



**ANNUAL REPORT**  
**2017-2018**

**K G DENIM LIMITED**



## K G DENIM LIMITED

### BOARD OF DIRECTORS

**Executive Chairman** Shri KG Baalakrishnan (DIN : 00002174)

**Managing Directors** Shri B Sriramulu (DIN : 00002560)  
Shri B Srihari (DIN : 00002556)

**Directors** Shri G V S Desikan (DIN : 00050597)  
Shri G P Muniappan (DIN : 01653599)  
Shri K N V Ramani (DIN : 00007931)  
Smt T Anandhi (DIN : 00050786)  
Shri A Velusamy (DIN : 00002204)  
Shri A P Seturaaman (DIN : 07331898)

**Company Secretary** Shri M Balaji

**Chief Financial Officer** Shri S Muthuswamy

**Auditors** M/s Mohan & Venkataraman  
Chartered Accountants  
Coimbatore

**Bankers** Indian Bank  
Andhra Bank  
State Bank of India  
Allahabad Bank  
The South Indian Bank Limited

### Registered Office

Then Thirumalai  
Jadayampalayam, Coimbatore - 641 302  
Phone : (04254) 235401 / 235240  
Website : www.kgdenim.com  
E-mail : cskgdl@kgdenim.in  
CIN : L17115TZ1992PLC003798

### Registrar and Share Transfer Agent

Cameo Corporate Services Ltd  
"Subramanian Building"  
No.1, Club House Road  
Chennai - 600 002  
Phone : (044) 28460390 (6 lines)

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# K G DENIM LIMITED

## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

We have pleasure in presenting the Twenty-Sixth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2018.

### FINANCIAL RESULTS

(Rs. in lakhs)

PARTICULARS	Standalone		Consolidated	
	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Gross Profit	4702	7901	4201	8068
Less : Finance Cost	2435	2603	2582	2751
Profit prior to Depreciation and write off	2267	5298	1619	5317
Less : Depreciation	1391	1378	1445	1452
Profit before Tax	876	3920	174	3865
Current, Deferred & earlier year tax	293	1462	83	1529
Add : Other Comprehensive Income	48	(39)	32	(62)
Net Profit for the year	631	2419	123	2274
Balance Brought forward	5832	3667	4873	3188
Ind AS adjustments for Depreciation/ Receivables	-	(22)	-	(357)
Equity Dividend & Tax thereon	232	232	232	232
Balance Carried Forward	6231	5832	4765	4873

The Company has adopted Ind AS from 01.04.2017 for the first time.

### STATE OF THE COMPANY'S AFFAIRS

During the period under review, the Company has earned revenue of Rs.63867 lakh and Net Profit of Rs.631 lakh on standalone basis and Rs.71985 lakh and Rs.123 lakh respectively on consolidated basis.

### PERFORMANCE OF THE COMPANY

The Company has two main product segments viz., Fabric (Denim / Apparel) and Home Textiles.

During the year ended 31.03.2018 total Fabric production was 371 lakh meters as against 359 lakh meters in 2016-17.

Sale of Fabric was 355 lakh meters in 2017-18 as against 346 lakh meters in 2016-17.

The Net Profit had decreased due to increase in raw material cost and cost of fuel with no corresponding increase in sale price.

### DIVIDEND

The Board of Directors recommends a dividend of 7.50 % (i.e. Rs.0.75) per equity share of the Company for the year 2017-18. The Dividend tax payable amounts to Rs.39 lakh.

### INDUSTRY STRUCTURE AND DEVELOPMENT

Textile Industry in India had witnessed downward trend both in the domestic as well as export markets. Certain Government policies like Demonitisation, Implementation of GST had resulted in reduced off take in the domestic markets. Competition from neighboring countries, reduction of export incentives and strengthening Indian Rupee had adverse impact on export realisation.

In spite of the above, company has been able to marginally improve the turnover mainly by export sales of denim fabric and home textiles.

Company is making efforts to focus on new markets, new segments and other countries in the Far East and Middle East.

### OPPORTUNITIES AND THREATS

With the stabilisation, after the initial glitches, in the implementation of GST, improvements are seen in the demand.

Good monsoon forecast in the current year augurs well for the overall improvement in the economy.

Necessary forward covers are also made to insulate against foreign currency fluctuations.

### LISTING OF EQUITY SHARES

The Company's Equity shares are listed at the following Stock Exchange:

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.

