



Annual Report 2017-18



SDF Industries Limited

Board of Directors

Mr. K.V. Viswamohan Menon, B.Com (Hons.), M.A.(Economics), D.L.(Law), FCMI (London)
Chairman & Whole-time Director

Mr. M.P. Gopalakrishnan B.Com., FCA - Director

Mr. Krishnan Nair Rajkumar, M.A - Director

Mr. N. Muralidhar Nair, B.Sc., PG in HR (I & T) - Director

Ms. R. Smitha, B.Com., ACMA - Director

Chief Financial Officer

Mr. Vinoo P. Stephen M.Com., MBA, PGDCA

Management

Mr. Suresh Kumar G. B.A. - Chief Manager (Commercial & Production)

Mr. Shamsudhin P.H. B.Sc., MBA - Sr. Manager (Production)

Mr. Santhosh K. B.Com. - Manager (Estate & Public Relations)

Mrs. Seema V. Nair. M.Com, DCA - Manager (Finance)

Mrs. Lissy T.T. - Executive (Factory)

Statutory Auditors

M/s. GGA & Associates

Chartered Accountants, Coimbatore

Secretarial Auditor

Mr. V.S. Subhash, M.Com, LLB, FCS

JMACS Associates

Company Secretary in Practice

Registrar & Share Transfer Agent

M/s. Link Intime India (P) Ltd.

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup West

Mumbai - 400 078

Branch Office

M/s. Link Intime India (P) Ltd.

"Surya", 35, Mayflower Avenue

Sowripalayam Road

Coimbatore - 641 028.



(CIN:L15511KL1990PLC005674)

Registered Office :

"SDF House",
7/352, NH Bypass Road
Chandranagar
Palakkad - 678 007
Kerala.

Factory :

"SDF Industrial Complex"
5/128, Pampadi
Thiruvilwamala
Thrissur - 680 588
Kerala.

2017 - 18 ANNUAL GENERAL MEETING

Date : 26th September 2018.

Venue : Rotary Paul Harris Hall, NH By Pass Road,
Karingarapully P.O., Palakkad.

Time : 09.30 am.

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NOTICE OF THE ANNUAL GENERAL MEETING

To all Members,

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of SDF Industries Limited will be held on Wednesday the 26th day of September 2018 at 9:30 am at Conference Hall of Rotary Paul Harris Hall, N.H. Bye Pass Road, Karingarapully Post, Palakkad-678 559 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 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Krishnan Nair Rajkumar (DIN: 01778016) who retires by rotation and being eligible, offers himself for re-appointment.
3. To continue the appointment of the Statutory auditor without ratification at every Annual General Meeting and in this regard to pass the following resolution as an Ordinary Resolution

RESOLVED THAT, in partial modification of the Ordinary Resolution passed at the Annual General Meeting held on 27th September, 2017 and in accordance with the amended Section 139 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules 2014 including any statutory enactments or modifications thereof, the approval of the Members be and is hereby accorded to continue the appointment of Messrs. GGA & Associates, (Firm Registration No.009663S), Chartered Accountants, Coimbatore, at such remuneration as may be decided by the Board of Directors as per the recommendations of the Audit Committee, till the conclusion of the Annual General Meeting to be held in the year 2022 and that the said appointment shall not be subject to ratification at every subsequent Annual General Meeting.

Notes:

1. **A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty eight hours before the commencement of AGM. A**

Proxy Form for the AGM is enclosed herewith.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. The register of members and the share transfer book of the Company shall remain closed from 20th September 2018 to 26th September 2018 (Both days inclusive).
3. Details under Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of the Directors seeking re-appointment at the Annual General Meeting are furnished and forms a part of the notice.
4. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA.
5. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
6. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited.
As per Regulation 40(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 submission of a copy of PAN card of the transferor and transferee is mandatory for transfer of shares held in physical form.
7. Pursuant to Section 72 of the Act, Members holding shares in Physical form are advised to file nomination in the prescribed form SH-13 with the Company's RTA.

In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.

8. Members are requested to register/update their e-mail address in respect of shares held on dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s.Link Intime India Private Limited.
9. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
10. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.
11. Members are requested to bring their copies of the Annual Report and Attendance Slip signed at the time of attending the meeting.
12. Corporate Members/ Societies intending to send their authorized representative to attend the AGM are requested to send a duly certified copy of the Board of Directors / Governing Board Resolutions authorizing their representative to attend and vote on their behalf at the AGM.
13. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
14. Notice of Annual General Meeting along with Annual Report will be sent to those shareholders /beneficial owners, whose name will appear in the register of members/list of beneficiaries received from the depositories as on 24th August 2018.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility of voting through electronic means ("remote e-voting") on all the resolutions set forth in this notice, through e-voting services provided by Central Depository Services (India) Limited ("CDSL").
Any person who acquires shares of the Company and becomes member of the company after dispatch of AGM notice and holding share as of the cut-off date i.e., 19th September 2018, may refer to this notice of AGM of the company posted on the Company's website www.sdfil.com for detailed procedure with regard to remote e-voting. Any person who ceases to be member as on the cut-off date and is in receipt of this notice, shall treat this Notice for information purpose only.
16. The facility for physical voting through Ballot Paper shall be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through 'Ballot Paper'.
17. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.
18. The remote e-voting period commences on 23rd September 2018 at 9:00 A.M. and ends on 25th September 2018 at 5:00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 19th September 2018 ("the cut-off date") may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
19. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
20. **The instructions for shareholders voting electronically are as under:**
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders / Members
 - (iii) Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
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.

