



# ANNUAL REPORT 2022-2023

**K G DENIM LIMITED**

# **K G Denim Limited**



**31<sup>st</sup> Annual Report  
2022 - 23**

# K G DENIM LIMITED

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# K G DENIM LIMITED

## CORPORATE INFORMATION

### **BOARD OF DIRECTORS:**

**Shri KG Baalakrishnan**  
Executive Chairman

**Shri B Sriramulu**  
Managing Director

**Shri B Srihari**  
Managing Director

**Shri A Velusamy**

**Shri A P Seturaaman**

**Shri N Govindarajan**

**Shri Jaganmohan Ramachandran**

**Smt Lakshmi Pattabi Raman**

**Shri D Kumaravel w.e.f. 01.04.2023**

**Shri R Selvakumar w.e.f. 07.08.2023**

**Shri M B N Rao upto 31.03.2023**

**Smt T Anandhi upto 04.08.2023**

### **CHIEF FINANCIAL OFFICER:**

Shri S Manickam

### **COMPANY SECRETARY:**

Smt P Krishnaveni

### **CORPORATE IDENTITY NUMBER:**

L17115TZ1992PLC003798

### **REGISTERED OFFICE:**

Then Thirumalai  
Coimbatore - 641 302  
Phone :04254-235240/235401  
Email: cskgdl@kgdenim.in

### **STATUTORY AUDITORS:**

M/s. Gopalaiyar and Subramanian  
Chartered Accountants  
Coimbatore

### **INTERNAL AUDITORS:**

Senthil Balaji & Associates  
Chartered Accountants  
Coimbatore

### **SECRETARIAL AUDITOR :**

MDS & Associates LLP  
Company Secretaries  
Coimbatore

### **COST AUDITOR:**

Shri M Nagarajan  
Cost Accountant  
Coimbatore

### **BANKERS:**

Indian Bank  
Union Bank of India  
State Bank of India  
South Indian Bank Limited

### **REGISTRAR AND SHARE TRANSFER AGENTS**

Cameo Corporate Services Limited  
"Subramanian Building",  
No.1, Club House Road,  
Chennai - 600 002.  
Phone : 044 - 28460390  
Email : investor@cameoindia.com

# K G DENIM LIMITED

## NOTICE OF 31<sup>ST</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of K G Denim Limited will be held at 3.00 P.M. Indian Standard Time (IST) on Friday, 29<sup>th</sup> September, 2023 at the Registered Office of the Company at Then Thirumalai, Coimbatore – 641302, to transact the following business(es):-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated Audited Financial Statements including Balance Sheet as on 31<sup>st</sup> March, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year ended on that date together with the Board's Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri B Sriramulu (DIN: 00002560), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri B Srihari (DIN: 00002556), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

4. To ratify the payment of remuneration to Shri M Nagarajan (ICAI Membership No: 102133), Cost Accountant, Coimbatore, Cost Auditor of the Company for the financial year ending 31<sup>st</sup> March 2024 and, in this regard, to consider, and if thought fit, to pass 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 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri M Nagarajan (ICAI Membership No: 102133), Cost Accountant, Coimbatore, who has been appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2024 on a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes and re-imbursement of travelling and out of pocket expenses incurred by him for the purpose of audit be and are hereby ratified."

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

5. To re-appoint Shri KG Baalakrishnan (DIN: 00002174) as Executive Chairman of the Company for a period of three (3) years with effect from 3rd November 2023 and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary and pursuant to the provisions of the Articles of Association and Nomination and Remuneration Policy of the Company, the consent of the members be and are hereby accorded for the re-appointment of Shri KG Baalakrishnan (DIN: 00002174) who has attained the age of 83 years, as the Executive Chairman of the Company and payment of remuneration for a further period of three (3) years commencing from 3<sup>rd</sup> November 2023, on the following terms and conditions as recommended by the Nomination and Remuneration Committee at its meeting held on 31<sup>st</sup> July 2023 and as approved by the Audit Committee and Board of Directors at their respective meetings held on 7<sup>th</sup> August 2023, and notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to Shri B Sriramulu and Shri B Srihari, Managing Directors of the Company, may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the aforesaid Act or Regulations for the time being in force:

- i. Salary: Rs. 5,00,000/- per month
- ii. Contribution to superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.
- iv. Encashment of leave at the end of tenure.
- v. Car with driver, telephone at residence, club fees and medical reimbursement.
- vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Sections 197 and 198 of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the remuneration as mentioned above shall be paid as minimum remuneration in compliance with Schedule V of the Act, to Shri KG Baalakrishnan."