The Company has paid the Annual Listing Fees to the said Stock Exchange for the Financial Year 2018-19.

# K G DENIM LIMITED

## PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

The Company has two wholly owned subsidiaries Trigger Apparels Limited and KG Denim (USA) Inc.

The Company's wholly owned subsidiary Trigger Apparels Limited is engaged in the manufacture and marketing of readymade garments.

During the year, the gross turnover in Trigger Apparels Limited was Rs.11500 lakh against Rs.11164 lakh during the previous year. The Subsidiary Company has registered a loss of Rs.504 lakh as against a loss of Rs.144 lakh in the previous year. The increase in losses is due to liquidation of old stocks. The subsidiary is reorganising its products and marketing channels.

KG Denim (USA) Inc. had achieved a turnover of Rs.29 lakh and registered a loss of Rs.5 lakh during the year.

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the Subsidiary companies is prepared in Form AOC-1 and same is enclosed to this report as Annexure-1.

## CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards 21 issued by The Institute of Chartered Accountants of India (ICAI) and as per the provisions of Companies Act, 2013.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website [www.kgdenim.com](http://www.kgdenim.com) and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

## CEO/CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the Company have submitted a Certificate to the Board as required under Clause 49 of the Listing Agreement for the year ended 31<sup>st</sup> March, 2018.

## MEETINGS OF THE BOARD OF DIRECTORS

During the year ended 31<sup>st</sup> March, 2018, six Board Meetings were held.

The dates on which the Board meetings were held are 23<sup>rd</sup> May 2017, 28<sup>th</sup> July 2017, 02<sup>nd</sup> September 2017, 17<sup>th</sup> November, 2017, 14<sup>th</sup> February 2018 and 24<sup>th</sup> March 2018.

A meeting of the Independent Directors of the Board was held on 14<sup>th</sup> February, 2018.

Details of meetings of the Board and its Committees are disclosed in the report on Corporate Governance.

## DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement the Board of Directors of the Company hereby confirms:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2018 and Statement of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2018 on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

# K G DENIM LIMITED

## **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149 OF THE COMPANIES ACT, 2013**

The Independent Directors have submitted the declarations of independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee consisted of Shri K N V Ramani, Chairman with Shri G V S Desikan and Shri V Jagadisan as members.

Consequent upon the demise of Shri V Jagadisan in March 2018 his vacancy was filled up by appointing Shri G P Muniappan as member in March 2018.

The Board of Directors appointed Shri G P Muniappan as member of the said Committee on 24.03.2018, who fulfills the criteria specified under Section 178(1).

Brief description of terms of reference:

1. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
2. carry on the evaluation of every director's performance;
3. formulation of the criteria for determining qualifications, positive attributes and independence of a director;
4. recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
5. formulation of criteria for evaluation of Independent Directors and the Board;
6. devising a policy on Board diversity; and
7. any other matter as the Board may decide from time to time.

## **NOMINATION AND REMUNERATION POLICY**

### **THE OBJECTIVES OF THE POLICY**

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
3. To carry out evaluation of the performance of Directors.
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013**

The details of Loans, Guarantees given and Investments made during the Financial Year ended on 31<sup>st</sup> March, 2018 are given in the notes to Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

## **PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF COMPANIES ACT, 2013**

The Company adopted a Related Party Transaction Policy in terms of SEBI regulations for compliance with Corporate Governance and Clause 49 of the Listing Agreement. The policy has also been hosted on the Company's website. All transactions entered into with Related Parties for the year 2017-18 were on Arm's length basis.

There were no material related party transactions in terms of the Related Party Transaction Policy adopted.

Thus disclosures in Form AOC-2 as per Companies Act, 2013 and Rule 8 of Companies (Account) Rules, 2014 are not required.

Further, there were no material related party transaction with the Promoters, Directors or Key Managerial Personnel during the year.

All related party transactions are placed before the Audit Committee as also to the Board for approval on a quarterly basis. Omnibus approval was obtained for transaction of repetitive nature.

# K G DENIM LIMITED

## **TRANSFER OF AMOUNT TO RESERVES**

The Company does not propose to transfer any amount to the general reserve for the Financial Year ended 31<sup>st</sup> March, 2018.

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure - 2 to this Report.

## **THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as Annexure - 3 to this Report.

## **RISK MANAGEMENT COMMITTEE**

Risk Management Committee consists of Shri B Sriramulu as Chairman with Shri S Muthuswamy and Shri M Balaji as members.

