



2015 Annual Report

KLRF Limited

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KLRF Limited

Board of Directors

Sudarsan Varadaraj

V.N. Jayaprakasam

S. Govindan

K. Gnanasekaran

Kalyani Balasubramanian

Suresh Jagannathan

Managing Director

R. Kannan

Executive Director and Chief Financial Officer

Company Secretary

S. Piramuthu

Auditor

P. Marimuthu, B.Com., F.C.A.,
Chartered Accountant, Tirunelveli

Branch Auditors

M/s Haribhakti & Co LLP
Chartered Accountants, Coimbatore

Secretarial Auditor

M.D. Selvaraj
MDS Associates
Company Secretary in Practice

Bankers

Canara Bank
HDFC Bank Ltd
IDBI Bank Ltd

Registered Office

75/8, Benares Cape Road
Gangaikondan – 627352
Telephone : 0462-2486532
Fax : 0462-2486132
E-mail : ho@klrf.in
Website : www.klrf.in
CIN : L15314TN1961PLC004674

Administrative Office

1054/21, Avanashi Road
Coimbatore-641018

Food Division

Gangaikondan – 627352

Engineering Division

Coimbatore-641020

Registrar and Share Transfer Agent

Link Intime India Private Limited
"Surya" 35, Mayflower Avenue
Senthil Nagar, Sowripalayam Road
Coimbatore – 641028, Tamilnadu
Telephone : 0422 – 2314792
Telefax : 0422 – 2314792
E-mail : coimbatore@linkintime.co.in

NOTICE

Notice is hereby given that the Fifty Third Annual General Meeting of the Company will be held on Wednesday the 16th September, 2015 at 10.00 a.m. at the Company's Registered Office at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli, District to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Sri.R.Kannan (DIN : 00951451) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint an Auditor and fix his remuneration.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to Section 139, 142 and 143(8) of the Companies Act, 2013 M/s Haribhakti & Co LLP, Chartered Accountants, Coimbatore (Registration No.103523W) be and are hereby appointed as Branch Auditor of the Company to hold office upto the conclusion of the next Annual General Meeting to audit the books of accounts of the engineering division of the company, Coimbatore for the financial year 2015 – 2016 on a remuneration of ₹ 5,16,000/- (Rupees five lakhs sixteen thousand only) excluding applicable taxes and out of pocket expenses incurred in connection with the audit."

5. **To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr.M.Kannan, (Membership Number 9167), Cost Accountant, appointed as Cost Auditor by the Board of Directors of the Company to conduct the audit of the cost records of the engineering division of the Company, for the financial years 2014-2015 and 2015-16, on a remuneration of ₹ 40,000/- (Rupees forty thousand only) for the financial year 2014-15 and ₹ 50,000/- (Rupees fifty thousand only) for the financial year 2015-16 exclusive of service tax and out of pocket of expenses be and is hereby ratified and confirmed"

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to Sections 160, 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder including any amendment or re-enactment thereof, Mrs.Kalyani Balasubramanian, (DIN: 02371318) who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 19th March, 2015 and who holds office upto the date of this Annual General Meeting in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years commencing from 16th September, 2015.

7. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the provisions of the Articles of Association and subject to such approvals, if any as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Sri.Suresh Jagannathan (DIN 00011326) as Managing Director of the Company for a period of 5 (five) years with effect from 12th March, 2016 on the terms and conditions, as set out below with liberty to the Board of Directors to increase, alter and vary the salary, commission and other terms in such manner, as the Board in its absolute discretion deems fit within the limits specified in Section 197 and Schedule V to the Companies Act, 2013 or any amendments, modifications, re-enactments thereof in force from time to time in this behalf.

Remuneration

- I) Salary ₹ 3,50,000/- (Rupees three lakhs fifty thousand only) per month
- II) Commission

At the discretion of the Board and the amount determined shall be subject to the limits laid down under section 197 & 198 of the Companies Act, 2013

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on remuneration. Gratuity payable shall not exceed 15 days for each completed year of service.

Provision of telephone and car for official use.

“RESOLVED FURTHER THAT in any financial year, during the currency of tenure of Sri. Suresh Jagannathan as Managing Director, the Company has no profits or its profits are inadequate, the above remuneration shall be treated/payable as minimum remuneration as specified in Schedule V of the Companies Act, 2013, as amended.”

Further Resolved that Sri.Suresh Jagannathan shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

Further Resolved that the period of office of Sri.Suresh Jagannathan, Managing Director is not liable to determination by retirement of directors by rotation

Statement pursuant under Section 102 of the Companies Act, 2013

Item No.4

As per Section 143(8) of the Companies Act, 2013, Branch Auditor is required to be appointed at the General Meeting. Accordingly, Branch Auditor is being appointed at annual general meeting for the respective financial year to audit the accounts of the Coimbatore branches of our Company.

The proposed resolution set out in Item No.4 of the Notice seeks the authorization of the members to appoint Branch Auditor for the financial year 2015-2016.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in this Resolution.