**"RESOLVED FURTHER THAT** Shri KG Baalakrishnan shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof."

**"RESOLVED FURTHER THAT** Shri KG Baalakrishnan shall be liable to retire by rotation and the same shall not be treated as break in his service."

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**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Shri KG Baalakrishnan, Executive Chairman as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders."

**"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 and 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."

6. To re-appoint Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company for a period of three (3) years with effect from 3<sup>rd</sup> November 2023 and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary and pursuant to the provisions of the Articles of Association and Nomination and Remuneration Policy of the Company, the consent of the members be and are hereby accorded for the re-appointment of Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company and payment of remuneration for a further period of three (3) years commencing from 3<sup>rd</sup> November 2023, on the following terms and conditions as recommended by the Nomination and Remuneration Committee at its meeting held on 31<sup>st</sup> July 2023 and as approved by the Audit Committee and Board of Directors at their respective meetings held on 7<sup>th</sup> August 2023, and notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to Shri KG Baalakrishnan, Executive Chairman and Shri B Srihari, Managing Director of the Company may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the aforesaid Act or Regulations for the time being in force:

- i. Salary: Rs. 5,00,000/- per month
- ii. Contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.
- iv. Encashment of leave at the end of tenure.
- v. Car with driver, telephone at residence, club fees and medical reimbursement.
- vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Section 197 and 198 of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** Shri B Sriramulu (DIN: 00002560), Managing Director shall draw remuneration from one or both companies, provided that the total remuneration drawn, shall not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person pursuant to Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the remuneration paid to Shri B Sriramulu during the previous years, in excess of limits prescribed under Regulation 17(6)(e) of Listing Regulations be and is hereby ratified."

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the remuneration as mentioned above shall be paid as minimum remuneration in compliance with Schedule V of the Act, to Shri B Sriramulu."

**"RESOLVED FURTHER THAT** Shri B Sriramulu shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof."

**"RESOLVED FURTHER THAT** Shri B Sriramulu shall be liable to retire by rotation and the same shall not be treated as break in his service."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Shri B Sriramulu as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders."

**"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 and 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."

7. To re-appoint Shri B Srihari (DIN: 00002556) as Managing Director of the Company for a period of three (3) years with effect from 3<sup>rd</sup> November 2023 and, in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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(Listing Regulations) (including statutory modification or re-enactment thereof, for the time being in force) and subject to such other approvals as may be necessary and pursuant to the provisions of the Articles of Association and Nomination and Remuneration Policy of the Company, the consent of the members be and are hereby accorded for the re-appointment of Shri B Srihari (DIN: 00002556) as Managing Director of the Company and payment of remuneration for a further period of three (3) years commencing from 3<sup>rd</sup> November 2023, on the following terms and conditions as recommended by the Nomination and Remuneration Committee at its meeting held on 31<sup>st</sup> July 2023 and as approved by the Audit Committee and Board of Directors at their respective meetings held on 7<sup>th</sup> August 2023, and notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to Shri KG Baalakrishnan, Executive Chairman and Shri B Sriramulu, Managing Director of the Company may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the aforesaid Act or Regulations for the time being in force:

i. Salary: Rs. 5,00,000/- per month

ii. Contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.

iv. Encashment of leave at the end of tenure.

v. Car with driver, telephone at residence, club fees and medical reimbursement.

vi. Commission on Net profits: 1% in addition to salary and perquisites and the amount determined shall be subject to the limits laid down under Section 197 and 198 of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** Shri B Srihari (DIN: 00002556), Managing Director shall draw remuneration from one or both companies, provided that the total remuneration drawn, shall not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person pursuant to Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the remuneration paid to Shri B Srihari during the previous years, in excess of limits prescribed under Regulation 17(6)(e) of Listing Regulations be and is hereby ratified."

