



# **2022**

## Annual Report

**Kovilpatti Lakshmi Roller Flour Mills Limited**

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# **KOVILPATTI LAKSHMI ROLLER FLOUR MILLS LIMITED**

CIN : L15314TN1961PLC004674

Board of Directors

**Sudarsan Varadaraj**

**K.Gnanasekaran**

**Kalyani Jagannathan**

**R.Kannan**

**Ashwin Chandran**

**Sharath Jagannathan**

Managing Director

**Suresh Jagannathan**

Executive Chairman

Chief Financial Officer

**J. Kanna**

Company Secretary

**S. Piramuthu**

Auditor

**M/s Arun & Co**

Chartered Accountants, Tirunelveli

Branch Auditors

**M/s VKS Aiyer & Co**

Chartered Accountants, Coimbatore

Secretarial Auditor

**M/s MDS & Associates**

Company Secretaries in Practice

Coimbatore

Bankers

HDFC Bank Ltd

RBL Bank Ltd

Registered Office

75/8, Benares Cape Road

Gangaikondan

Tirunelveli -627352

Administrative Office

8<sup>th</sup> Floor, Time Square,

62, Balasundaram Road,

Coimbatore-641018

Food Division

Gangaikondan-627352

Engineering Division

Periyanaickenpalayam, Coimbatore-641020

Registrar and Share Transfer Agent

Link Intime India Private Limited

"Surya" 35, Mayflower Avenue

Senthil Nagar, Sowripalayam Road

Coimbatore – 641028, Tamilnadu

Telephone : +91 422 231 4792

E-mail : coimbatore@linkintime.co.in

**NOTICE OF 60TH ANNUAL GENERAL MEETING**

Notice is hereby given that the Sixtieth (60<sup>th</sup>) Annual General Meeting of the Shareholders of Kovilpatti Lakshmi Roller Flour Mills Limited ("the Company") will be held on Wednesday the 14<sup>th</sup> September, 2022 at 09:15 a.m., Indian Standard Time (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of shareholders at a common venue to transact the following business;

**AGENDA**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31<sup>st</sup> March, 2022 including audited Balance Sheet as at 31<sup>st</sup> March, 2022, Statement of Profit and Loss and Cash Flow Statement and statement of changes in Equity for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a director in the place of Mr. Sharath Jagannathan (DIN : 07298941), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution for appointment of Statutory Auditors and to fix their remuneration as an **Ordinary Resolution**:

"RESOLVED THAT in pursuance of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the recommendation of the Audit Committee and the Board, M/s. Marimuthu and Associates (Firm Registration Number 011207S), Chartered Accountants, Tirunelveli, be and is hereby appointed as the Statutory Auditor of the Company, in the place of the retiring Statutory Auditor M/s. Arun & Co (Firm Registration Number 014464S), Chartered Accountants, Tirunelveli, to hold such office for a period of five consecutive years commencing from the conclusion of this 60<sup>th</sup> Annual General Meeting till the conclusion of the 65<sup>th</sup> Annual General Meeting to be held in the year 2027 on a remuneration of a sum of ₹ 8,31,600/- (Rupees eight lakhs thirty one thousand and six hundred only) as statutory audit fee (excluding applicable taxes and out of pocket expenses incurred in connection with the audit) to audit the accounts for the financial year 2022-23 and in respect of the subsequent financial years, as may be approved by the Board of Directors based on the recommendation of the Audit Committee in consultation with the statutory auditor.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**Re-appointment of Branch Auditors for the financial year 2022 – 23 and to fix their remuneration.**

"RESOLVED THAT pursuant to Section 139, 142 and 143(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the recommendation of the Audit Committee and the Board, M/s VKS Aiyer & Co. (Firm Registration No.000066S), Chartered Accountants, Coimbatore, be and are hereby re-appointed as Branch Auditors of the company to hold their office from the conclusion of this 60<sup>th</sup> Annual General Meeting up to the conclusion of the next 61<sup>st</sup> Annual General Meeting to audit the books of accounts of the engineering division of the company for the financial year 2022 - 23 on a remuneration of ₹ 7,72,950/- (Rupees seven lakhs seventy two thousand nine hundred and fifty only) excluding applicable taxes and out of pocket expenses incurred in connection with the audit.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**To ratify the remuneration payable to the Cost Auditor for the financial year 2022-23.**

