

SRI KANNAPIRAN MILLS LIMITED



Annual Report
for the year ended March 31, 2014



Sri Kannapiran Mills Limited

Registered Office

MILLS PREMISES
Sowripalayam
Coimbatore - 641 028
CIN : L17111TZ1946PLC000188

Factories

SOWRIPALAYAM
KEMPANAICKENPALAYAM
JADAYAMPALAYAM
ONAPALAYAM
&
KALAPATTI

Board of Directors

K N V RAMANI

Chairman

KG BAALAKRISHNAN

Managing Director

G BAKTHAVATHSALAM

Managing Director

G RAMASAMY

B SRIRAMULU

B SRIHARI

A VELUSAMY

R MAHADEVAN

V ARUNACHALAM

Auditors

M/s M S JAGANNATHAN & VISVANATHAN

Chartered Accountants

Coimbatore

Cost Auditor

M NAGARAJAN

Cost Accountant

Coimbatore

Bankers

INDIAN BANK, Coimbatore

STATE BANK OF TRAVANCORE, Coimbatore

THE SOUTH INDIAN BANK LIMITED, Coimbatore

STATE BANK OF INDIA, Coimbatore

INDIAN OVERSEAS BANK, Coimbatore

DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors have pleasure in submitting their Report and the Audited Accounts of the Company for the year ended March 31, 2014.

SUMMARY OF FINANCIAL RESULTS

	(Rs. in lakhs)	
	Year ended March 31,	
	2014	2013
Income	176 58	157 04
Gross Profit before financial charges, depreciation and taxes	17 50	11 15
Less : Financial Charges	10 77	10 43
Depreciation	6 28	6 15
Net Profit (+) / Loss (-)	45	-5 42
Add : Balance brought forward from last year	-12 96	-8 89
Less : Provision for Taxes	-	-
Deferred Tax Asset	4	1 35
Income Tax for Prior years	1	-
Balance Carried to Balance Sheet	-12 48	-12 96

Performance Review, Management Discussion & Analysis and Outlook for the current year

The yarn production for the year was 165 lakhs kgs compared to previous year of 156 lakhs kgs. Cotton prices were ruled between Rs.111 to Rs.126 kg during the year with a peak of Rs.147 per Kg in Sep'13. The Company has improved its performance by producing more value added ring spun yarns and Open end polyester yarns. However lower demand with low margin for open end yarn resulted in lower profits. The Company has managed power situation by installing EB dedicated feeder lines and sourcing outside firm power during the current year.

The Company has achieved Gross profit of Rs.1750 lakhs compared to previous year of Rs.1116 lakhs. The Company has net profit of Rs.45 lakhs compared to last year net loss of Rs.542 lakhs.

Industry Structure & Developments

The Indian textile industry is one of the leading textile industries in the world and leading sectors of Indian economy. Indian textile industry plays a vital role in the economy of India, which contributes nearly 14% of the total industrial production of the country, 4% to the Gross Domestic Product (GDP). India earns about 11% of its total foreign exchange through textile exports registering a CAGR of 8.50%. Textile industry is growing year by year registering a CAGR of 3.41%. India accounts for 22% of world's installed capacity of spindles. Indian Textile industry is also the largest in the country in terms of employment generation. Indian textile industry currently generates employment to more than 350 lakhs people directly and 200 lakhs people indirectly.

India is the second largest producer of cotton accounting for 32% of the global cotton area and contributes to 21% of the global cotton production. In view of good monsoon, higher support price fixed by government, cotton sowing acreage was further increased compared to previous year. The expected cotton production for 2013-14 is 375 lakhs bales. The Govt of India is allowing free export of cotton and the expected exports of cotton for current year will be at 100 lakhs bales.

The demand for Ring yarn was improved during the current year and exports were higher in view of demand from China and other countries. However Open end yarn demand and margin continues to be lower. Continuing power cut in Tamil Nadu affected the productivity and increased cost of production.

The textile industry has suggested various measures to improve the performance of textile mills in India to Government of India for stabilizing cotton prices, continuous power, lower Bank interest rate and restructuring of term loans.

The company is able to sell its products in view of varied product mix viz., Compact yarn, Slub yarn, Gassed mercerized yarn, polyester yarn, denim yarn and glove yarn. The Company had maintained its exports at Rs.20 crores. The Company had already well established own depots, dealer net work at various places in India to meet the end user's requirements.

Opportunities & Threats

Indian textile industry is highly depending on availability of domestic cotton at a competitive price. Expected increase in overseas yarn demand and apparel segments demand due to improved spending pattern of Indian will help to improve sales and profitability.

The continuing power shortage, high interest rates and labour shortage will slow down the growth of textile mills in India.

Segment wise or product wise performance

The Company is engaged in the business of manufacture and export of cotton yarn and accordingly this is the only Single Reportable Segment.

Outlook

The Company expects to improve its operational and financial performance during the current year by achieving increased production on capacity expansion, better productivity, better product mix and improved power situation due to own EB dedicated feeder lines.

Risk and concerns

Cotton being an agriculture product, is the key raw material used for manufacture of cotton yarn, the cultivation is dependent on monsoon. Availability of quality cotton at right prices is crucial for the profitability of the Company. Higher Bank interest rates, continuing power cut and increased labour cost coupled with shortage of labour will be major concern for our company.