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the remuneration as mentioned above shall be paid as minimum remuneration in compliance with Schedule V of the Act, to Shri B Srihari."

**"RESOLVED FURTHER THAT** Shri B Srihari shall be liable to retire by rotation and the same shall not be treated as break in his service."

**"RESOLVED FURTHER THAT** Shri B Srihari shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Shri B Srihari as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders."

**"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 and 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."

8. To appoint Shri R Selvakumar (DIN: 00051608) as a Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Articles of Association of the Company, Shri R Selvakumar (DIN: 00051608), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 7<sup>th</sup> August 2023 and who holds office up to 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 from a member signifying his intention to propose Shri R Selvakumar as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

9. To appoint Shri R Selvakumar (DIN: 00051608) as a Whole-time Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (the "Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), and Articles of Association and Nomination and Remuneration Policy of the Company, the consent of the members be and is hereby accorded for the appointment of Shri R Selvakumar (DIN: 00051608) as Whole-time Director of the Company and payment of remuneration for a period of 3 (Three)

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years with effect from 7<sup>th</sup> August 2023, on the following terms and conditions, as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their respective meetings held on 7<sup>th</sup> August 2023, notwithstanding the fact that the annual remuneration payable to him in any financial year during his tenure along with the remuneration payable to other Executive Directors may exceed 5% of net profits of the Company (pursuant to Regulation 17(6)(e) of Listing Regulations) or any other limits as specified by the aforesaid Act or Regulations for the time being in force:

- i. Salary: Rs. 1,42,000/- per month with bonus as applicable.
- ii. Contribution to provident fund, superannuation fund or annuity fund, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half month salary for each completed year of service.
- iv. Encashment of leave at the end of tenure.
- v. Car with driver, telephone at residence, club fees and medical reimbursement."

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, the remuneration as mentioned above shall be paid as minimum remuneration in compliance with Schedule V of the Act, to Shri R Selvakumar."

**"RESOLVED FURTHER THAT** Shri R Selvakumar shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof."

**"RESOLVED FURTHER THAT** Shri R Selvakumar shall be liable to retire by rotation and the same shall not be treated as break in his service."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter and vary the terms of re-appointment and/or remuneration payable to Shri R Selvakumar as it may deem fit, subject to the same not exceeding the limits as approved by the shareholders."

**"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 and 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."

## STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013:

### ITEM NO. 4

The Board of Directors of the Company based on the recommendations of the Audit Committee of the Company, has appointed Shri M Nagarajan (ICAI Membership No: 102133), Cost Accountant, Coimbatore, as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2023-24 and has also the remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) along with applicable taxes and reimbursement of travelling and out-of-pocket expenses incurred by him during the course of the audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors of the Company shall be recommended by the Audit Committee and approved by the Board of Directors and has to be ratified by the Members at the Annual General Meeting of the Company. Accordingly, the consent of the members is being sought for the ratification of the said remuneration payable to the Cost Auditors of the Company for the financial year 2023-24.

The Board recommends the resolution as set out under Item No.4 of the Notice for the approval of the members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution as set out under Item No. 4.

### ITEM NO. 5

Shri KG Baalakrishnan (DIN: 00002174) was re-appointed as the Executive Chairman of the Company for a period of 5 years commencing from 3<sup>rd</sup> November 2018 till 2<sup>nd</sup> November 2023, on the terms and conditions as approved by the Shareholders at the 26<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September 2018. Accordingly, the present tenure of his office is valid up to 2<sup>nd</sup> November 2023.

Pursuant to Section 178 & 177 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Nomination and Remuneration Committee at its meeting held on 31<sup>st</sup> July 2023 & Audit Committee at its meeting held on 7<sup>th</sup> August 2023 had recommended/ approved the reappointment of Shri KG Baalakrishnan as Executive Chairman of the Company and payment of remuneration for a further period of three (3) years with effect from 3<sup>rd</sup> November 2023 on the terms and conditions as set out in the Notice, and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013.

