Kovilpatti Lakshmi Roller Flour Mills Limited

Regd.Office& Flour Mill
75/8, Benares Cape Road
Gangaikondan – 627 352
Tirunelveli District
Tamil Nadu
CIN : L15314TN1961PLC004674

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GSTN : 33AAACK6029N1ZF

REF/BSE/2022-23/

22nd August, 2022

BSE Limited
BSE's Corporate Relationship Department
First Floor, New Trading Ring
Rotunda Building, P. J.Towers
Dalal Street
Mumbai – 400001.

Dear Sir,

Scrip Code: 507598

Sub : Outcome of Board Meeting
Ref : Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we would like to inform that, based on the recommendation of the Independent Directors and the Audit Committee, the Board of Directors of the Company at their meeting held today, Monday, 22nd August 2022 has considered and approved the Scheme of Amalgamation of Raya Foods Private Limited (Transferor Company) with Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

The Scheme shall be subject to the requisite approval / permission / no objection / sanction of the shareholders and creditors of the respective companies, BSE Limited, the Hon'ble National Company Law Tribunal at Chennai Bench and such other statutory and other regulatory authorities as may be required in this regard.

The disclosure required under Regulation 30 read with Schedule III of the Listing Regulations and the SEBI Circular No.CIR/CFD/CMD/4/2015 dated September 9, 2015, are given as **ANNEXURE**.

It is further informed that the meeting of the Board of Directors was concluded at 12:30 PM (IST).

Kindly take the above on record.

Thanking you,

Yours faithfully,
For Kovilpatti Lakshmi Roller Flour Mills Limited

S. Piramuthu
Company Secretary

Kovilpatti Lakshmi Roller Flour Mills Limited ★ Gangaikondan 627 352

ANNEXURE

DISCLOSURE REQUIRED UNDER REGULATION 30 READ WITH SCHEDULE III OF THE LISTING REGULATIONS AND THE SEBI CIRCULAR NO.CIR/CFD/CMD/4/2015 DATED SEPTEMBER 9, 2015

<table>
<tr><th>S. No.</th><th>Particulars</th><th>Disclosure</th></tr>
<tr><td>a.</td><td>Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.</td><td>
The Scheme of Amalgamation approved by the Board of Directors proposes the amalgamation of Raya Foods Private Limited (Transferor Company) with Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

A brief of the entities involved in the amalgamation is as follows:

Transferee Company:

Kovilpatti Lakshmi Roller Flour Mills Limited (CIN: L15314TN1961PLC004674) is a public limited company incorporated on 16th December 1961 under the Companies Act, 1956. The registered office of the company is situated at 75/8, Benares Cape Road, Gangaikondan, Tirunelveli – 627352, Tamil Nadu. The equity shares of the company are listed on BSE Limited.

The details pertaining to size, turnover etc. of the Transferee Company is as follows:

<table>
<tr><th>S. No.</th><th>Particulars</th><th>Amount as on 31.03.2022 (INR in lakhs)</th></tr>
<tr><td>1</td><td>Paid-up share capital</td><td>554.15</td></tr>
<tr><td>2</td><td>Net worth</td><td>4,796.90</td></tr>
<tr><td>3</td><td>Turnover*</td><td>27,334.63</td></tr>
</table>
* For the financial year ended 31st March 2022

Transferor Company:

Raya Foods Private Limited (CIN: U15490TZ2021PTC037362) is an unlisted private limited company incorporated on 22nd October 2021 under the Companies Act, 2013. The registered office of the company is situated at 8th Floor, Time Square, 62/4, A.T.T. Colony, Balasundaram Road, Coimbatore – 641018, Tamil Nadu.

