Company is authorised to file all the necessary applications, papers and documents with the National Securities Depository Limited, Central Depository Services (India) Limited, BSE Limited or any other authorities for admission of the Equity Shares issued and allotted to the proposed allottees on preferential basis as above.

RESOLVED FURTHER THAT all or any of the powers conferred on the Company and the Board vide this resolution may be exercised by the Board including any duly constituted committee of the Board with power to delegate to any officer of the Company, as the Board or such committee, for the purpose of giving effect to this resolution, may in its absolute discretion deem necessary, desirable or expedient, including but not limited to making listing

application to the stock exchange where the equity shares of the Company are listed, filing of requisite forms with the Registrar of Companies and to resolve and settle any questions and difficulties that may arise in the proposed offer, issue and allotment of aforesaid securities, utilization of issue proceeds, signing of all deeds and documents as may be required and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

A major portion of the income and majority of the assets of the company are represented by the flour mill related activities. Therefore, the Board of Directors at their meeting held on 26th February 2018 had decided to change the name of the Company from “**KLRF Limited**” to “**Kovilpatti Lakshmi Roller Flour Mills Limited**” to reflect the flour mill activities of the company. Further, the proposed name is an expansion of the existing name ‘KLRF Limited’ and also is the erstwhile name of the Company.

The Company had made an application for reservation of name change to the Central Registration Centre, Ministry of Corporate Affairs and the desired name “**Kovilpatti Lakshmi Roller Flour Mills Limited**” was made available vide their letter dated 18th February, 2018 to the Company. Necessary application is being made to BSE Limited for obtaining their in-principle approval.

Pursuant to the provisions of Section 13, 14 of the Companies Act, 2013 the alteration of the name clause of Memorandum of Association and Articles of Association requires the approval of the members of the Company by way of a special resolution and is also subject to the approval of the Central Government (power delegated to Registrar of Companies).

The proposed change in name of the Company will not affect any of the rights of the Company or of the shareholders / stakeholders of the Company.

Accordingly, the Special Resolution as set out in Item No.1 of the Notice is placed before the members for their approval.

The Board recommends the special resolution as set out in Item No.1 of the Notice for the approval of the members.

Copies of the draft of the Memorandum of Association and the Articles of Association of the Company are available on the website of the company and can be viewed by the members through the web-link www.klrf.in and is also available for inspection at the Registered Office of the Company during normal business hours on any working day up to the date of declaration of the results of the Postal Ballot.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 1 of the Notice.

Item No. 2

The Board of Directors of the Company at their meeting held on 26th February 2018 had approved the issuance of equity shares on preferential basis to the proposed allottees in the manner stated hereinabove, subject to the approval of members and other authorities as may be required.

The proposed issue and allotment of equity shares, on a preferential basis, shall be governed by the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“**SEBI ICDR Regulations**”) and the Companies Act, 2013 read with rules made thereunder (“**Act**”).

Without generality to the above, the terms and conditions of the preferential issue of equity shares are as under:

- The “**Relevant Date**” as per the SEBI ICDR Regulations for determining the minimum price for the preferential issue of equity shares is 28th February 2018, which is 30 days prior to the date of the last date of receipt of Postal Ballot forms / e-voting i.e., 30th March 2018.

- The equity shares proposed to be issued shall be allotted at such price in accordance with the pricing formula prescribed under Regulation 76 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
- Entire consideration for preferential issue of equity shares shall be received by the Company at the time of allotment of the said equity shares.
- The consideration for allotment of equity shares shall be paid to the Company from the respective bank accounts of the proposed allottees.
- Pursuant to Regulation 74(4) of SEBI ICDR Regulations, the allotment of equity shares shall be made only in dematerialised form.
- The Company has not made any preferential issue of securities in this financial year, other than the proposed issue of equity shares as stated in this notice.
- The proposed allottees have not sold any equity shares during the six months preceding the Relevant Date. The proposed allottees have not subscribed to any securities of the Company during last one year.
- The equity shares proposed to be issued shall rank pari passu in all respects (including entitlement to voting powers and dividend) with the existing fully paid-up equity shares of face value of ₹ 10/- each of the Company, subject to the relevant provisions contained in the Articles of Association of the Company