Item No.5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Sri.M.Kannan, Cost Accountant, as Cost Auditor to conduct the audit of the cost records of the Company for the financial years 2014-15 and 2015-16. In accordance with the provisions of Section 148 of the Companies Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members of the Company is sought for passing Ordinary Resolution as set out at Items No. 5 of the Notice for ratification of the remuneration of the Cost Auditor for the financial year 2014-15 and 2015-16.

None of the Directors and Key Managerial Personnel or their relatives are interested in the above resolution.

Item No.6

Mrs.Kalyani Balasubramanian was appointed as an Additional Director of the Company, proposed to be appointed as an independent director, with effect from 16th September, 2015 by the Board of Directors at their meeting held on 19th March, 2015. Her period of office is not liable to determination by retirement of directors by rotation. A notice pursuant to section 160 of the Companies Act, 2013 has been received from a member proposing Mrs.Kalyani Balasubramanian as a candidate for the office of Director of the Company.

Mrs.Kalyani Balasubramanian is a Non-Executive Independent Director of the Company. She has joined the Board of Directors of the Company on 19th March, 2015. The qualification and expertise of Mrs.Kalyani Balasubramanian has been detailed in the annexure attached.

Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mrs.Kalyani Balasubramanian being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for period up to 15th September, 2020 with effect from 16th September, 2015. A notice has been received from a member proposing Mrs.Kalyani Balasubramanian as a candidate for the office of Director of the Company.

Mrs.Kalyani Balasubramanian has given her consent to act as an Independent Director of the Company and has furnished necessary declarations to the Board of Directors that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. Further as per the declarations received by the Company, Mrs.Kalyani Balasubramanian is not disqualified under Section 164 of the Companies Act, 2013.

Copy of the draft letter for appointment of Mrs.Kalyani Balasubramanian as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs.Kalyani Balasubramanian as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs.Kalyani Balasubramanian as an Independent Director, for the approval by the shareholders of the Company.

Except Mrs.Kalyani Balasubramanian, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financial or otherwise, in the resolution set out at Item No.6

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee recommends the Ordinary Resolution set out in Item No. 6 for the approval of the Members.

Item No.7

The present tenure of Sri.Suresh Jagannathan, Managing Director, expires on 11th March, 2016. The Board of Directors considers that it will be in the interest of the Company to continue to have the benefits of the service and advice of the Managing Director. In view of the knowledge and experience in the industry, the Company can utilize his services for the future growth by the proposed re-appointment as Managing Director for a period of five years

In terms of Section 196, 197, 203, Schedule V of the Companies Act, 2013 the said appointment, payment of remuneration require the approval of shareholders in General Meeting as contemplated therein.

Accordingly, the approval of the Members of the Company is sought for re-appointment and payment of remuneration to Sri.Suresh Jagannathan as Managing Director, as mentioned in the Resolution at Item No. 7 of this Notice, with effect from 12th March, 2016.

The Board recommend the passing of the Resolution set out at item no. 7 of this Notice.

Except Sri.Suresh Jagannathan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financial or otherwise, in the resolution set out at Item No.7

Notes :

1. **A member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.**

The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.

4. Details under SS -2 and Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms a part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment / re-appointment.
5. The register of members and share transfer books of the company will remain closed from 10th September, 2015 to 16th September, 2015 (both days inclusive).
6. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA.
7. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
8. Pursuant to Section 205-A, of the Companies Act, 1956, unclaimed dividends up to and including financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants relating to financial year(s) up to and including 1994 - 95 may claim the same from the Registrar of Companies, No.26, Haddows Road, Chennai - 600006 in the prescribed form which will be supplied by the Company / Registrar and Transfer Agent on request.
9. In terms of the amendment to Section 205A and introduction of Section 205C by the Companies (Amendment) Act, 1999, dividend for the financial year from 1995-1996 to 2006-2007 have already been transferred to Investors' Education and Protection Fund.
10. Pursuant to Section 205A of the Companies Act, 1956, the Dividend which remained un-encashed / unclaimed for a period of seven years from the date of transfer to the unpaid Dividend account is required to be transferred to the "Investor Education and Protection Fund" established by the Central Government. According to the relevant provisions of the Companies Act, 1956, as amended, no claim shall lie against the said fund or the Company for the amount of unclaimed Dividend so transferred to the said Fund. Members who have not encashed the Dividend warrant(s) so far, are requested to send their claim immediately to the Company / Registrar and Transfer Agent for issue of pay order / demand draft in lieu thereof.
11. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating

their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

12. Members holding shares in Physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with Physical shares.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN to the Company or to Registrar and Transfer Agent.
14. Electronic copy of the Annual Report for 31st March, 2015, the Notice of the 53rd Annual General Meeting of the Company and instructions for e-voting, Attendance Slip and Proxy Form, are 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 is being sent in the permitted mode.

Voting through electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of Listing Agreement the Company is pleased to provide its members the facility to exercise their right to vote at the 53rd Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

The Facility for voting, through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.

The Members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

15. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 13th September, 2015 at 9.00 A.M and ends on 15th September, 2015 at 6.00 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 of 9th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.