Internal control systems and their accuracy

The Company has a proper and adequate internal control system to ensure that all the assets are safe guarded and protected against the loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

Material developments in human resources / industrial relations

Industrial relations with employees remained cordial during the year. Human Resources Development activities received considerable focus and the Company is committed to the development of employee. The emphasis was on imparting training and development of the skill set of the employees to enable them to face the challenges in the work environment.

Directors

Mr B Sriramulu and Mr A Velusamy, Directors retire by rotation at the ensuing Annual General Meeting and they are eligible for re-appointment. Section 149 of the Companies Act, 2013 provides for the appointment of Independent Directors on non-rotational basis. Accordingly, Mr K N V Ramani, Independent Director who is retiring at the ensuing Annual General Meeting is now being reappointed on non-rotational basis for a period of 5 years till 31st March 2019.

Further Mr R Mahadevan and Mr V Arunachalam, Independent Directors who are liable to retire by rotation are now being re-appointed on non-rotational basis for a period of 5 years till 31st March 2019.

Auditors

The present Auditors, M/s M S Jagannathan & Visvanathan, retire at the conclusion of the ensuing Annual General Meeting. They are eligible for reappointment.

Directors' responsibility statement

In compliance of Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 the Directors of Your Company confirms:-

- that all applicable accounting standards have been followed in the preparation of annual accounts and there are no material departure;
- that such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the Profit of the Company for the year ended on the date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.

Corporate Governance

The report on Corporate Governance is annexed to this Annual Report.

Listing

Your Company's shares are listed in Madras Stock Exchange Limited. Annual listing fees for the year 2014-15 have been paid to the exchange.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure which forms part of the Directors' Report.

Particulars of Employees

There is no employee drawing remuneration more than Rs. 5 lakh per month. Hence, the particulars required to be furnished under Section 217(2A) of the Companies Act, 1956 do not apply to your Company.

Additional Disclosures

In line with the requirements of the Listing Agreement and the Accounting Standards of the Institute of Chartered Accountants of India, your Company has made additional disclosures in respect of Consolidated Financial Statements.

Personnel

The Industrial relations were cordial during the year under review.

Compliance certificate obtained under Section 383A(1) of the Companies Act, 1956 is enclosed and the same shall form part of this report.

Acknowledgement

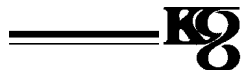
Your Directors place on record their sincere thanks to the Banks for their continued support and also express their appreciation for the co-operation extended by the employees at all levels.

Our prayers to Lord Then Thirumalai Shri Venkatchalapathy, Lord Muruga and Goddess Sri Saradambal for the continued prosperity of the Company.

For and on behalf of the Board

Coimbatore
26.05.2014

(Sd/-) K N V Ramani
Chairman



ANNEXURE I TO THE DIRECTORS' REPORT

Particulars Pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A Conservation of Energy

- a) Energy Conservation measures taken:
Continuous study in the energy conservation aspect is conducted and the corrective measures have taken.
- b) Additional Investments and proposals being implemented for reduction of consumption of energy:
Installation of new energy efficient motors and continuous study on machine heat and machine wise power utilization is reducing energy consumption.
- c) Impact of measures (a) & (b) above for reduction of energy consumption and consequent impact on cost of production:
Energy consumption will be reduced by about 1%.

FORM A

Form for disclosure of particulars with respect to conservation of energy

	Current Year 31.3.2014	Previous Year 31.3.2013
A Power and Fuel Consumption:		
Electricity:		
a) Purchased:		
Units (in lakhs)	323.98	230.42
Total amount (in lakhs)	2249.33	1481.67
Rate per unit	6.94	6.43
b) Own generation:		
i) Through Diesel Generator		
Units (in lakhs)	7.93	27.39
Units per Ltr of fuel	3.16	3.05
Cost/Unit (for fuel only)	15.94	13.00
ii) Through HFO Plant		
Units (in lakhs)	18.51	65.64
Units per Ltr of fuel	4.53	4.03
Cost/Unit (for fuel only)	10.94	10.98
iii) Through Wind Turbine		
Units (in lakhs)	34.25	46.52
B Consumption per unit of production:		
Electricity - Units per kg Yarn	2.33	2.31

Particulars Pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

FORM B

A Research and Development (R & D)

The company is having its own Research and Development department. The Department continues its activities in the field of process control, quality improvement, product development/diversifications and cost reduction resulting in considerable improvement in productivity and quality.

B Technology Absorption

Indigenous technology alone is used.

C Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned

Used	Rs	52.04 lakhs
Earned	Rs	1911.25 lakhs

For and on behalf of the Board

Coimbatore
26.05.2014

(Sd/-) K N V Ramani
Chairman

REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

MANDATORY REQUIREMENTS :

1. Company's Philosophy :

Your Company is committed to building long term share holders' value with full emphasis on Corporate Governance. Your Company believes that all its operations and actions must serve the goal of enhancing overall shareholder value, over a sustained period of time. Company's philosophy envisages transparency, accountability and equitable benefits of highest level in its maximum possible operating fields, interaction with all its related orders including esteemed shareholders, Workmen, Officers, Governments, Banks and other lenders.