Information pertaining to the proposed preferential allotment in terms of Chapter VII of SEBI ICDR Regulations is as follows:

a. Object of the preferential issue:

The Company proposes to issue equity shares to raise funds for the following purposes

- Implementation of a modernisation programme to improve the infrastructure facilities of the Company and
- Fund the working capital requirements of the company.

b. The proposal or intention of the Promoter/ Directors/ Key Management Personnel of the Company to subscribe to the offer:

The following persons falling under the promoter group of the Company intend to subscribe to the equity shares to the extent set out below:

S No.	Name of the proposed allottees	Category	Amount against Issue of Equity shares (in ₹)	No. of Equity shares to be allotted*
1.	Mr. V.Jagannathan jointly with Mr. Suresh Jagannathan & Mrs. J. Chandrakanthi	Promoter Group	1,30,00,000	1,35,416
2.	Mr.Suresh Jagannathan	Promoter	81,00,000	84,375
3.	Mr.Sharath Jagannathan	Promoter Group	1,89,00,000	1,96,875
4.	M/s. Cape Flour Mills Private Limited	Promoter Group	1,00,00,000	1,04,166
	Total		5,00,00,000	5,20,832

*The number of equity shares to be allotted to the proposed allottees has been arrived at based on the assumed price of ₹ 96/- per equity share. However, the actual number of shares to be allotted may vary depending on the actual price of the Equity Shares determined in accordance with the SEBI ICDR Regulations, 2009.

Other than the above, none of the other promoters/ Directors/ Key Management Personnel intend to subscribe to the proposed offer.

c. The shareholding pattern of the Company before and after the preferential issue of equity shares:

Shareholding pattern before and after the proposed preferential issue of equity shares is as follows:

S. No.	Category	Pre Issue as on 31.12.2017		Post Issue	
		No. of Shares held	% of Shares held	No. of Shares held	% of Shares held
A.	Promoter & Promoter Group				
1	Indian				
a.	Individuals/ Hindu Undivided Family	14,71,056	29.30	18,87,722	34.06
b.	Central Government/ State Government(s)	-	-	-	-
c.	Financial Institutions/ Banks	-	-	-	-
d.	Any Other – Bodies Corporate	10,75,923	21.43	11,80,089	21.30
	Sub-total (A)(1)	25,46,979	50.73	30,67,811	55.36
2	Foreign				
	Sub-total (A)(2)	-	-	-	-
	Sub-total (A)	25,46,979	50.73	30,67,811	55.36
B	Public				
1	Institutions				
a.	Mutual Funds	-	-	-	-
b.	Alternate Investment Funds	-	-	-	-
c.	Foreign Venture Capital Investors	-	-	-	-
d.	Foreign Portfolio Investors	-	-	-	-
e.	Financial Institutions/ Banks	805	0.02	805	0.01
f.	Insurance Companies	1,04,583	2.08	1,04,583	1.89
g.	Provident Funds/ Pension Funds	-	-	-	-
h.	Any Other	-	-	-	-
	Sub-total (B)(1)	1,05,388	2.10	1,05,388	1.90
2	Central Government/ State Government(s)/ President of India				
	Sub-total (B)(2)	-	-	-	-
3	Non-Institutions				
a.	Individuals				
i.	Individuals shareholders holding nominal share capital up to ₹ 2 lakhs	14,50,648	28.89	14,60,813	26.36
ii.	Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	5,09,260	10.14	5,09,260	9.19
b.	NBFCs Registered with RBI	-	-	-	-
c.	Employee Trusts	-	-	-	-
d.	Overseas Depositories (holding DRs)	-	-	-	-
e.	Any other				
i.	Directors & Relatives	26,315	0.52	16,150	0.29
ii.	Bodies Corporate	1,69,952	3.40	1,69,952	3.07
iii.	Non-Resident Indians – Repatriable	8,278	0.16	8,278	0.15
iv.	Non-Resident Indians – Non-Repatriable	2,004	0.04	2,004	0.04
v.	Clearing Members	39,484	0.79	39,484	0.71
vi.	Market Maker	100	0.00	100	0.00
vii.	Hindu Undivided Families	1,60,456	3.20	1,60,456	2.90
viii.	Trusts	200	0.00	200	0.00
ix.	Unclaimed or Suspense or Escrow Account	1,580	0.03	1,580	0.03
	Sub-total (B)(3)	23,68,277	47.17	23,68,277	42.74
	Sub-total (B)	24,73,665	49.27	24,73,665	44.64
C	Shares held by Employee Trusts	-	-	-	-
	Sub-total (C)	-	-	-	-
	TOTAL	50,20,644	100.00	55,41,476	100.00