"RESOLVED THAT pursuant to section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the re- appointment of M/s. P. Mohankumar & Co., (Membership Number 18692 / FRN 100490), Cost Accountant, Coimbatore, as Cost Auditor by the Board of Directors to audit the cost records of the Engineering Division of the company for the financial year 2022-23, on a remuneration of ₹ 78,650/- (Rupees seventy eight thousand six hundred and fifty only) plus applicable tax and out of pocket expenses that may be incurred during the course of audit, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**To grant necessary approval for increasing borrowing powers of the company pursuant to section 180 (1) (c) of the Companies Act, 2013**

"RESOLVED THAT in supersession of the special resolution No.10 passed at the Annual General Meeting of the Shareholders of the Company held on 18<sup>th</sup> September, 2014 and pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board including the powers conferred by this resolution), to borrow moneys from time to time any sum or sums of monies in any manner as may be required for the purpose of business activities of the Company, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the company and its free reserves and securities premium, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 500 crores (Rupees five hundred crores only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, for and on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

8. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**To grant necessary approval for increasing the limits for creation of charge on the assets to secure the borrowings of the company pursuant to section 180 (1) (a) of the Companies Act, 2013**

"RESOLVED THAT in supersession of the special resolution No.11 passed at the Annual General Meeting of the Shareholders of the Company held on 18<sup>th</sup> September, 2014 and pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board including the powers conferred by this resolution),

to create charges including mortgage, pledge, lien and hypothecation in additions to the existing charges, mortgages and hypothecations on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company's movable and immovable properties and assets including the whole or substantially the whole of the Company's undertaking, both present and future, as the case may be, in favour of the Lender/s viz., Financial/Investment Institutions, Bank/s and Trustees for the holders of the debentures/ bonds/ other instruments or any other Lender/s, to secure the repayment of the loans/borrowings sanctioned and / or to be sanctioned by them from time to time for a sum not exceeding ₹ 500 crores (Rupees five hundred crores only) and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the company in respect of such loans/borrowings as may be stipulated in that behalf and agreed to between the Board of Directors and the Lender/s."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Lender/s, agreements and other documents, deeds, if any necessary for creating the security for the purpose, as aforesaid, and do all such acts, deeds matters and things and to execute all such documents, deeds and instruments in writing as may be required incidental and / or expedient for giving effect to this resolution and to resolve any question relating thereto, or otherwise considered by the Board of Directors to be in the best interest of the Company."

9. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**To approve the variation in the terms of re-appointment of Sri. Suresh Jagannathan (DIN: 00011326), Executive Chairman, for the remaining period of his current tenure.**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the Nomination and Remuneration Policy and the Articles of Association of the Company and in modification of the ordinary / special resolution passed through postal ballot process on 6<sup>th</sup> August, 2020 and 21<sup>st</sup> December, 2020 respectively, the approval of the members of the Company be and is hereby accorded for the payment of the following revised remuneration to Sri. Suresh Jagannathan (DIN: 00011326), Executive Chairman of the Company for the remaining period of his current tenure with effect from 1<sup>st</sup> October, 2022, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their respective meeting(s) held on 27<sup>th</sup> May, 2022 notwithstanding that the aggregate annual remuneration payable to Sri. Suresh Jagannathan (DIN: 00011326), Executive Chairman, in any year during his tenure, together with the aggregate annual remuneration payable to Sri. Sharath Jagannathan (DIN: 07298941), Managing Director, exceeds 5% of the net profits of the Company as calculated under Section 198 of the said Act;

a. Salary	A total remuneration comprising of salary, allowances, perquisites etc. payable by the company not exceeding INR 138 lakhs per annum with effect from 1 <sup>st</sup> October, 2022.
b. Perquisites	Provident fund: Company's contribution towards provident fund, superannuation fund or annuity fund as per the rules of the Company, to the extent it is not taxable under the Income Tax Act, 1961.
	Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
	Leave encashment: Encashment of leave at the end of the tenure.
	The above perquisites shall not be included in the computation of ceiling on remuneration aforesaid.
c. Commission on net profits	At the discretion of the Board and the amount determined shall be subject to the limits laid down under Section 197 read with Schedule V and 198 of the Companies Act, 2013 or any other applicable law.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the above remuneration shall be payable as minimum remuneration to Sri. Suresh Jagannathan (DIN: 00011326), Executive Chairman, as specified in Schedule V of the Companies Act, 2013 (as amended).