2. Board of Directors :

The present strength of the Board is nine Directors, out of which seven Directors are Non-Executive Directors. During the financial year, the board met 4 times and the meetings were held on 30/05/2013, 13/08/2013, 14/11/2013 and 13/02/2014. The Annual General Meeting was held on 11/09/2013. The attendance of each director at the Board Meetings held during his directorship and at the last AGM, as also the number of Directorships in other companies and the membership of other Board Committees are as follows :-

Name of the Director & Designation	No. of Board Meetings held	No. of Board Meeting Attended	Last AGM Attended	Number of Directorship in other Companies	Number of Membership in Board Committees of other Companies		Shareholding
					As Member	As Chairman	
1	2	3	4	5	6	7	8
<u>Executive Directors</u>							
Mr KG Baal Krishnan Managing Director	4	4	✓	8	-		5,07,375
Dr G Bakthavathsalam Managing Director	4	3		5	-		1,51,607
<u>Non-Executive Directors</u>							
Mr G Ramasamy	4	2		39	2		99,333
Mr B Sriramulu	4	3		11	-		1,75,040
Mr B Srihari	4	3	✓	10	1		1,75,368
Mr K N V Ramani *	4	4		8	5	4	1,516
Mr A Velusamy	4	4	✓	8	1		800
Mr R Mahadevan *	4	4		2	-		50
Mr V Arunachalam *	4	4		1	-		-

*Independent Directors

Director retire by rotation

Mr K N V Ramani, Mr B Sriramulu and Mr A Velusamy retire by rotation at the ensuing Annual General Meeting and are eligible for appointment.

Mr B Sriramulu, B.E., M.S., aged 47 years has 23 years experience in trade and industry.

Mr A Velusamy, B.Sc., B.L., aged 57 years is a law graduate and has 37 years experience in textile industry.

In terms of Section 149 of Companies Act, 2013, Independent Directors are now to be appointed on non-rotational basis for a period of five years. The profile of Independent Directors is furnished below.

Mr K N V Ramani, M.A., B.L., aged 82 years is a leading Advocate specialized in Corporate Laws. He has rich experience in Corporate Laws for more than four decades and has been on the Board of several Companies. M/s Ramani & Shankar, firm of Advocates headed by him consists of panel of Advocates specialized in different fields of law.

Mr R Mahadevan aged 54 years, is a Chartered Accountant having rich experience in accounts and taxation.

Mr V Arunachalam aged 52 years, is a Chartered Accountant having rich experience in Capital Market and administration.

3. COMMITTEES OF THE BOARD :

1. Audit Committee

The terms of reference of the Audit Committee include the matters specified in Clause 49 of the Listing Agreement with the Stock Exchange and in Section 292A of the Companies Act, 1956 as follows:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with Management the quarterly, half-yearly and annual financial statements before submission to the Board, focussing primarily on (i) any changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgment by Management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) related party transactions ie., transactions of the Company of material nature, with promoters or with the management, their subsidiaries or relatives etc, that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy and compliance of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

The Committee met four times during the financial year ended 31st March, 2014 on the following dates : 29/05/2013, 13/08/2013, 9/11/2013 & 08/02/2014. The Chairman will be elected at each meeting of the committee.

Composition of the Audit Committee as on 31st March, 2014 and the attendance during the year are as under:

Name of the Director	Position	Category	No. of Meetings held	No. of Meetings Attended
Mr K N V Ramani	Member	Independent, Non-Executive	4	4
Mr R Mahadevan	Member	Independent, Non-Executive	4	4
Mr A Velusamy	Member	Non-Executive	4	4

Majority of the Audit Committee are financially literate with knowledge in finance and accounts.

The head of finance function, head of internal audit and the representative of the Statutory Auditors were invited to be present at the Audit Committee meetings.

The Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 were also invited to attend the Audit Committee Meetings.

2. Remuneration Committee

The Chairman of the Committee is Mr K N V Ramani with Mr R Mahadevan and Mr A Velusamy as members. The remuneration Committee reviews and approves the annual salaries and other employment conditions for executive directors. During the year under review, the Remuneration Committee met once on May 30, 2013 and all the members attended the meeting .

The remuneration policy of the Company is positioned to rewarding Executive Directors taking into consideration the remuneration level prevailing in the industry and the competitive requirement of the business.

The Managing Directors are paid remuneration as approved by the Board and shareholders subject to the provisions of the Companies Act, 1956. The remuneration structure of the Managing Directors is comprised of salary, perquisites, contribution to provident fund, superannuation and gratuity. The non-executive directors do not draw any remuneration from the Company except sitting fees.

For the financial year ended 31.03.2014, the Managing Directors were paid remuneration as under :

Director	Position	Salary (Rs.)	Perquisites (Rs.)
Mr KG Baal Krishnan	Managing Director	6,00,000	1,90,040
Dr G Bakthavathsalam	Managing Director	6,00,000	1,62,000

The details of sitting fees paid to non executive directors for attending the Board and Committee meetings during the financial year ended 31.03.2014 were as follows :

S.No	Name of the Director	Sitting Fees (Rs.)
1.	Mr G Ramasamy	1,000
2.	Mr B Sriramulu	1,500
3.	Mr B Srihari	1,500
4.	Mr K N V Ramani	4,500
5.	Mr A Velusamy	4,500
6.	Mr R Mahadevan	4,500
7.	Mr V Arunachalam	2,000

3. Investors Grievance Committee

The Investors Grievance Committee which comprises of Mr KG Baal Krishnan and Mr A Velusamy as members. The Committee was constituted to redress the grievances of shareholder. During the year under review, the Investors Grievance Committee met once on February 13, 2014 and all the members attended the meeting.