* Assuming that the equity shares are issued at a price of ₹ 96/- per equity share. However, the actual number of shares to be allotted and the post-issue shareholding pattern may vary depending on the actual price of the Equity Shares determined in accordance with the SEBI ICDR Regulations, 2009.

d. Proposed time within which preferential issue of equity shares shall be completed

As required under the ICDR Regulations, the preferential issue of equity shares shall be completed, within a period of 15 days from the date of passing of the special resolution contained in this Notice. Provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals.

e. The Identity of the natural persons who are the ultimate beneficial owners of the equity shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of pre and post preferential issue capital that may be held by them

The identity of the natural persons who are the ultimate beneficial owners of the equity shares proposed to be allotted and /or who ultimately control the proposed allottees and the percentage of the pre and post preferential issue capital that may be held by them on a fully diluted basis is given in the following table:

Identity of the proposed allottees	Mr.V.Jagannathan jointly with Mr.Suresh Jagannathan & Mrs.J.Chandrankanthi No:222 Race Course, Coimbatore - 641018 PAN ABVPJ8280D PAN ACBPJ1194K PAN ABVPC4883F	Mr.Suresh Jagannathan No: 222 Race Course Coimbatore - 641018 PAN ACBPJ1194K	Mr.Sharath Jagannathan No: 222 Race Course Coimbatore - 641018 PAN AOAPJ8642M	M/s. Cape Flour Mills Private Limited No. 91/2, Chunkankadai, Kanyakumari Dt. Nagercoil - 629003 PAN AABCT2255J
Category	Promoter Group	Promoter	Promoter Group	Promoter Group
Identity of the natural persons who are the ultimate beneficial owners of the equity shares proposed to be allotted	Not Applicable	Not Applicable	Not Applicable	Mr.V.Jagannathan, Mrs.J.Chandrankanthi, Mr.Suresh Jagannathan and Mr.Sharath Jagannathan
Pre-issue holding	3,17,920	10,60,486	56,525	9,97,935
% of Pre-issue holding	6.33%	21.12%	1.13%	19.88%
No. of equity shares proposed to be allotted	1,35,416	84,375	1,96,875	1,04,166
Post Issue holding*	4,53,336	11,44,861	2,53,400	11,02,101
% of Post-issue holding	8.18%	20.65%	4.57%	19.89%

* Assuming that the equity shares are issued at a price of ₹ 96/- per Equity Share. However, the actual number of shares to be allotted and the percentage of post-issue shareholding may vary depending on the actual price of the Equity Shares determined in accordance with the SEBI ICDR Regulations, 2009.

f. Pricing of the Issue and relevant date:

As per Regulation 71A of SEBI ICDR Regulations, 2009 the shares of the Company are considered to be “**frequently traded shares**” which means that the traded turnover of the shares of the Company on BSE Limited during the twelve calendar months preceding the relevant date, is atleast 10% of the total number of shares of such class of shares of the issuer.

