



KALS INFORMATION SYSTEMS LIMITED

Registered & Corporate Office: 4/1, Rudra Chambers, 4th Main,
9th Cross, Malleshwaram, Bangalore - 560003.

CIN: U72200KA1993PLC014303

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the members of the Company will be held on Thursday, 12th day of May 2016 at 10.00 A.M at Canara Union Trust, 42, 8th Main, Malleshwaram, Bangalore – 560 003 to transact the following business:

SPECIAL BUSINESS

ITEM NO. 1: REDUCTION OF THE SHARE CAPITAL OF THE COMPANY

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

“RESOLVED that pursuant to the provisions of Article 53 of the Articles of Association of the Company, Section 100 to 103 of the Companies Act, 1956, Sec 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and Rules made thereunder, subject to confirmation by the Hon’ble High Court of Karnataka, and subject to other conditions as may be imposed by the High Court, the consent of the Company be and is hereby accorded to the Board for the following:

- a) Reduction of the paid up share capital of the company from Rs.5,34,49,000(divided into 53,44,900 equity shares of Rs. 10/- each) to Rs.75,00,000/= (divided into 7,50,000 equity shares of Rs. 10 each) and
- b) The balance of Rs. 1,50,00,000 in Securities Premium Account be extinguished fully

AND THAT such Reduction of Capital and Securities Premium Account be effected by repayment of amount which is in excess of the wants of the Company with extinguishment thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such necessary acts, matters, deeds and things as are necessary to give effect to the above resolution.”

By the order of Board
Kals Information Systems Limited

Place: Bangalore
Date:13.04.2016

sd/-
K. Srinivasan
Managing Director
DIN:00941441

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA ORDINARY GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE DULY COMPLETED, STAMPED AND SIGNED PROXY FORM, TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. BLANK PROXY FORM IS ATTACHED.

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 A MEMBER.

2. Corporate Member(s) intending to send their authorized representative(s) to attend the meeting are requested to send to the Company, a certified true copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting pursuant to section 113 of the Companies Act 2013 (“the Act”).

3. A member who has voted through e-voting mechanism in accordance with Rule 20 of The Companies (Management & Administration) Rules, 2014 shall not be debarred from participation in the meeting physically, but he shall not be able to vote in the meeting again, and his earlier vote (cast through e-voting) shall be treated as final.
4. Members desiring any information relating to the reduction of share capital of the company are requested to write to the company at least seven days before the date of the meeting so as to enable the management to keep the information available at the meeting.
5. Members are requested to:
 - i. Quote their folio number / DP ID & client ID no. in all correspondence with the Company.
 - ii. Members holding shares in physical form are requested to intimate the following directly to the Company's RTA:
 - a. Changes, if any, in their address with pin code numbers.
 - b. Quote their ledger folio no. in all their correspondence.
 - c. Members who hold shares in single name and physical form are advised to make nomination as per Section 72 of the Companies Act, 2013, in respect of their shareholding in the Company.
 - iii. Members holding shares in dematerialized form are requested to contact their respective Depository Participants for updation of their addresses, email ID and linking their bank account for receiving credits.
 - iv. Bring their copy of the Notice to the Meeting.
 - v. kindly note that no gift or gift coupons will be distributed at the meeting.

6. E-voting

In compliance of the provisions of Section 108 of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Meeting by electronic means and the business may be transacted through e -voting services provided by Central Depository Services (India) Limited "CDSL". The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <ul style="list-style-type: none"> • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	<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>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</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 number of shares held by you as on the cutoff date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant KALSINFO2016 on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF,NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) 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.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- A. Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- B. The voting period begins on 9.00 A.M. on 08/05/2016 and ends on 5.00 P.M. on 11/05/2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date or record date i.e. 06/05/2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. 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.

7. Mr. V. Karthick, Practicing Company Secretary, (Membership no. ACS 11910) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
8. The Scrutinizer shall within a period not exceeding three working days from the date of close of e-voting unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
9. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.kalsinfo.com and on the website of CDSL viz www.cdslindia.com immediately after the result is declared by the Chairman and shall be communicated to the Dissemination Board of BSE.