Name of the Compliance Officer: Mr G Krishnakumar, Chief Financial Officer.

No complaint has been received by the Committee during the year under review.

4. General Meetings :

Location and date/time of General Meetings held during the last three years are given below :

Date	Time	Venue
67 th AGM – 11.09.2013	02.30 p.m.	Sri Kannapiran Mills Premises Sowripalayam, Coimbatore 641 028
66 th AGM – 21.08.2012	10.45 a.m.	Sri Kannapiran Mills Premises Sowripalayam, Coimbatore 641 028
65 th AGM – 27.09.2011	10.30 a.m.	Sri Kannapiran Mills Premises Sowripalayam, Coimbatore 641 028

All special resolutions set out in the Notices for the above meetings were passed by the shareholders at the respective meetings with the requisite majority. There were no resolutions passed through Postal Ballot during the financial year ended 31st March, 2014.

5. Disclosures :

a. Disclosure of material transaction

During the financial year ended 31st March, 2014, there was no material, financial or commercial transaction which had potential interest of the senior management personnel or which might have had potential conflict with the interests of the Company.

b. Related party transactions

During the financial year ended 31st March, 2014, there were no transactions of material nature, with the Promoters, Directors and relatives, the management and the Company's subsidiary, that had potential conflict with interest of the Company.

c. Information supplied to the Board

All information, as required under Annexure 1A to Clause 49 of the Listing Agreement, is made available to the Board. The Board is also regularly updated on statutory compliances, as are applicable to the Company.

d. Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management personnel. The Directors and Senior Management Personnel of the Company have affirmed their adherence to the Code.

e. Compliance by the Company

During the last three years, there were no penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

f. Relationship of the Directors

The table below signifies the relationship of the Directors with each other as required to be disclosed in terms of the amendment to Clause 49 of the Listing Agreement dated 8th April, 2008.

Name of the Director	Relationship with each other
Mr KG Baalakrishnan	Brother of Dr G Bakthavathsalam
Dr G Bakthavathsalam	Brother of Mr KG Baalakrishnan
Mr G Ramasamy	Brother of Mr KG Baalakrishnan
Mr B Sriramulu	Son of Mr KG Baalakrishnan
Mr B Srihari	Son of Mr KG Baalakrishnan
Mr K N V Ramani	*
Mr A Velusamy	*
Mr R Mahadevan	*
Mr V Arunachalam	*

*There is no relationship between any of the Directors

6. Means of Communication :

The Quarterly and Half yearly results are published in local dailies such as “Afternoon” and “Pirpagal” and on the website.

7. General Shareholder Information :

1. 68th AGM to be held on : 10-09-2014
 At : 9.30 a.m.
 Venue : Sri Kannapiran Mills Premises
 Sowripalayam
 Coimbatore 641 028
2. Financial Calendar

First Quarter	–	Within 14.08.2014
Second Quarter	–	Within 14.11.2014
Third Quarter	–	Within 14.02.2015
Audited Results for the Financial Year	–	End of May, 2015
3. Dates of Book Closure : 03-09-2014 to 10-09-2014
4. Listing of Equity Shares : Madras Stock Exchange
5. Registered Office : Sowripalayam
Coimbatore 641 028
6. Plant locations : Sowripalayam, Kempnaickenpalayam, Jadayampalayam, Onapalayam and Kalapatti all in Coimbatore District
7. Share Transfer System : Shares are in physical mode only. Share transfer applications are processed in-house and returned to the shareholders within a maximum period of 15 days of receipt of the documents, if found in order. The power to approve transfer of shares has been delegated to the share transfer committee of the Board of Directors.
8. The Company has not issued any GDR's/ADR's warrants or any other convertible instruments.
9. Address for communication : Sri Kannapiran Mills Limited
Sowripalayam
Coimbatore 641 028
10. Web Site : www.kannapiran.co.in

8. Distribution of share holding on 31st March, 2014 :

Category	No. of shareholders	%	No. of Shares	%
Upto 5000	689	81.35	99667	2.71
5001 – 10000	49	5.79	38784	1.05
10001 – 20000	42	4.96	67929	1.85
20001 – 30000	15	1.77	35317	0.96
30001 – 40000	3	0.35	11446	0.31
40001 – 50000	4	0.47	18520	0.50
50001 – 100000	6	0.71	50969	1.38
100001 & above	39	4.60	3360248	91.24
TOTAL	847	100.00	3682880	100.00

9. Share holding pattern as at 31st March, 2014

Category	No. of Shares	%
Indian Promoters	26,49,628	71.94
Bodies Corporate	3,600	0.10
Indian Public	10,29,652	27.96

10. Market Price Data :

Since there was no trading in Madras Stock Exchange, the Market price data has not been furnished.

For and on behalf of the Board of Directors

Coimbatore
26.05.2014

(Sd/-) K N V Ramani
Chairman



Sri Kannapiran Mills Limited

COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2014.

CIN L17111TZ1946PLC000188
Nominal Capital : Rs.9,00,00,000/-.