Pursuant to the provisions of the Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the re-appointment of Executive Chairman and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting.



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Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors of the Company ("Board") at its meeting held on 7<sup>th</sup> August 2023 has re-appointed Shri KG Baalakrishnan (DIN: 00002174) as Executive Chairman of the Company, for a further period of three (3) years, subject to the approval of the shareholders of the Company.

Shri KG Baalakrishnan has been tirelessly working towards improving the prospects of the Company and therefore the Board of Directors are of the view that the re-appointment of Shri KG Baalakrishnan as the Executive Chairman for a further period of 3 years would be in the interest of the Company. His re-appointment is expected to be greatly beneficial to the future growth plans of the Company.

Section 196 of the Companies Act, 2013 inter-alia provides that no Company shall appoint any person as Managing Director or Whole-time Director or Manager, who has attained the age of 70 years, unless his appointment is approved by the members by a Special Resolution.

Considering the above facts, the Board of Directors have recommended the Resolution as set out in Item No. 5 of the Notice for approval of the Members as a Special Resolution.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Shri KG Baalakrishnan and other disclosures as per Secretarial Standard 2 are furnished and form a part of this notice.

Except Shri KG Baalakrishnan, being the appointee director and Shri B Sriramulu and Shri B Srihari, Managing Directors of the Company, being his relatives, other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 5.

## ITEM NO. 6

Shri B Sriramulu (DIN: 00002560) was re-appointed as the Managing Director of the Company for a period of 5 years commencing from 3<sup>rd</sup> November 2018 till 2<sup>nd</sup> November 2023, on the terms and conditions as approved by the shareholders at the 26<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September 2018. Accordingly, the present tenure of his office is valid up to 2<sup>nd</sup> November 2023.

Pursuant to Section 178 & 177 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Nomination and Remuneration Committee at its meeting held on 31<sup>st</sup> July 2023 & Audit Committee at its meeting held on 7<sup>th</sup> August 2023 had recommended/ approved the re-appointment of Shri B Sriramulu as Managing Director of the Company and payment of remuneration for a further period of three (3) years with effect from 3<sup>rd</sup> November 2023 on the terms and conditions as set out in the Notice, and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013.

Pursuant to the provisions of the Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the re-appointment of Shri B Sriramulu and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors of the Company ("Board") at its meeting held on 7<sup>th</sup> August 2023 has re-appointed Shri B Sriramulu (DIN: 00002560) as Managing Director of the Company, for a further period of three (3) years, subject to the approval of the shareholders of the Company.

Shri B Sriramulu has been a Director in the Company since 2003. He has a rich and varied experience profile and has led the Company with his leadership and vision. Considering his professional commitment to the Company, the results which have been achieved by him as a Managing Director and based on the inputs received from the performance evaluation exercise as carried out by the Independent Directors of the Company, it has been proposed to reappoint him as the Managing Director of the Company. His re-appointment is expected to be greatly beneficial to the future growth plans of the Company.

Considering the above facts, the Board of Directors have recommended the Resolution as set out in Item No. 6 of the Notice for approval of the Members as a Special Resolution.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Shri B Sriramulu and other disclosures as per Secretarial Standard 2 are furnished and form a part of this notice.

Except Shri B Sriramulu, being the appointee director and Shri KG Baalakrishnan, Executive Chairman and Shri B Srihari, Managing Director of the Company, being his relative, other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 6.

## ITEM NO. 7

Shri B Srihari (DIN: 00002556) was re-appointed as the Managing Director of the Company for a period of 5 years commencing from 3<sup>rd</sup> November 2018 till 2<sup>nd</sup> November 2023, on the terms and conditions as approved by the shareholders at the 26<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September 2018. Accordingly, the present tenure of his office is valid up to 2<sup>nd</sup> November 2023.