The equity shares of the Company will be issued at such price not lower than the minimum price as stipulated in Regulation 76 of Chapter VII of SEBI ICDR Regulations, 2009 ie. higher of the following:

- a) The average weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised Stock Exchange during the 26 weeks preceding the relevant date; or
- b) The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised Stock Exchange during the 2 weeks preceding the relevant date.

“Relevant date” in relation to the issue of the equity shares in accordance with the SEBI ICDR Regulations, 2009 would be 28th February 2018 (ie. 30 days prior to the date of the last date of receipt of postal ballot form / e-voting being 30th March, 2018)

The Company proposes to issue equity shares to the Promoters (acquirers) at face value of ₹10/- each per share fully paid up at the price not lower than the minimum price as stipulated in Regulation 76 of Chapter VII of SEBI ICDR Regulations, 2009

g. Change in control, if any, in the Company consequent to the preferential issue

Consequent to the preferential allotment of equity shares, the overall stake of promoters in the Company increases from 50.73% to 55.36% and hence there will be no change in the control of the Company. There is also no change in the composition of the Board of Directors of the Company.

h. Lock-in Period:

- (i) The equity shares proposed to be allotted on a preferential basis shall be subject to ‘lock-in’ in accordance with the SEBI ICDR Regulations.
- (ii) The entire pre-preferential shareholding of proposed allottees, shall also be locked-in as per Regulation 78 of the SEBI ICDR Regulations.

i. Undertakings:

In terms of the SEBI ICDR Regulations, the Company hereby undertakes that:

- (i) The Company shall re-compute the price of the Equity Shares issued and allotted in terms of the provisions of SEBI ICDR Regulations, where it is required to do so.
- (ii) If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the underlying Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.

j. Other Disclosures:

- (i) It is hereby confirmed that neither the Company nor any of its Promoters or Directors are wilful defaulters.
- (ii) The proposed allottees who have sold their equity shares during the six months preceding the relevant date shall not be eligible for allotment of equity shares on a preferential basis. The Proposed Allottees have represented that they have not sold any equity shares of the Company during the 6 (six) months preceding the Relevant Date.
- (iii) In the present case, the proposed issue will not attract the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as the shareholdings of the acquirer(s) does not exceed the threshold limit. However the acquirer(s) shall undertake compliance of disclosures to be made under Regulation 29(2) and 30(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(iv) The Certificate obtained from M/s. Arun & Co., Chartered Accountants, Statutory Auditors confirming the minimum price for the preferential issue pursuant to Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 has been made available for inspection at the Registered Office of the Company during working hours on all working days up to the last date of receipt of Postal Ballot Form i.e., 30th March, 2018.

(v) A copy of the certificate obtained from M/s. Arun & Co., Chartered Accountants, Statutory Auditors of the Company, certifying that the above preferential issue of equity shares is made in accordance with the applicable provisions of the ICDR Regulations, will be open for inspection at the Registered Office of the Company during working hours on all working days up to the last date of receipt of Postal Ballot Form i.e., 30th March, 2018.

(vi) The Company will take necessary steps to obtain the required approvals from BSE Limited, SEBI, RBI or any other regulatory agency as may be applicable for the proposed preferential issue of equity shares.

Further, Section 62(1)(c) of the Companies Act, 2013 read with Regulation 72(1)(a) of the SEBI ICDR Regulations provides that preferential issue of specified securities by a listed company would require approval of its shareholders by way of a Special Resolution. Accordingly, the approval of the shareholders is being sought for authorising the Board to issue and allot the securities as specified in the resolution.

The Board recommends the resolution as set out in Item No. 2 of the Notice for the approval of the members.

Except, Mr. V. Jagannathan, Mrs. J. Chandrakanthi, Mr. Suresh Jagannathan, & Mr. Sharath Jagannathan, being the proposed allottees / beneficial owners of the proposed allottees, none of the other Directors or Key Managerial Personnel of the Company and /or their relative(s) is in any way concerned or interested, financially or otherwise, in the proposed resolution in Item No. 2 of the Notice.