To

The Members
SRI KANNAPIRAN MILLS LIMITED
Sowripalayam
Coimbatore 641 028.

Sir,

I have examined the registers, records, books and papers of **SRI KANNAPIRAN MILLS LIMITED**, [the Company] as required to be maintained under the Companies Act, 1956, [the Act] and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 [financial year]. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder except as stated in Annexure 'B'.
3. The company, being a public limited company, has a paid up capital of Rs. 3,68,28,800/-.
4. The Board of Directors duly met four times respectively on 30.05.2013, 13.08.2013, 14.11.2013 and 13.02.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 02.09.2013 to 11.09.2013 (both days inclusive) and necessary Compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 11.09.2013 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year ended 31.03.2014.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act during the year.
9. The Company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act/the company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i. The Company has delivered all the certificates on lodgment thereof for transfer / transmission. However there was no allotment during the financial year.
 - ii. The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii. The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - iv. The Company has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to be transferred to Investor Education and Protection Fund.
 - v. Duly complied with the requirements of section 217 of the Act.

Sri Kannapiran Mills Limited

14. The Board of Directors of the company is duly constituted. There was no appointment of Alternate / Additional Directors and Directors to fill casual vacancy during the financial year.
15. The re-appointment of Managing Directors has been made in Compliance with the provisions of section 269 read with schedule XIII to the Act and is valid up to 14.09.2014.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained approval from the Central Government for appointment of Cost Auditor u/s 233 B(2). However the Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities as prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued preference shares/ debentures during the year and hence the question of redemption of preference shares or debentures during the financial year does not arise.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of sec.58A/58AA during the financial year.
24. The amount borrowed by the Company during the financial year ending 31.03.2014 are within the borrowing limits of the Company and that necessary resolution as per Section 293(1)(d) of the Act, have been passed in a duly convened Extraordinary General Meeting held on 14.02.2005 for Rs.300 Crores.
25. The Company has made investments or given guarantees to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. However the Company has not given loans or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution initiated against the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. Since Employees Provident Fund Act 1952 is applicable, Section 418 of the Act is not applicable.

Place : Coimbatore

Date : 26.05.2014

Sd/-

Name of the Company Secretary : **M.R.L.NARASIMHA**

C.P.No. : 799

ANNEXURE 'A'

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2014.
SRI KANNAPIRAN MILLS LIMITED**

CIN : L17111TZ1946PLC000188
Nominal Capital : Rs. 9,00,00,000/-.

Registers as maintained by the Company:

- 1) Register of Members u/s.150.
- 2) Register of Share transfers.
- 3) Register of Directors Share Holding u/s.307.
- 4) Board Meeting Minutes u/s.193.
- 5) Annual General Meeting Minutes u/s.193.
- 6) Register of Contracts in which Directors are interested u/s. 301(3).
- 7) Register of Directors u/s. 303.
- 8) Index of Members u/s.151.
- 9) Register of investments, loans and guarantees u/s 372A.
- 10) Register of renewed or duplicate Share Certificate.
- 11) Remuneration Committee minutes.
- 12) Register of charges and document evidencing creating of charges.

Place : Coimbatore
Date : 26.05.2014

Sd/-
Name of the Company Secretary : **M.R.L.NARASIMHA**
C.P.No. : 799

ANNEXURE 'B'

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2014.
SRI KANNAPIRAN MILLS LIMITED**

CIN : L17111TZ1946PLC000188
Nominal Capital : Rs. 9,00,00,000/-.

Forms and Returns filed by the Company with the Registrar of Companies during the Financial Year Ending 31st March, 2014:

S.No.	Form No. Return	Filed u/s.	For	Date of Filing / SRN.	Whether filed Within prescribed Time	If delay in Filing whether Requisite Additional fees paid.
1.	23	192	Re-appointment of Mr KG Baalakrishnan and Dr G Bakthavathsalam as Managing Directors by the Board of Directors	10.10.2013 B86554524	No	Yes
2.	23AC XBRL, 23ACA XBRL	220	Profit and Loss Account and Balance sheet for year ended 31.03.2013	11.10.2013 Q13284260	Yes	Not Applicable
3.	23	192	Re-appointment of Mr KG Baalakrishnan and Dr G Bakthavathsalam as Managing Directors by the shareholders at Annual General Meeting	10.10.2013 B86550613	Yes	Not Applicable
4.	25C	269(2) Schedule XIII	Return of appointment of Mr KG Baalakrishnan as Managing Director	10.10.2013 B86555562	Yes	Not Applicable
5.	25C	269(2) Schedule XIII	Return of appointment of Dr G Bakthavathsalam as Managing Director	10.10.2013 B86555059	Yes	Not Applicable
6.	20B	159	Annual Return made up to 11.09.2013	07.11.2013 Q22447668	Yes	Not Applicable