SDF Industries Limited

	For Members holding shares in Demat Form and Physical Form
PAN*	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 sequence number which is printed on the Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii) above.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach 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 SDF Industries Limited 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 login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) The shareholders can also cast their vote using CDSL mobile application "m-Voting" available for android based mobiles. The m-Voting application can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile application while voting from your mobile.
- (xviii) Note for Non - Individual Shareholders and Custodians
- ✦ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ✦ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ✦ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for 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.
 - ✦ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case of any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at

SDF Industries Limited

www.evotingindia.com under help section or write an e mail to helpdesk.evoting@cdslindia.com

21. The Board of Directors of the Company has appointed M/s MDS & Associates, Practising Company Secretaries, Coimbatore as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
22. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and provide not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or in his absence, a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.

23. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sdfil.com and on the website of CDSL immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited, where the shares of the Company is listed.

24. Route map to reach at the venue for the Annual General Meeting is attached with this Notice

BY ORDER OF THE BOARD
For **SDF INDUSTRIES LIMITED**
K. V. Viswamohan Menon
Chairman & Whole time Director
(DIN : 00666339)

Palakkad
29.05.2018

Details of Director seeking re-appointment at the forthcoming Twenty Seventh Annual General Meeting (in pursuance of Regulation 36 (3) of the Listing Regulations and SS-2).

Name	Krishnan Nair Rajkumar
Director Identification Number	01778016
Date of Birth	14.12.1960
Date of first appointment on the Board	12.11.2012
Relationship with other Directors, Manager and KMP	Nil
Qualification	M.A
Expertise in functional area	17 years in advertisement & Public Relation
No. of shares held in the Company	100
List of companies in which Directorship held as on 31.03.2018	Haymarket Advertising Private Limited
Chairman/ Member of the Committees of the Board of the companies on which he is a Director as on 31.03.2018	Member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of SDF Industries Limited.
Number of Board meetings attended during the year	2/5
Remuneration last drawn and sought to be paid	Nil
Terms and conditions of re-appointment	Not Applicable
Board position held	Director

DIRECTORS' REPORT 2017 - 2018

Dear Shareholders,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st 2018.

FINANCIAL HIGHLIGHTS:

Company's financial performance for the year under review along with previous year's figures are given hereunder:

Particulars	As on 31.03.2018 (Rs. Lakhs)	As on 31.03.2017 (Rs. Lakhs)
Profit before Depreciation Exceptional items & Tax	64.89	118.41
Less: Depreciation	29.24	25.24
Profit before Exceptional items & Tax	35.65	93.17
Less: a) Exceptional items	-	48.17
b) Provision for Tax	7.61	8.60
Net Profit for the year	28.04	36.40

FINANCIAL STATEMENTS

Your Company has prepared its financial statements in compliance with the requirements of Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter as notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In this financial statements for the year ended March 31, 2018, the financial statements for the previous year ended March 31, 2017 have been prepared and presented as per Ind AS for line-to-line comparison.

COMPANY PERFORMANCE

This year started as a follow-up of previous years as the liquor industry went through after effects of highway outlet closures and increasing raw-material prices. Inevitably this has affected your company as you see the profit had come down to Rs. 28.04 lakhs versus Rs. 36.40 lakhs recorded previous year. The Board must say that because of the strict cost control and productivity enhancement, the company escaped from losses as generally experienced by other liquor manufacturers in the state. Though the present government of the state is not vehemently against liquor industry, still the company is of the opinion that there should be more relaxation

from rigid red-tapism which inhibits normal working of an industry such as ours. The present management is also of the opinion that composition of workforce, Management must constantly shift for younger weighted average age profile. Though the company is in a highly government controlled industry, The Board is optimistic with its long domain experience and knowledge the company can enhance its profitability in the years to come especially bringing on Board new generation of professionals who will take the company into a new growth environment.

RESERVES

The Company has not transferred any amount to its reserves during the year under review. However, the current year profit of Rs. 28.04 lakhs has been adjusted against the accumulated losses and the balance carried forward losses of Rs. 893.28 lakhs has been shown under the Other Equity in the Balance Sheet.

DIVIDEND

Due to accumulated losses the company is not able to declare any dividend.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There is no amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 was Rs. 11,68,73,000. During the year under review, the Company has not issued any shares.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure No.1 and is attached to this Report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 5 Meetings of the Board of Directors, 4 Meetings of the Audit Committee, 1 Meeting of the Nomination and Remuneration Committee and 13 Meetings of the Stakeholders Relationship Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

COMPLIANCE OF SECRETARIAL STANDARDS

The directors have devised proper systems to ensure compliance with provisions of all applicable secretarial

standards and that such systems are adequate and operating effectively.