RESOLVED FURTHER THAT the Board of Directors (including its committees thereof) be authorized to alter and vary the above terms of appointment of Sri. Suresh Jagannathan (DIN: 00011326), Executive Chairman, as it may deem fit, proper and necessary subject to the same not exceeding the above limits.

RESOLVED FURTHER THAT Sri. Suresh Jagannathan (DIN: 00011326), during his tenure as Executive Chairman, shall be liable to retire by rotation and the same shall not be treated as break in his service as Executive Chairman.

RESOLVED FURTHER THAT Sri. Suresh Jagannathan (DIN: 00011326), Executive Chairman shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorized to take all such steps as may be necessary and/or give such directions as may be necessary, proper or expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."



10. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**To approve the alteration of object clause of the Memorandum of Association of the Company in line with the Companies Act, 2013.**

"RESOLVED THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and its Rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), the existing Objects Clause (III) of the Memorandum of Association be amended in the manner as follows in accordance with Table A of Schedule I of the Companies Act, 2013:

- A. The existing Objects Clause III of the Memorandum of Association be divided into Clause III(A) and Clause III(B) in accordance with Table A of Schedule I of the Companies Act, 2013.
- B. The existing Objects Clause III of the Memorandum of Association having the title "The objects for which the company is established are the followings;" and the existing sub-clause(s) (1) to (44) under existing Objects Clause (III) be deleted in full and be substituted with new heading as Objects Clause III(A) with the title as "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-" with the following new sub-clause(s) (1) to (6) under the Objects Clause III(A).

1. *To carry on the business of manufacturing, processing, trading in cereals / products from wheat, rice, corn, other cereals and all other agricultural produce.*
2. *To carry on the business of production, manufacture, sale, purchase, processing, refining, deal in, grow, plant, blend, produce, import, export, buy and sell all kinds of agricultural and vegetable produce, food products, cereal products, spices, herbal products, beverages, tea, coffee, cocoa, seeds, fruits, vegetables, milk and milk products, poultry, animal husbandry and products thereof, seafood and other marine products, dairy and dairy products, vegetable and edible oils, provisions of all kinds, and to own, establish and manage cold storage plants and refrigeration equipment and other apparatus for preservation of all kinds of food products, agricultural and dairy produce, poultry products and food stuffs.*
3. *To carry on all kinds of agriculture, horticulture, dairy farming, animal husbandry and other allied activities and to manufacture, import, export, buy, sell, manipulate, prepare for market, canning process, preserve and otherwise deal in oils, vegetable oils and fats, vegetable and artificial ghee, oil made or processed from seeds, coconuts, ground nuts, products of plantation, horticulture, agriculture, agriculture and forest produces, animals and fatty acids, soaps, glycerin, allied products and lubricants made from such oils and others or as by-products.*
4. *To carry on the business of manufacturing, dealing, trading, processing of various kinds of metal-either ferrous, alloys or non-ferrous.*

5. *To generate, consume, purchase, sell, supply and distribute electricity by erection/ installation of wind or hydel or thermal or solar or atomic or by any other power stations in India or elsewhere and to install / erect transmission equipment, feeder lines, sub-station etc., in connection therewith.*
  6. *To carry on business as Clearing agents, Shipping agents, commission agents, Freight Contractors, Forwarding agents, Licensing agents, General Brokers, order suppliers and all kinds of Agency business and dealers in all kinds of goods and merchandise, raw or manufactured, of any description, quality, kind and variety.*
- C. The new heading as Clause III(B) - "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE:" with the new sub-clause(s) (1) to (55) be inserted.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized, for and on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts 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."

11. To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**To approve the reclassification of the existing authorized share capital and consequent alteration of Clause V (capital clause) of the Memorandum of Association of the Company.**

"RESOLVED THAT pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and its Rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), the approval of the members of the Company be and is hereby accorded for the re-classification of the Authorised Share Capital of the Company from ₹ 15,00,00,000/- (Rupees fifteen crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) equity shares of ₹ 10/- each and 30,00,000 (Thirty Lakhs) 10% Cumulative Redeemable Preference Shares of ₹ 10/- each to ₹ 15,00,00,000/- (Rupees fifteen crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) equity shares of ₹ 10/- each and 30,00,000 (Thirty Lakhs) Preference Shares of ₹ 10/- each.

RESOLVED FURTHER THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and its Rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force), the approval of the members of the Company be and is hereby accorded to alter the Memorandum of Association of the Company by substituting the existing Clause V thereof by the following new Clause V as under: