



KLK

KLK ELECTRICAL LIMITED

30th Annual Report

2010-11



BOARD OF DIRECTORS

Shri.V.Lavakumar Chairman & Managing Director
Shri.J.M.Menezes Director
Shri.John.B.Thangasamy Director

Auditors M/s.N.Subramanian
Chartered Accountant,
81, Greems Road, Chennai-6.

Registered & Admin. Office 64 (New No.) 8th Cross Street,
West Shenoy Nagar,
Chennai 600 030.

Share Transfer Agency M/s.Cameo Corporate Services Ltd.,
'Subramanian Building'
No.1, Club House Road,
Chennai 600 002.

Listing on Stock Exchanges a) Bombay Stock Exchange Ltd
P.J.Towers, Dalal Street,
Mumbai-400 001.

b) Madras Stock Exchange Ltd.,
Exchange Building,
11, Second Line Beach,
Chennai 600 001.

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of **KLK ELECTRICAL LIMITED** will be held on Thursday the 29th September, 2011 at 11.00 A.M. at the Registered Office of the Company, at New no.64, 8th Cross Street, West Shenoy Nagar, Chennai – 600 017, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of **Shri. John B.Thangasamy**, who retires by rotation on that date and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board of Directors.

SPECIAL BUSINESS:

4. INCREASE OF THE AUTHORISED SHARE CAPITAL AND CONSEQUENT AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

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

"RESOLVED THAT pursuant to provisions of Section 16, 31, 94 and other applicable provisions, if any, of Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs. 2,00,00,000/- (Rupees Two Crores only) to Rs.5,00,00,000/- (Rupees five Crores only) by creation of 30,00,000 further equity shares of Rs. 10/- each ranking *pari passu* with the existing equity shares."

"RESOLVED FURTHER THAT the existing clause IV of the Memorandum of Association of the company be substituted as follows:

"The share capital of the Company is Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs.10 each. The Company has the power from time to time to increase or reduce its capital. Any of the said shares and any new shares hereafter to be created may from time to time be divided into shares of several classes in such manner as the Articles of Association of the Company, may prescribe or allow and so that the shares of each class may have or confer such preferred of other special rights and privileges and may be issued under such restrictions and conditions whether in regard to dividend, voting return of capital or otherwise as shall have been assigned there to by or under provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any shares issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for by the Articles of the Company for the time being."

RESOLVED FURTHER THAT the existing Clause 3(a) of the Articles of Association of the Company be substituted as follows:

"The share capital of the Company is Rs.5,00,00,000 divided into 50,00,000 equity shares of Rs.10/- each."

RESOLVED FURTHER THAT Mr. V. Lavakumar, Chairman be and is hereby authorised to do such acts, deeds and things as may be deemed expedient to give effect to this resolution including but not limited to filing of the necessary e-forms under his digital signature on the web portal of the Ministry of Corporate Affairs."

5. ISSUE OF EQUITY SHARES UNDER PREFERENTIAL BASIS

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

"RESOLVED THAT the consent of the company be and is hereby accorded to the Board, pursuant to the 81(1A) and other relevant provision of the Companies Act, 1956 as also of any other applicable laws, rules and regulations (including any amendments thereto or reenactment thereof for the time being in force) and enabling the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the share of the Company are listed and subject to such approvals, consents, permissions and sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India (SEBI) and all other appropriate authorities concerned and subject to such conditions and modification as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which terms shall be deemed to include any Committee the Board may be Constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), which the Board be and is hereby authorised to accept, if it thinks fit in the interest of the company, to issue, offer and allot Equity shares on preferential basis up to 20,00,000 (Twenty Lakhs) equity shares of the face value of Rs. 10/- each fully paid-up at a premium of Rs.5/- for an aggregate amount up to Rs. 3,00,00,000 (Rupees three Crores only) to the following persons, and upon such terms and conditions as may be deemed appropriate by the Board at its absolute discretion.

Sl. No.	Name of the proposed allottees	No. of equity shares to be allotted
	Rajendra Naniwadekar	3,25,000
	Rudram Investments & Finance Private Ltd	3,00,000
	Uday Kranti Investments Limited	3,50,000
	Marsh CDM Services Private Limited	3,25,000
	Matric Finvest Private Limited	3,50,000
	Venkata Soma Sekhara Reddy Vamireddy	3,50,000
	Total	20,00,000

RESOLVED FURTHER THAT the above said Equity shares shall be under a lock in period of three years for the promoters and one year for those allottees other than promoters from the date of allotment made by the Board of Directors of the Company as per the SEBI Regulations for Preferential Allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

RESOLVED FURTHER THAT

(a) The 'relevant date' for the purpose of pricing of the equity shares, in accordance with the SEBI Regulations is August 29, 2011 being the 30th day prior to September 29, 2011 (i.e. the date on which the Annual General Meeting of the shareholders will be held, in terms of Section 81(1A) of the Companies Act, 1956 to consider the proposed issue of equity shares on preferential basis).

(b) The Board be and is hereby authorized to decide and approve, other terms and conditions of the issue of equity shares as above and also shall be entitled to vary, modify or alter any of the terms and conditions, including the size of the issue, as it may deem expedient.

©The Board be and is hereby authorised to delegate all or any of the power herein conferred by this resolution to any director or directors or to any committee(s) of the directors or any other officers of the Company or to any other person or persons as it may deem fit, for the purpose of giving effect to the aforesaid resolution.

RESOLVED FURTHER THAT all such equity shares shall be subject to the terms prescribed by the Board and the relevant clauses of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT equity shares so issued shall rank pari-passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above issue of equity shares, the Board be and is hereby authorised to all such acts, deeds, matters, and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offer, issue and allotment of the new equity shares.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to delegate all or any of the powers hereinabove conferred to any committee of the Directors of the company to give effect to the aforesaid resolution."

