



S d F
INDUSTRIES LTD

Annual Report 2015-16



Board of Directors

Mr. K.V. Viswamohan Menon, B.Com (Hons.), M.A. (Economics), FCMI (London)
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. Ramachandran Nair C. B.Com., MBA - General Manager (Factory)

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

Mr. Santhosh K. B.Com. - Deputy Manager

Mr. Suresh Kumar G. B.A. - Senior Manager (Sales)

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

Ms. Usha N. B.A. - Manager (Corporate Affairs)

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

Statutory Auditors

M/s. Varma & Varma

Chartered Accountants, Kozhikode.

Secretarial Auditor

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

JMACS Associates

Company Secretary in Practice

Internal Auditors

M/s. G.G.A & Associates

Chartered Accountants, Coimbatore.

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.

ANNUAL GENERAL MEETING 2015 -16

Date : 22nd September 2016.

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 26th Annual General Meeting of the Members of the Company will be held on Thursday, the 22nd September 2016 at 9.30 A.M. at the Conference Hall of Rotary Paul Harris Hall, N.H. Bypass Road, Karingarapully Post, Palakkad - 678 559 to transact the following businesses.

AGENDA

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016 including audited Balance Sheet as at 31st March, 2016 and the Statement of Profit and Loss and 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 ratify the appointment of Statutory Auditors of the Company, and, if thought fit, to pass the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rule, 2014 the members of the company do hereby ratify the appointment of Messrs. Varma & Varma, (Firm Registration No.004532S), Chartered Accountants, Kozhikode as Statutory Auditors of the Company to hold office upto the conclusion of 27th Annual General Meeting, on a remuneration as may be determined by the Board of Directors of the Company.

SPECIAL BUSINESS

- 4 To consider and if thought fit to pass the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to Section 196, 197, 203, Schedule V and other applicable provisions if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the re-appointment of Sri. Kavassery Veetil Viswamohan, holding DIN: 00666339, as Chairman & Whole Time Director of the Company for a further period from 30th April 2017 to 31st January

2020 without any remuneration and perquisites.

RESOLVED FURTHER THAT Sri.Kavassery Veetil Viswamohan shall be liable to retire by rotation and the same shall not be treated as break in the service as Chairman & Whole Time Director.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No 4

Sri. Kavassery Veetil Viswamohan, Chairman & Whole Time Director of the Company was appointed for a period of 5 years from 30th April 2012 and his appointment is due for renewal on 30th April 2017. As per the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 13th August 2016 has approved the re-appointment of Sri. Kavassery Veetil Viswamohan as Chairman & Whole Time Director of the Company for a further period from 30th April 2017 to 31st January 2020 without any remuneration and perquisites.

The appointment of Sri. Kavassery Veetil Viswamohan as Chairman & Whole Time Director of the Company is in conformity with schedule V of the Companies Act, 2013.

Except Sri. Kavassery Veetil Viswamohan, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolution.

The Board recommends the resolution for your approval

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE AGM IS ENCLOSED.
3. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. The Register of Members and Share Transfer Books of

- the Company will remain closed from 16th September 2016 to 22nd September 2016 (both days inclusive).
5. Details under Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting are furnished and forms a part of the notice.
 6. Members are requested to notify any change of address:
 - a. To their depository participants (DP) in respect of shares held in dematerialized form, and
 - b. To Registrar and Share Transfer Agent of the Company - M/s. Link Intime India (P) Ltd., "Surya", 35, Mayflower Avenue, Sowripalayam Road, Coimbatore - 641028, in respect of shares in physical form.
 7. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agents, for consolidation into a single folio.
 8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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 account(s). Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.
 9. Pursuant to the provisions of Section 72 of the Companies Act, 2013 Members may file Nomination Forms in respect of their physical shareholdings. Any Member willing to avail this facility may submit to the Company's Registrar & Share Transfer Agent in the prescribed Statutory Form. Should any assistance be desired, Members should get in touch with the Company's Registrar and Share Transfer Agent.
 10. Members are requested to register/update their e-mail address in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s.Link Intime India Private Limited.
 11. 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.
 12. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.
 13. Members are requested to bring their Client ID and DP ID or Folio Numbers, as may be applicable, for easy identification of attendance at the meeting.
 14. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
 15. Kindly bring your copies of the Annual Report to the meeting.
 16. Members / Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
 17. 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 12th day of August, 2016.
 18. **Voting through electronic means**
 - (i) Pursuant to Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL).
 - (ii) The facility for voting through poll shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting may exercise their vote through polling paper at the meeting.
 - (iii) The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.

The voting period begins on 19th September, 2016 (9.00 am) and ends on 21st September, 2016 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15-09-2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Procedure / Instructions for e-voting are as under:

 - (a) Log on to the e-voting website www.evotingindia.com
 - (b) Click on "Shareholders" tab to cast your votes.
 - (c) 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.
 - (d) Next enter the Image Verification as displayed and Click on Login.
 - (e) 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.
 - (f) If you are a first time user follow the steps given below:

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 Proxy Form/Attendance Slip indicated in the PAN field.

DOB#

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details#

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter member id/Folio in the Dividend Bank details field.

- (g) After entering these details appropriately, click on "SUBMIT" tab.
- (h) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (j) Click on the EVSN for the relevant SDF INDUSTRIES LIMITED on which you choose to vote.
- (k) 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.
- (l) Click on the 'Resolution File Link' if you wish to view the entire Resolution details.
- (m) 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.
- (n) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (o) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (p) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- ❖ Non-individual shareholder (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- ❖ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- ❖ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ❖ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- ❖ In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

General:

- (a) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 15th September, 2016.
- (b) Mr. M.D. Selvaraj, FCS, proprietor of M/s. MDS & Associates, Practising Company Secretary, Coimbatore, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and

transparent manner.