The Committee had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure is reviewed by the Audit Committee and Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Corporate Social Responsibility is commitment of the Company to improve the quality of life of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stakeholders and Society.

The Board of Directors of the Company has constituted Corporate Social Responsibility Committee consisting of Shri KG Baal Krishnan as Chairman with Shri G V S Desikan and Shri A Velusamy as Members and adopted policy for Corporate Social Responsibility.

Corporate Social Responsibility policy was adopted by the Board of Directors on the recommendation of Corporate Social Responsibility Committee.

The Report on CSR activities, as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as Annexure - 4.

## **EVALUATION OF BOARD**

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The manner in which the evaluation has been done is explained in the report on Corporate Governance.

# K G DENIM LIMITED

## DIRECTORS

Shri V Jagadisan, Independent Director of the Company, had expired on 16.03.2018. The Board placed on record the invaluable contributions of Shri V Jagadisan towards the progress of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association No.34, Shri A Velusamy retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Due to amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 Messrs K N V Ramani, Shri G V S Desikan and Shri G P Muniappan, who are Non-Executive Directors and have attained 75 years of age are proposed to be appointed as Directors for 3 years from 01.04.2019 at the forthcoming Annual General Meeting.

Shri KG Baalakrishnan, Executive Chairman, Shri B Sriramulu, Managing Director and Shri B Srihari, Managing Director are being re-appointed from 03.11.2018 for a period of 5 years.

The Board proposes to appoint Shri M B N Rao, an acclaimed Banking Professional, as an Independent Director at the forthcoming Annual General Meeting of the Company to fill in the vacancy caused due to the demise of Shri V Jagadisan.

## KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company :

1. Shri B Sriramulu - Managing Director
2. Shri B Srihari - Managing Director
3. Shri S Muthuswamy - Chief Financial Officer
4. Shri M Balaji - Company Secretary

## DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

## STATUTORY AUDITORS

M/s. Mohan & Venkataraman were appointed as Auditors of the Company at the AGM held on 16.09.2017, to hold office as Auditors for a term of five Financial Years commencing from 2017-18 to 2021-22 till conclusion of AGM to be held for financial year 2021-22.

## AUDITORS REPORT

M/s. Mohan & Venkataraman, Chartered Accountants (ICAI Regn. No.007321S) have issued Auditors Report for the Financial Year ended 31<sup>st</sup> March, 2018.

There are no qualifications in Auditors' Report.

## INTERNAL AUDITORS

The Board of Directors of the Company had appointed Mr K Panneerselvam, Chartered Accountant (Membership No.220574) to conduct Internal Audit of the Company.

## COST AUDITORS

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records relating to Textile Division every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed Messrs M Nagarajan, Cost Accountants, (Firm Registration Number 6384) as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2018-19. As required under the Companies Act, 2013, a resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting for their ratification.

## AUDIT COMMITTEE

Audit Committee consisted of Shri V Jagadisan as Chairman with Shri K N V Ramani and Shri G V S Desikan as members.

All the members of the Audit Committee are Independent Directors.

Consequent upon the demise of Shri V Jagadisan, Chairman of Audit Committee, vacancy had arisen in the Company's Audit Committee.

The Board of Directors appointed Shri G P Muniappan as member of the said Committee on 24.03.2018, who fulfills the criteria specified under Section 177(2).

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

# K G DENIM LIMITED

## **CORPORATE GOVERNANCE**

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, forms part of the Annual Report - Annexure - 5.

## **VIGIL MECHANISM**

The Board of Directors have adopted a Whistle Blower Policy which is hosted on the Company's website. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

## **SECRETARIAL AUDITORS REPORT**

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors have appointed Shri M.R.L.Narasimha, Practising Company Secretary (C.P.No:799) as Secretarial Auditor to conduct Secretarial audit of the Company for the Financial Year ended on 31<sup>st</sup> March, 2018.

Secretarial Audit Report issued by Shri M.R.L.Narasimha, Practising Company Secretary in form MR-3 is enclosed as Annexure - 6 to this Annual Report.

There are no qualifications in Secretarial Audit Report.

## **STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL**

The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - 7 to this Annual Report.

## **ENVIRONMENT**

The Company holds due certification under ISO 14001 : 2004 which is primarily focused on environmental management system. It ensures that the manufacturing of products is carried on without affecting the environment in the working area and surroundings.