By order of the Board,
For KLK Electrical Ltd.
(V.Lavakumar)
CHAIRMAN

Place: CHENNAI
Date: 02.09.2011

NOTES:

1.A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than forty eight hours before the commencement of the meeting. Form of proxy is enclosed.

2.The Explanatory Statement pursuant to section 173 of the Companies Act, 1956 is given below and forms part of the Notice.

3.Since the Company is yet to declare any dividend, disclosure regarding status of unclaimed dividend under section 205A of the Companies Act, 1956 does not arise.

4.The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2011 to 29th September, 2011 (both days inclusive).

5.Shareholders are requested to bring their copy of Annual Report to the meeting.

6.Members/ Proxies should bring the attendance slips filled in for attending the meeting.

7.Members are requested to notify immediately any change in their address (with Pin-Code), if any, quoting their registered folio numbers to the Registrar and Transfer Agent M/s. Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai - 600 002.

8.Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

9.Members are requested to quote their folio number and name in all correspondence with the Company.

10.Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM: 4 - INCREASE OF THE AUTHORISED SHARE CAPITAL AND CONSEQUENT AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

The present Authorised Share Capital of the Company is Rs. Two Crores. In view of the proposal for further issue of Shares, it is proposed to increase the Authorised Share Capital of the Company from Rs.2,00,00,000 (Rupees Two Crores only) divided into 20,00,000 equity shares of Rs. 10/- each to Rs. 5,00,00,000 (Rupees Five Crores only) divided into 50,00,000 equity shares of Rs. 10/- each.

The Board of directors at their meeting held on September 2, 2011 approved the proposal for increase in Authorised Share Capital of the Company and consequent amendments to the Memorandum and Articles of Association of the Company.

Increase in Authorised Share Capital would necessitate amendment to the Clause IV of the Memorandum of Association and Clause 3(a) Articles of Association of Company and would require member's approval by passing a Special Resolution.

None of the directors may be considered to be interested or concerned in this Resolution.

ITEM: 5 - ISSUE OF EQUITY SHARES UNDER PREFERENTIAL BASIS

1.Objects and background of the Issue

The purpose of the issue of equity shares on preferential basis is to clear the existing liabilities, for working capital and to explore other business opportunities.

2. Relevant date and Pricing of the Issue

The 'relevant date' for the purpose of pricing of the equity shares, in accordance with the SEBI Regulations is August 29, 2011 being the 30th day prior to September 29, 2011 (i.e. the date on which the Annual General Meeting of the shareholders will be held, in terms of section 81(1A) of the Companies Act, 1956 to consider the proposed issue of equity shares on preferential basis)

"Pricing of the Issue" – The issue price of Rs.15/- (Rupees fifteen Only) arising out of the preferential issue of shares is in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

and for the purpose of the above guidelines the relevant date would be August 29, 2011.

3. Intention of the promoters or their associates and relatives to subscribe to the offer.

The present proposed 20,00,000 Equity Shares to be issued on preferential basis to non promoters of the company. None of the promoters or associates and relatives is interested to subscribe to the offer.

4. Identity of the proposed allottees and percentage of post issued capital that may be held:

Name and address of the proposed allottees	No. of Shares proposed to be allotted	Amount (In Rs.)	Existing Shareholding in the Company	Shareholding after the preferential allotment	% of Shareholding by the post Preferential Equity Capital
Rajendra Nani wadekar 3-4-252/1, Kachiguda, Hyderabad 500 027	3,25,000	48,75,000	10,200	3,35,200	10.31
Rudram Investments & Finance Private Limited, 3-4-512/46, Street #9, Barkatpura, Hyderabad	3,00,000	45,00,000	0	3,00,000	9.23
Uday Kranti Investments Limited, 3-4-138/A, Lingampally Hyderabad	3,50,000	52,50,000	0	3,50,000	10.77
Marsh CDM Services Private Limited B-403, Kushal Towers Khairatabad , Hyderabad 500 004	3,25,000	48,75,000	0	3,25,000	10.00
Matric Finvest Pvt.Ltd. 1367, Road # 45 Jubilee Hills, Hyderabad 500 033	3,50,000	52,50,000	0	3,50,000	10.77
Venkata Soma Sekhara Reddy Vemireddy 6-1-52, Godugupalem, Ongole 523002	3,50,000	52,50,000	0	3,50,000	10.77
TOTAL	20,00,000	3,00,00,000			

5. Shareholding pattern before and after the offer

Category code	Category of Shareholder	Pre Issue		Post Issue	
		Number of shares	% of shareholding	Number of shares	% of shareholding
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals / Hindu Undivided Family	2,78,150	22.25	2,78,150	8.56
(b)	Central Government / State Government(s)	0		0	
(c)	Bodies Corporate	0		0	
(d)	Financial Institutions / Banks	0		0	
(e)	Any Others (Specify)	0		0	
	Sub-total	2,78,150	22.25	2,78,150	8.56
2	Foreign				
a	Individuals (Non-resident individuals/foreign Individuals)	0		0	
b	Bodies Corporate	0		0	
c	Institutions	0		0	
d	Any Others (Specify)	0		0	
	Sub-total (A)(2)	0		0	
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2,78,150	22.25	2,78,150	8.56
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds/ UTI	0		0	
(b)	Financial Institutions / Banks	0		0	
(c)	Central Government / State Government(s)	0		0	
(d)	Venture Capital Funds	0		0	
(e)	Insurance Companies	0		0	
(f)	Foreign Institutional Investors	0		0	
(g)	Foreign Venture Capital	0		0	