- (c) The Scrutinizer shall immediately after the conclusion of the Annual General Meeting first count the votes cast at the meeting 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 make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The results shall be declared within two days from the conclusion of the AGM.
19. The results declared along with the scrutinizer's report shall be uploaded in the CDSL website and communicated to the stock exchange where the shares of the Company are listed.

**BY ORDER OF THE BOARD
For SDF INDUSTRIES LIMITED**

K. V. Viswamohan Menon
Chairman & Whole time Director
(DIN : 00666339)

PALAKKAD
13.08.2016

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

Name	Kavassery Veetil Viswamohan	Krishnan Nair Rajkumar
Director Identification Number	00666339	01778016
Date of Birth	17-02-1950	14-12-1960
Date of first appointment on the Board	25-01-1993	12-11-2012
Relationship with other Directors, Manager and KMP	Nil	Nil
Qualification	B.Com (Hons.) M.A. (Economics) FCMI (London)	M.A
Expertise in functional area	36 years. Ex- Investment Banker, Former Director-India Investment Fund (UK), Former Member-Consultative Committee (NRI), Ministry of Finance, Govt. of India. Presently member of the Minimum Wages Advisory Board of Govt. of Kerala	15 yrs in Advertisement & Public Relation
No. of shares held in the Company	2891500	100
Chairman/ Member of the Committees of the companies on which he is a Director as on 31.03.2016	Member of Stakeholders Relationship Committee of SDF Industries Limited	Member of Audit Committee, Board of the Nomination and Remuneration Committee and Stakeholders Relationship Committee of SDF Industries Limited.
No. of Board meetings attended during the year	4	2
Remuneration last drawn and sought to be paid	Nil	Nil
Terms and conditions of re-appointment	Appointed as Chairman & Whole Time Director for a period from 30.04.2017 to 31.01.2020 and liable to retire by rotation	Liable to retire by rotation
Board position held	Promoter Executive Director	Non Independent-Non Executive
List of Directorship held in other Companies	Hay Market Adv. (P) Ltd.	Hay Market Adv. (P) Ltd.

DIRECTORS' REPORT 2015-2016

Dear Shareholders,

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31st 2016.

FINANCIAL HIGHLIGHTS:

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

Particulars	As on 31.03.2016 (Rs. Lakhs)	As on 31.03.2015 (Rs. Lakhs)
Profit before Depreciation & Tax	126.66	180.05
Less: Depreciation	24.20	21.40
Profit before Tax & Depreciation	102.46	158.65
Less Provision for Tax	0	0
Net Profit for the year	102.46	158.65

COMPANY PERFORMANCE

The year has been a bad year for liquor companies in Kerala. The Government had announced step by step prohibition. In fact, all bars except in five star hotels were closed with almost 20% of retail shops. However, your company having diversified into job work business, could wither this adverse market contraction. In fact, the company could achieve net profit this year, even though overall total revenue got reduced due to government policy. The Directors are happy that the company is progressing from a loss making company to a profit making one even in this adverse year. This year the company has made a net profit of Rs. 102.46 lakhs against Rs. 158.65 lakhs during the last year.

The liquor industry is susceptible to heavy government involvement, both in production and sales. Hence, a cautious approach is required on future forecast.

RESERVES

The Company has not transferred any amount to its reserves during the year under review. However, the current year profit of Rs. 1,02,45,756/- has been adjusted against the accumulated losses and the balance carried forward losses of Rs. 9,57,71,637/- has been shown under the Reserves and Surplus 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, 1956 and rules made thereunder.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 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, 4 Meetings of the Board of Directors, 4 Meetings of the Audit Committee, 2 Meetings of the Nomination and Remuneration Committee and 7 Meetings of the Stakeholders Relationship Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

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:

- In the preparation of the annual accounts, the applicable accounting standards had been followed;
- 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;
- 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;
- 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

M/s. Varma & Varma (Firm Registration No. FRN:004532S), Chartered Accountants have been appointed as statutory auditors of the company at the Annual General Meeting held on 29 September, 2014 for a period of three years subject to ratification by members at every subsequent Annual General Meeting. The

Company has received a letter pursuant to section 139 and 141 of the Companies Act, 2013 from them to the effect that they are eligible to continue as the Statutory Auditors of the Company.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of members.

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, LL.B, FCS, M/s. JMACS Associates* to undertake the Secretarial Audit of the Company for the year ended 31st March, 2016. 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 and due to tight financial position the company has not been paid the listing fees due to the Stock Exchange. Once the position improves necessary steps would be taken for appointment of whole time Company Secretary and listing fees due to the Stock Exchange will be paid.

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 2016 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 25 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

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section.

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, 2016.

DIRECTORS

At the Annual General Meeting of the Company held on 30th September, 2015, the Members had approved the appointment of Ms. R.Smitha as Independent Director for a term of five years.

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.

The Board of Directors had on the recommendation of the Nomination and Remuneration Committee re-appointed Mr.Kavassery Veetil Viswamohan (holding DIN 00666339) as Chairman and Whole Time Director of the Company for a period from 30th April 2017 to 31st January 2020 without any remuneration. The terms and conditions of his appointment are subject to the approval of the shareholders in the ensuing Annual General Meeting. Brief profile of Mr. Krishnan Nair Raj Kumar and Mr. Kavassery Veetil Viswamohan as required under Regulation 36(3) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard is provided in the Notice, attached hereto.

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

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. 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 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 been employing women employees in various cadres within the factory premises. 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 regularly. There was no complaint received from any employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 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
13.08.2016