10. Poll at the Meeting

After discussion of the item stated in the notice, the Chairperson of the Meeting will order poll in respect thereof, to enable such members cast their vote, who are attending the General Meeting and are entitled to vote but have not exercised their right to vote by electronic means. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. Poll will be conducted under the supervision of Mr. V. Karthick, Practicing Company Secretary, (Membership no. ACS 11910) and/ or Ms. Shilpa H.M. (Membership no. ACS 30611), Scrutinizer appointed for voting process in a fair and transparent manner, unless any other Scrutinizer is appointed by the Chairperson of the Meeting. After conclusion of the poll, the Chairperson may declare the meeting as closed. The results of the poll aggregated with the results of e-voting along with the Scrutinizer's Report shall be announced by the Company on its website: www.kalsinfo.com and on the website of CDSL -www.cdslindia.com

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No 1

REDUCTION OF THE SHARE CAPITAL OF THE COMPANY

As the shareholders are aware, after the closure/ de-recognition of Stock Exchange at Hyderabad, Bangalore and Delhi, and pursuant to various Circulars issued by SEBI in this regard, the Company is deemed to be an Unlisted Company and that the shares of your Company are on the Dissemination Board maintained by Bombay Stock Exchange. The Ministry of Corporate Affairs has already recognized this and allotted a new CIN which signifies that the Company is now an unlisted Public Company.

SEBI circular No CIR/MRD/DSA/05/2015 dated 17th April 2015 mandates the promoters of the company to either provide a trading platform (Main Board) with nationwide terminals or to give exit to its shareholders. In the opinion of the Board, the cost of listing into main board of Stock Exchange is very high, the Total turnover of the Company is not high and hence the additional cost does not commensurate with the operations and size of the Company. Hence your Board is of view that there is no tangible benefit that any shareholder would get even if we go for such listing. The Company is having some funds which are in excess of its present requirement, keeping in view the present level of operations. Hence, to effectively comply with giving the shareholders an exit and with a view to return the shareholders money, the Board has decided to go for the reduction of the capital in such a way that all the non-promoter shareholders and some of the promoter shareholder get an exit from the Company.

The Board had appointed M/s. V.G Bode & Co, Chartered Accountants FRN No : 006743S to do a fair valuation of the shares and they have submitted their Report and valued each share at Rs. 12.15. Accordingly, the Board proposes to pay Rs.12.15 per share to all the eligible shareholders.

If the Company implements the reduction as envisaged herein, the pre and post Capital Structure will be as under:

	Pre-reduction	Post Reduction
Paid –Up Capital	Rs. 5,34,49,000	Rs. 75,00,000
No. of Equity Shares	53,44,900	7,50,000
Securities Premium Account	Rs. 1,50,00,000	Nil

Article 53 of the Articles of Association enables this reduction of capital. In terms of Section 52 of the Companies Act, 2013 and Section 100 of the Companies Act, 1956, the Company has to seek the approval of its shareholders (by way of Special Resolution) and the approval of the High Court having jurisdiction.