Sri Kannapiran Mills Limited

S.No.	Form No. Return	Filed u/s.	For	Date of Filing / SRN.	Whether filed Within prescribed Time	If delay in Filing whether Requisite Additional fees paid.
7.	8	125	Creation of Charges Indian Bank Rs. 2.50 Cr	18.04.2013 B73049934	Yes	Not Applicable
8.	17	138	Satisfaction of Charges State Bank of Travancore Rs1.50 Cr	17.03.2014 B98729486	Yes	Not Applicable
9.	8	125	Creation of Charges Indian Overseas Bank Rs.8.50 Cr	23.04.2013 B73366080	Yes	Not Applicable
10	66	383A(1)	Compliance Certificate for Y.E. 31.03.2013	10.10.2013 Q13006077	Yes	Not Applicable
11	17	138	Satisfaction of charges Indian Bank Rs.70 lakhs	07.09.2013 B83814616	Yes	Not Applicable

CENTRAL GOVERNMENT

S.No.	Form No Return	Filed u/s.	For	Date of Filing / SRN.	Whether filed Within prescribed Time	If delay in Filing whether Requisite Additional fees paid.
1.	23C	233 B(2)	Application to Central Government for appointment of Cost Auditor for Y.E. 31.03.2014	14.06.2013 S21261847	Yes	Not Applicable
2.	1-XBRL	233 B(4) 600(3)(b)	Filing of Cost Audit Report	19.09.2013 S22367353	Yes	Not Applicable

Regional Director & Other Authorities
Nil

Place : Coimbatore

Date : 26.05.2014

Sd/-

Name of the Company Secretary : **M.R.L.NARASIMHA**

C.P.No. : 799



Sri Kannapiran Mills Limited

CFO CERTIFICATE

To the Board of Directors of Sri Kannapiran Mills Limited

I, G Krishnakumar, CFO certify that:

- (a) I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2014, and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that:
 - (i) there has not been any significant changes in internal control over financial reporting during the year under reference;
 - (ii) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) there has not been any instances during the year of significant fraud of which I had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Coimbatore

Date : 26.05.2014

(Sd/-) G Krishnakumar

Chief Financial Officer

AUDITORS' CERTIFICATE

To the Members of **M/s SRI KANNAPIRAN MILLS LIMITED, COIMBATORE**

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by **M/s Sri Kannapiran Mills Limited**, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Madras Stock Exchange Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and on the basis of our examination described above, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

On the basis of Certificate issued by the share transfer agents, we state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the shareholders/ investors grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M S Jagannathan & Visvanathan**

Chartered Accountants

Firm Reg. No. 001209S

(Sd/-) **M J Vijayaraaghavan**

Partner

Place : Coimbatore

Date : 26.05.2014

Membership No.7534



Sri Kannapiran Mills Limited

INDEPENDENT AUDITORS' REPORT

To

The Members of M/s. Sri Kannapiran Mills Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of Sri Kannapiran Mills Limited ('the Company') which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and
 - e. On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **M S Jagannathan & Visvanathan**
Chartered Accountants
Firm Reg. No. 001209S

(Sd/-) **M J Vijayaaraghavan**
Partner
Membership No.7534

Place : Coimbatore
Date : 26.05.2014

Annexure to the Independent Auditor's Report

The Annexure referred to in paragraph 5(1) of our report of even date to the members of M/s. Sri Kannapiran Mills Limited ("the Company") for the year ended 31st March 2014;

- i) a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management. During the year discrepancies noticed on such physical verification were not material and have been properly dealt with in books of Accounts.
 - c) There were no disposal of substantial part of fixed assets during the year and hence the going concern of the Company is not affected.
- ii) a) Physical verification of Inventory has been conducted at reasonable intervals by the Management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company has maintained proper records of inventory and discrepancies noticed on physical verification of inventories as compared to book records were not material and have been appropriately dealt with.
- iii) The Company during the year has neither granted nor taken any loans, secured or unsecured to or from parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence sub clauses b, c & d of clause (iii) are not applicable.
- iv) a) In our opinion and according to the explanation and information given to us there are adequate internal control systems commensurate with the size of the Company and the nature of the business for the purchase of inventory and fixed assets and for the sale of goods.
 - b) During the course of our Audit no major weakness has been noticed in the internal controls.
- v) a) The transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been recorded in the register maintained for the purpose.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Act have been made at prices which are reasonable having regard to the Prevailing Market prices.
- vi) The Company has not accepted any deposits from the public and hence provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptances of deposit rules 1975) are not applicable.
- vii) In our opinion, the Company's present internal audit system is commensurate with its size and nature of business.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and records examined by us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax Wealth tax, Service tax and any other statutory dues with the appropriate authorities.

Sri Kannapiran Mills Limited

- b) According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March 2014 for a period of more than Six months from the date they became payable.
- c) The disputed statutory dues are as under:

Year	Nature	Dispute pending with	Amount (Rs.)
2000-2003	Additional Excise Duty	Customs, Excise and Service Tax Appellate Tribunal, Chennai	1,07,82,102/-

- x) The Company does not have any accumulated losses as at 31st March 2014. The Company has not incurred cash losses either during the financial year covered by our audit or in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of dues to any of the banks.
- xii) During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, clause 4 (xiii) of the Companies (Auditors Report) order 2003 is not applicable to the Company.
- xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing or trading in Shares, Securities, debentures and other Investments.
- xv) In our opinion and according to the information and explanation given to us, the company, during the year has not given any guarantee to its Associates for loans taken from banks but in respect of guarantee given in the earlier year the balance outstanding as on the date of balance sheet is Rs.928 lakhs.
- xvi) In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we report that funds raised on short time basis to the extent of Rs. 518.72 lakhs have been used for long term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) The company has not issued any debentures during the financial year and hence creation of security in respect of debentures does not arise.
- xx) The company has not raised any money through a public issue during the year.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For M S Jagannathan & Visvanathan
 Chartered Accountants
 Firm Regd. No. 001209S