The details pertaining to size, turnover etc. of the Transferee Company is as follows:

<table>
<tr><th>S. No.</th><th>Particulars</th><th>Amount as on 31.03.2022 (INR in lakhs)</th></tr>
<tr><td>1</td><td>Paid-up share capital</td><td>250.00</td></tr>
<tr><td>2</td><td>Net worth</td><td>173.74</td></tr>
<tr><td>3</td><td>Turnover*</td><td>1,347.11</td></tr>
</table>
* For a period from 22nd October 2021 till 31st March 2022
</td></tr>
<tr><td>b.</td><td>Whether the transaction would fall within related party transactions? If yes,</td><td>The proposed Scheme of Amalgamation would fall within the ambit of related party transaction since Raya Foods Private Limited is a related party to the Company. The transaction is proposed to be carried out at arms' length basis and is based on the independent fair valuation of the shares of each of the</td></tr>
</table>

Kovilpatti Lakshmi Roller Flour Mills Limited ★ Gangaikondan 627 352

S. No.	Particulars	Disclosure
	whether the same is done at "arms' length"	companies and will be subject to the approval of the shareholders, creditors of both the Companies and the National Company Law Tribunal, Chennai Bench. However, the said transaction does not fall within the purview of the related party transactions under Section 188 of the Companies Act, 2013 in view of the clarification provided by the Ministry of Corporate Affairs vide General Circular No. 30/2014 dated July 17, 2014.
c.	Area of business of the entity(ies)	**Transferee Company:** The Transferee Company has two main business divisions viz., Foods Division and Engineering Division. The Foods division comprises of the business of flour milling and selling of flour produced from wheat and all other food products and the engineering division comprising of the business of manufacturing of ferrous castings. **Transferor Company:** The Transferor Company is engaged in the business of flour milling and selling of flour produced from wheat and all other food products.
d.	Rationale for amalgamation / merger	The rationale of the Scheme is as under: (i) Enable consolidation of flour mills business of both the companies into one entity which will facilitate economies of scale, focused growth, business synergies and better supervision of the business of the group. (ii) Enable the Company to expand the footprint of the flour mills division by catering to the markets across India resulting in regional diversification. (iii) Pooling of resources (including manpower, management, administration, financial and marketing resources) of both companies resulting in, synergies of operations and optimisation of logistics, resulting in more productive utilisation of said resources, savings in cost and operational efficiencies. (iv) Enable optimisation of the capital allocation and availability of funds which can be deployed more efficiently to pursue growth opportunities. (v) Strengthen the financial position resulting in increased leverage capacity of the merged entity. (vi) Create long term value to the shareholders by unlocking value since the business and profits will accrue to a single entity. (vii) Result in reduction in the multiplicity of legal and regulatory compliances.
e.	In case of cash consideration – amount or otherwise share exchange ratio	Mr. Vardhman Doogar, Registered Valuer has recommended the following Share Exchange Ratio for the purpose of amalgamation. *"14 (Fourteen) equity shares of Rs.10/- each shall be issued and allotted in Kovilpatti Lakshmi Roller Flour Mills Limited (Transferee Company) for every 10 (Ten) equity shares of Rs.10/- each held*

<table>
<tr><th>S. No.</th><th>Particulars</th><th>Disclosure</th></tr>
<tr><td></td><td></td><td>by the shareholders in Raya Foods Private Limited (Transferor Company).”

M/s. Mefcom Capital Markets Limited, an Independent SEBI Registered Merchant Banker have also provided their fairness opinion on the valuation and the Share Exchange Ratio.

The new equity shares proposed to be issued pursuant to the Scheme shall rank pari-passu in all respects with the existing equity shares of the Company and shall be listed on BSE.</td></tr>
<tr><td>f.</td><td>Brief details of change in shareholding pattern (if any) of listed entity</td><td>The brief details of the change in shareholding pattern of listed entity is as follows:
<table>
<tr><th rowspan="2">Category</th><th colspan="2">Pre-Amalgamation</th><th colspan="2">Post-Amalgamation</th></tr>
<tr><th>No. of shares</th><th>% of holding</th><th>No. of shares</th><th>% of holding</th></tr>
<tr><td>Promoter & Promoter Group</td><td>31,68,685</td><td>57.18</td><td>66,68,685</td><td>73.76</td></tr>
<tr><td>Public</td><td>23,72,791</td><td>42.82</td><td>23,72,791</td><td>26.24</td></tr>
<tr><td>Total</td><td>55,41,476</td><td>100.00</td><td>90,41,476</td><td>100.00</td></tr>
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