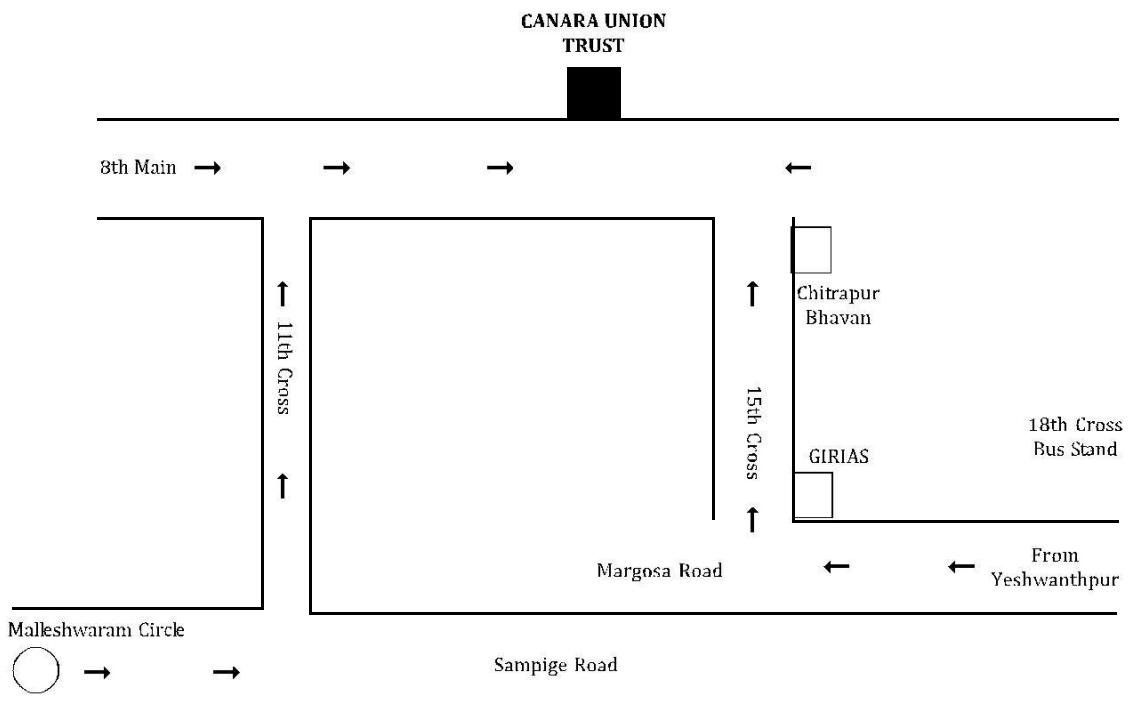
The memorandum and articles of association, the valuation report and other documents referred elsewhere in this statement is available for inspection at the Company's Registered Office on all working days from 2.00 PM to 5.00 PM. up to the date of the meeting. Except to the extent of their shareholding, none of the Directors or the Key Managerial Personnel or their relatives are interested in this resolution. The Board recommends your approval of this resolution as a special resolution.

By the order of Board
Kals Information Systems Limited

Place: Bangalore
Date:13.04.2016

sd/-
K. Srinivasan
Managing Director
DIN: 00941441

ROUTE MAP





KALS INFORMATION SYSTEMS LIMITED

Registered & Corporate Office: 4/1, Rudra Chambers, 4th Main,
9th Cross, Malleshwaram, Bangalore - 560003.

CIN: U72200KA1993PLC014303

Folio No./DP ID/Client ID No	
No.of Shares Held	

Attendance Slip

I/We record my/our presence at the Extraordinary General Meeting of the company being held on Thursday 12th of May 2016 at 10.00 am at Canara Union, 42, 8th Main, Malleshwaram, Bangalore - 560 003.

NAME OF THE SHAREHOLDER(S)(In Block Letters)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (In Block Letters)	
SIGNATURE OF THE PROXY	

NOTE: You are requested to sign and handover the slip at the entrance of the meeting Venue.

PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	U72200KA1993PLC014303
Name of the Company:	KALS INFORMATION SYSTEMS LTD
Registered Office:	Rudra Chambers, 4/1, 4th Main, 9th Cross, Malleshwaram, Bangalore - 560 003
Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No/Client Id	DP ID

I/We, being the member(s) of.....shares of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail id		Signature	
	Or failing him			
2.	Name			
	Address			
	E-mail id		Signature	
	Or failing him			
3.	Name			
	Address			
	E-mail id		Signature	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting of the Company, to be held on Thursday, 12th May, 2016 at 10.00 A.M. at Canara Union Trust No.42,8th Main, Malleshwaram, Bangalore 560003 and at any adjournment(s) thereof, in respect of such resolutions as are indicated below:

ResolutionNo	Resolution	Vote No.Of Shares		
		For	Against	Abstain
1	Reduction Of the Share Capital of the Company			

Signed this ____ day of _____, 2016

Affix Revenue Stamp

Signature of Shareholder :

Signature of Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