(Sd/-) M J Vijayaraghavan
 Partner
 Membership No.7534

Place: Coimbatore
 Date : 26.05.2014

Sri Kannapiran Mills Limited

Balance Sheet as at 31st March, 2014

(Rs. in Lakhs)

Particulars	Note No.	31-03-2014	31-03-2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	3 68.30	3 68.30
Reserves and surplus	3	25 76.59	25 28.30
Non-current liabilities			
Long Term Borrowings	4	32 52.84	41 28.13
Deferred tax liabilities (Net)	5	3 40.54	3 44.28
Other Long term liabilities	6	-	10.64
Long Term provisions	7	1 79.77	1 49.40
Current liabilities			
Short Term Borrowings	8	26 79.91	20 72.61
Trade payables	9	29 97.08	22 11.29
Other current liabilities	10	15 35.41	12 78.18
Short-term provisions	11	24.96	43.55
TOTAL		139 55.40	131 34.68
ASSETS			
Non-current assets			
Fixed assets	12		
(i) Tangible assets		63 07.37	64 84.72
(ii) Intangible assets		0.35	0.45
(iii) Capital work-in-progress		61.71	0.00
TOTAL		63 69.43	64 85.17
Non-current investments	13	7 42.88	7 66.07
Long-term loans and advances	14	2 85.66	2 71.99
Other Non current assets	15	68.06	12.55
Current assets			
Inventories	16	20 48.01	20 82 21
Trade receivables	17	30 48.08	22 43.99
Cash and cash equivalents	18	2 68.06	2 55.43
Short-term loans and advances	19	7 92.59	6 75.65
Other current assets	20	3 32.63	3 41.61
TOTAL		139 55.40	131 34.68
Significant Accounting Policies	1		
Additional information to Financial statement	28		

See accompanying notes to the financial statements

In terms of our Report of even date

For **M S Jagannathan & Visvanathan**

Firm Regd. No. 001209S

Chartered Accountants

(Sd/-) **A Velusamy**
Director

(Sd/-) **KG Baal Krishnan**
Managing Director

(Sd/-) **M J Vijayaraghavan**

Coimbatore
26th May, 2014

Partner
Membership No. 7534

Sri Kannapiran Mills Limited

Statement of Profit and Loss for the year ended 31st March, 2014 (Rs. in Lakhs)

Particulars	Note No.	31-03-2014	31-03-2013
REVENUE			
Revenue from operations	21	175 10.93	155 68.41
Other income	22	1 47.09	1 35.61
Total Revenue		176 58.03	157 04.02
EXPENSES			
Cost of materials consumed	23	81 62.21	72 90.77
Purchases of stock in trade		6 09.67	5 10.69
Changes in inventories of finished goods and work-in-progress and Stock-in-Trade	24	-2 32.73	-3 37.24
Power & Fuel		25 09.66	26 00.26
Employee benefits expense	25	25 30.86	23 08.11
Finance costs	26	10 76.92	10 42.60
Depreciation		6 28.19	6 15.16
Other expenses	27	23 28.52	22 15.34
Total Expenses		176 13.29	162 45.69
Profit / (loss) before tax		44.73	-5 41.67
Tax expense:			
Deferred tax (Asset) / Liability (Net)		-3.74	-1 34.53
Prior year taxes		0.18	--
Profit / (loss) after tax		48.29	-4 07.14
Earnings per equity share			
Basic and Diluted Earnings per share (in Rs.) (Face value Rs. 10/- per share)		1.31	(11.05)

Significant Accounting Policies	1
Additional Information to Financial statements	28

See accompanying notes to the financial statements

In terms of our Report of even date
 For **M S Jagannathan & Visvanathan**
 Firm Regd. No. 001209S
 Chartered Accountants

(Sd/-) A Velusamy
 Director

(Sd/-) KG Baal Krishnan
 Managing Director

(Sd/-) M J Vijayaraghavan

Coimbatore
26th May, 2014

Partner
 Membership No. 7534

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014 31.3.2013

A. Cash flow from operating activities:		
Net profit before tax	44.73	-541.66
Adjustments for:		
Depreciation	628.19	615.16
Profit on Sale of Assets	-20.85	10.42
Interest Income	-29.75	-38.92
Dividend Income	-23.69	-23.28
Interest Paid	1054.37	1011.95
Operating profit before working capital changes	1653.00	1033.67
(Increase) / Decrease in Trade and other receivables	-886.80	186.66
(Increase) / Decrease in Inventories	34.20	-213.81
(Increase) / Decrease in Trade and other payables	821.82	-661.89
Cash generated from operations	1622.21	344.63
Direct taxes paid	-96.72	-67.87
Net cash from operating activities	1525.50	276.76
B. Cash flow from investing activities:		
Purchase of Fixed assets	-551.59	-427.59
Proceeds from Sale of fixed assets	59.98	15.84
Sale of Investments	23.19	289.19
Interest Received	31.87	37.14
Dividend Received	23.69	23.28
Net cash used in investing activities	-412.85	-62.14
C. Cash flow from financing activities :		
Long term borrowings received	233.78	1778.70
Long term borrowings repaid	-886.72	-788.41
Short term borrowings	607.29	-162.85
Interest paid	-1054.37	-1015.28
Net cash used in financing activities	-1100.01	-187.84
Net increase in cash and cash equivalents	12.63	26.78
Cash and cash equivalents at beginning of the period	255.43	228.64
Cash and cash equivalents at end of the period	268.06	255.43
Components of Cash and cash equivalents as at 31st March		
Cash and cheques on hand	28.99	31.16
In Current Account	66.93	55.40
In Deposit Account	172.14	168.87
	268.06	255.43