By Order of the Board

For **KLRF Limited**

Suresh Jagannathan

Managing Director

DIN: 00011326

Place : Coimbatore

Date : 26th February, 2018

Notes:

1. The Board of Directors of the Company has appointed Mr.M.D.Selvaraj, FCS of MDS & Associates, Company Secretaries, Coimbatore as the Scrutinizer for conducting the postal ballot in a fair and transparent manner.
2. The approval of the shareholders is being sought through the Postal Ballot, pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for which a separate Ballot paper is circulated to the members along with this notice.
3. Voting period commences from 9:00 AM on Thursday the 1st March 2018 and ends at 5.00 PM on Friday the 30th March 2018 for the members exercising their voting either by Postal Ballot or through E-voting within 30 days from date of dispatch of the notice.
4. The Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (**NSDL**)/Central Depository Services (India) Limited (**CDSL**) as on 23rd February 2018 (cut-off date).
5. The members whose names appear in the Register of Members/ Record of Depositories as on Friday the 23rd February 2018 will only be considered for voting. In case a person, who is not a shareholder of the company as on the cut-off date receives this Notice, the same should be treated as being sent for informative purposes.

6. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. Members who have received the Postal Ballot Notice by email and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the Company's website www.klrf.in
7. Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed with the Assent (For) or Dissent (Against) in the attached Business Reply envelope so as to reach the Scrutinizer on or before 5:00 PM on Friday the 30th March 2018 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. Hence the members are requested to send the duly completed Postal Ballot Form well before Friday the 30th March, 2018, providing sufficient time for postal transit.
8. The result of the Postal Ballot shall be announced on or before 11:00 AM on Saturday, the 31st March, 2018 at the Registered Office of the Company and shall also be displayed on the Company's website www.klrf.in, and on the website of CDSL and will also be communicated to BSE Limited (BSE), the stock exchange where the equity shares of the Company are listed.
9. The Postal Ballot Form and self-addressed, postage pre-paid business reply envelope is enclosed for use of the shareholders and it bears the address to which the duly completed Postal Ballot Forms are to be sent. The facility of voting by electronic means is being provided by Central Depository Services (India) Limited (CDSL) for which the required procedure is incorporated in the Postal Ballot Notice.
10. The Postal Ballot Notice and Form have been placed on Company's website www.klrf.in and CDSL e-voting website www.evotingindia.com and will remain on such website until the last date of receipt of the Postal Ballot from members.
11. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on Friday 23rd February, 2018 (Cut off date).

INSTRUCTIONS FOR VOTING:

A. VOTING THROUGH POSTAL BALLOT FORM

Instructions regarding voting through Postal Ballot Form have been given on the reverse side of the Postal Ballot Form

B. REMOTE E-VOTING FACILITY

Pursuant to Section 110 of the Companies Act, 2013 and applicable rules made there under, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. For this purpose, the Company has signed an agreement with the Central Depository Services (India) Limited ("CDSL") for facilitating e-voting. Members have option to vote either through e-voting or through the Postal Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-versa. However, in case members cast their vote both via postal ballot and e-voting, then voting through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.

The instructions for members for voting electronically are as under: -

- i. The voting period begins on Thursday 1st March, 2018 at 9.00 AM and ends on Friday the 30th March, 2018 at 5.00 PM. 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 Friday 23rd February, 2018 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
<p>PAN</p> <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 sequence number which is printed on the Postal Ballot Form indicated in the PAN field.
<p>DATE OF BIRTH (DOB)</p> <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>
<p>DIVIDEND BANK DETAILS</p> <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio to login.</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 'KLR 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 print out 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 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. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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 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.

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

The Scrutinizer will submit his report after completion of scrutiny, on Saturday, 31st March 2018. The Managing Director or the Executive Director will announce the results of the voting by Postal Ballot on or before 11.00 AM on Saturday, 31st March 2018 at the Registered Office of the Company.

Enclosure:

1. Postal Ballot Form
2. Postage prepaid business reply envelope