The company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General meetings (SS-2).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) The directors had 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 at the end of the financial year and of the profit of the company for that period;
- (c) The directors had 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;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The internal financial controls to be followed by the company were laid down and such internal financial controls were adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT.

There have been no frauds reported by the Auditors pursuant to Section 143(12) of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act, based on the recommendations of the Nomination and Remuneration Committee.

The Company's Policy relating to appointment of Directors, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure No.2- and forms part of this Report.

AUDITORS

STATUTORY AUDITORS

The shareholders at the 27th Annual General Meeting, approved the appointment of M/s. GGA & Associates, Chartered Accountants, having Firm Registration No. 009663S, as the Statutory Auditors, for a period of five years from the conclusion of the 27th AGM till the conclusion of 32nd AGM of the Company subject to ratification of the appointment by the shareholders at every Annual General Meeting.

However, pursuant to the notification dated 7th May 2018, issued by the Ministry of Corporate Affairs, the requirement for ratification of Statutory Auditors at every Annual General Meeting has been done away with.

Accordingly, necessary resolution has been included in the AGM Notice to continue M/s. GGA & Associates, Chartered Accountants as the Statutory Auditors of the Company without ratification at every AGM.

A certificate from the Auditors that they satisfy the conditions prescribed under the Companies Act, 2013 and the Rules made thereunder (including satisfaction of criteria under Section 141 of the Companies Act, 2013) has been received from them.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. V.S. Subhash, M.Com, LLB, FCS, M/s. JMACS Associates to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure 3.

With reference to the observations made by the Secretarial Auditor in his report the Directors wish to

state that the company being a sick company has not appointed a whole time Company Secretary due to bad financial situation and the company has taken necessary steps to make payment of arrears due to the Stock Exchange. Once the position improves necessary steps would be taken for appointment of whole time Company Secretary.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 during the period under review and hence the said provision is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into during the financial year 31st March 2018 with Related Parties as defined under the Companies Act 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in the ordinary course of business and on an arm's length basis. During the year, The Company had not entered into any transaction referred to in Section 188 of the Companies Act, with related parties which could be considered material. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Companies Act in Form AOC-2 is not applicable. Attention of Members is drawn to the disclosures of transactions with related parties set out in Notes to Accounts-Note 27 forming part of the financial statements. However it is to be noted that this venture is advantageous to your company as it contributes profitability.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure - 4 and is attached to this report.

RISK MANAGEMENT POLICY

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

As on the date of this report, the Company does not foresee any critical risk, which threatens its existence. Your Company, through its risk management policy, strives to contain impact and likelihood of the risks within the risk appetite as agreed from time to time with the Board of Directors.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

ANNUAL PERFORMANCE EVALUATION

In accordance with the criteria suggested by The Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of non-independent directors and the Board as a whole based on various criteria. The performance of each independent Director was evaluated by the entire board of directors on various parameters like engagement, leadership, analysis, decision making, communication, governance etc. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

The performances of all the Committees were evaluated by the Board having regard to various criteria such as committee composition, committee processes, committee dynamics etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2018.

DIRECTORS

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Krishnan Nair Raj Kumar

(holding DIN:01778016) is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Other than the above, there is no change in the composition of the board of directors of the company.

SUBSIDIARIES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Associate Company.

FIXED DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review. There was no deposit remaining unpaid or unclaimed as at the end of the year.

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

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has in place an adequate internal financial control framework with reference to financial and operating controls. During Financial Year 2017-18, such controls were tested and no reportable material weakness in the design or operation was observed.

The Directors have in the Directors Responsibility Statement confirmed the same to this effect and a report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure - 5 to this Report.

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rupees One crore Two lakh if employed throughout the year or Rupees Eight Lakh and Fifty Thousand per month if employed for part of the year.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company, comprises four Members, namely Mr. M.P. Gopalakrishnan, Mr. K. Rajkumar, Mr. N. Muralidhar Nair & Ms. R. Smitha out of which three of them are Independent Directors. Mr. M.P. Gopalakrishnan, an Independent Director, is the Chairperson of the Audit Committee.

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti -harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee has been setup to redress complaints received regarding sexual harassment. There was no complaint received during the financial year 2017-18 and hence no complaint is outstanding as on 31.03.2018 for redressal.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

The Management Discussion and Analysis Report and the Report on Corporate Governance, as required under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report.

ACKNOWLEDGMENTS:

The Board of Directors express their appreciation for the contribution made by the employees, customers and bankers for the support extended by them during the year under review. We also would like to thank our bottling partners for their faith in us with continued patronage.

For and on behalf of the Board

K. V. Viswamohan Menon

Chairman & Whole time Director
(DIN : 00666339)

Palakkad
29.05.2018