The Company is a member of Sustainable Apparel Coalition (SAC). SAC provides credible, practical and industry wide guidelines and provides tools to define, measure and evaluate industry's product environmental and social performance support.

The Company has achieved one of the best scores in the apparel industry as verified by a leading brand assessor.

During the current year, the Company has implemented various environmental measures and reduction program like Green House Gas inventory measurement, replacement of freon gas air conditioners, increasing the area of plantation etc.

The Company has improved effluent water treatment system conforming to the Pollution Control Board parameters. A new plant has been added which has increased the Biological treatment capacity by 60%. An advanced technology of Biological Diffuser Aeration system has been introduced which has resulted in reduction in chemicals usage. Consequently, reduction in sludge, improvement in outlet water quality and consistence and improvement in RO recovery were achieved. The highlights of our sustainability effort can be seen in the link <https://youtu.be/uZGhiwq6XSM>

## **HEALTH AND SAFETY**

The Company has obtained certification under OHSAS 18001 : 2007 (Occupational Health and Safety Management Assessment Standard) which is an Integrated Management System focusing on an organization's occupational health and safety management system. This standard guides us to identify and control the conditions and factors that affect the well-being of employees, contractors, visitors and any other person in the work place.

The Company is implementing various health and safety practices in continuous manner as per OHSAS-18001 standards and legal requirements.

## **POLICY ON SEXUAL HARASSMENT**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the Financial Year ended 31<sup>st</sup> March, 2018, the Company has not received any complaints pertaining to sexual harassment.



# K G DENIM LIMITED

## LEGAL REQUIREMENTS

The Company is conscious of improving the occupational and personal health of its employees. In addition to free medical camps, the Company also organizes employees' health check up in outside hospitals on annual basis.

The Company provides a safer work environment for its employees. Basic equipments are provided to ensure safety from fire. Awareness classes are being conducted periodically with the help of external agencies about the basic safety, fire fighting, mock drills, mass evacuation, first aid etc.,

## SOCIAL RESPONSIBILITIES

The Company is maintaining a hospital for serving the community including supply of medicines at subsidised costs. As a part of social environmental protection, agro forestry has been developed with a demo plant with the technical support of Forest College, Coimbatore.

## INSURANCE

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

## FINANCE

Your Directors acknowledge with gratitude, the valuable assistance and support extended by our Bankers for Term Loans and Working Capital ie., Indian Bank, Andhra Bank, State Bank of India, The South Indian Bank Limited and Allahabad Bank.

## DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

1. The Company maintains all its records in ERP System and the work flow and approvals are routed through ERP System;
2. The Company has appointed Internal Auditors to observe the Internal Controls, whether the work flow of organization is being done through the approved policies of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations; and
3. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

## CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

## THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

No Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Details of pending legal cases are furnished in Note No.41 to the accounts.

## MATERIAL CHANGES AND COMMITMENTS

There are no Material changes and commitments in the business operations of the Company from the Financial Year ended 31<sup>st</sup> March, 2018 to the date of signing of the Director's Report.

## ACKNOWLEDGMENT

The Directors take this opportunity to place on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time.

# K G DENIM LIMITED

## PERSONNEL

The Directors wish to place on record their appreciation for the co-operation extended by all sections of the employees.

## CAUTIONARY STATEMENT

The statement in this Directors' Report & Management Discussion and Analysis contain forward looking statements regarding Company's projections & expectations and the actual results could differ materially from those expressed on account of various factors like raw material prices, change in demand, government regulation etc., and the readers are cautioned against placing undue reliance on the same.

## PARTICULARS OF EMPLOYEES

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure - 7 to this report.

The particulars in respect of employees in receipt of remuneration exceeding Rs.60 lakhs per annum as per Section 197(12) read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-8.

The Company has presented in this Report, the consolidated financial statements of the holding company and all its subsidiaries, duly audited by the Statutory Auditors. The Company will make available the audited annual accounts and related information of its subsidiaries, upon request by any of its shareholders. The annual accounts of the subsidiary companies will also be kept for inspection by any member at the Registered Office of the Company and its subsidiary companies.

Our humble prayers to **Sri Venkateswaraswamy Vari of Then Thirumalai** for the continued prosperity of the Company.

Coimbatore  
01.08.2018

On behalf of the Board  
**KG Baalakrishnan**  
Executive Chairman  
DIN: 00002174