Pursuant to Section 178 & 177 of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Nomination and Remuneration Committee at its meeting held on 31<sup>st</sup> July 2023 & Audit Committee at its meeting held on 7<sup>th</sup> August 2023 had recommended/ approved the reappointment of Shri B Srihari

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as Managing Director of the Company and payment of remuneration for a further period of three (3) years with effect from 3<sup>rd</sup> November 2023 on the terms and conditions as set out in the Notice, and the same is within the limits specified in Part II of Schedule V to the Companies Act, 2013.

Pursuant to the provisions of the Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the re-appointment of Shri B Srihari and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee and the approval of the Audit Committee, the Board of Directors of the Company ("Board") at its meeting held on 7<sup>th</sup> August 2023 has re-appointed Shri B Srihari (DIN: 00002556) as Managing Director of the Company, for a further period of three (3) years, subject to the approval of the shareholders of the Company.

Shri B Srihari has been a Director in the Company since 2003. He has a rich and varied experience profile and has led the Company with his leadership and vision. Considering his professional commitment to the Company, the results which have been achieved by him as a Managing Director and based on the inputs received from the performance evaluation exercise as carried out by the Independent Directors of the Company, it has been proposed to reappoint him as the Managing Director of the Company. His re-appointment is expected to be greatly beneficial to the future growth plans of the Company.

Considering the above facts, the Board of Directors have recommended the Resolution as set out in Item No. 7 of the Notice for approval of the Members as a Special Resolution.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Shri B Srihari and other disclosures as per Secretarial Standard 2 are furnished and form a part of this notice.

Except Shri B Srihari, being the appointee director and Shri KG Baalakrishnan, Executive Chairman and, Shri B Sriramulu, Managing Director of the Company, being his relative, other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 7.

## ITEM NO. 8 & 9

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 7<sup>th</sup> August 2023 has appointed Shri R Selvakumar (DIN: 00051608) as an Additional Director of the Company with effect from 7<sup>th</sup> August 2023 to hold office upto the date this Annual General Meeting in compliance with Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri R Selvakumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Further, he is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India ("SEBI") or any other authority.

The Company has received a notice from a member signifying his intention to propose the candidature of Shri R Selvakumar for the office of Director of the Company under Section 160 of the Act.

Pursuant to Section 161 of the Act and Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of shareholders is being sought for the appointment of Shri R Selvakumar as a Director of the Company. Hence, the necessary resolution has been set out in Item No. 8 of the Notice for the approval of the members.

Further, as per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee at their meeting held on 7<sup>th</sup> August 2023 had taking into consideration the contribution made by Shri R Selvakumar (DIN: 00051608) in various roles as Vice President (Commercial) of the Company, recommended his appointment as Whole-time Director of the Company for a period of 3 years with effect from 7<sup>th</sup> August 2023 and determined his remuneration and recommended the same to the Board. The proposed remuneration is well within the limits prescribed in the Companies Act, 2013, the Schedule and Rules made thereunder.

Shri R Selvakumar's expertise and skills are imminently needed for achieving the global business plans of the Company and his appointment as Whole-time Director would be helpful for the future growth of the Company.

Pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the appointment of the Whole-time Director and payment of remuneration shall be subject to the approval of the shareholders of the Company in the General Meeting. Based on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, the Board of Directors of the Company at its meeting held on 7<sup>th</sup> August 2023, has appointed Shri R Selvakumar as Whole-time Director of the Company with effect from 7<sup>th</sup> August 2023 subject to the approval of the shareholders by way of passing Special Resolution, on such terms and conditions as set out in the Notice.

Accordingly, the Board recommends the necessary resolution(s) set out in Item Nos. 8 & 9 of the Notice of Annual General Meeting for the approval of the members.

The general information as required under Part II of Section II of Schedule V of the Companies Act, 2013 (as amended) and the details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief bio-data of Shri R Selvakumar and other disclosures as per Secretarial Standard 2 are furnished and forms a part of this notice.

Except Shri R Selvakumar, being the appointee director, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution for appointment as set out in Item Nos. 8 & 9 of this Notice.