See accompanying notes to the financial statements

In terms of our Report of even date

For **M S Jagannathan & Visvanathan**

Firm Regd. No. 001209S

Chartered Accountants

(Sd/-) **A Velusamy**
Director

(Sd/-) **KG Baal Krishnan**
Managing Director

(Sd/-) **M J Vijayaraghavan**

Coimbatore
26th May, 2014

Partner
Membership No. 7534

1. Significant Accounting Policies

(In the order of applicability of Accounting Standards)

AS-1 DISCLOSURE AND BASIS OF ACCOUNTING

- a) The Financial Statements have been prepared under the Historical cost convention in accordance with the provisions of the Companies Act, 1956. The Company has complied with the Accounting Standards prescribed in the companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.
- b) The Company has been consistently following the accrual basis of accounting in respect of its Income and Expenditure.
- c) The Accounts are prepared on the basis of Going Concern concept only.

AS-2 VALUATION OF INVENTORIES

Inventories are valued at lower of cost and net realizable value, where

- a) Cost of raw materials is determined on specific identification method
- b) Stock of stores, spares and packing materials is determined on weighted average method.
- c) Finished goods and work in progress is determined under FIFO method where cost includes conversion and other costs incurred in bringing the inventories to their present location and condition.

AS-3 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, where by the profit before tax is adjusted for the effect of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and Cash equivalent include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are not available for you by the company.

AS-6 DEPRECIATION ACCOUNTING

Depreciation on Fixed Assets has been provided as per Schedule XIV of the Companies Act, 1956 adopting the methods as under. Depreciation on the assets capitalized on account of foreign exchange fluctuation is provided prospectively over the residual life of the assets.

- | | | |
|--|---|----------------------|
| a) Assets acquired before 01.07.1986 Other than those referred to in (b) & (c) | - | Written Down Value |
| b) Plant, Machinery and Electrical Machinery acquired between 1.1.1979 To 30.06.1986 | - | Straight Line Method |
| c) All assets at the mills at Kempanaickenpalayam acquired Between 1.07.1985 to 30.06.1986 | - | Straight Line Method |
| d) All assets acquired after 30.06.1986 | - | Straight Line Method |
| e) Plant and Machinery is considered as continuous process plant from 01.04.2010 onwards | - | Straight Line Method |

AS-9 REVENUE RECOGNITION

- a) Revenue from sale transactions is recognised as and when the property in the goods sold is transferred to the buyer for a definite consideration. Revenue from service transactions are recognised on the completion of the contract at the contracted rate and when there is no uncertainty regarding the amount of consideration or collectability.
- b) Direct Sales as reported are net of Sales Tax.
- c) Proceeds of export sales of yarn are accounted on the basis of credit given by our bankers.
- d) Export incentives under DEPB licence and premium on transfer of Export incentives are accounted on accrual basis.
- e) Dividend income from investments is accounted in the year in which it is actually received.
- f) Revenue from Carbon credits are recognized based on issuance of CER certificate by UNFCEC
- g) Other incomes are accounted on accrual basis.

AS-10 ACCOUNTING FOR FIXED ASSETS

The cost of fixed assets is shown at historical cost less accumulated depreciation.

AS-11 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are recognized as income or expense in the profit and loss account. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates.

The premium or discount arising at the inception of forward exchange contracts is accounted as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense in the period in which they arise.

AS-13 ACCOUNTING FOR INVESTMENTS

Long term investments are stated at cost. A provision for diminution, if any, is made to recognise a decline, other than temporary, in the value of long term investments.

AS-15 EMPLOYEE BENEFITS

- a) Short term employee benefits (other than termination benefits) which are payable within 12 months after the end of the period in which the employees render service are accounted on accrual basis.
- b) **Defined Contribution Plans**
Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund and ESIC are recognized in the profit and loss account.
- c) **Defined Benefit Plans**
Company's liabilities towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits becomes vested. Actuarial gains or losses are recognized immediately in the statement of profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate

AS-16 BORROWING COSTS

Borrowing Costs that are attributable to the acquisition of construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

AS-19 LEASES

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

AS-20 EARNING PER SHARE

The earning considered in ascertaining the Company's earnings per share comprises of Net Profit after tax and includes post tax adjustments of prior period and extra-ordinary items.

AS-22 ACCOUNTING FOR TAXES ON INCOME

Deferred tax resulting from timing differences between book and tax profits is accounted under liability method at enacted or substantively enacted rate as on the balance sheet date. Deferred tax asset, other than those arising on account of unabsorbed depreciation or carried forward of losses under tax loss, are recognised and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Deferred tax asset, arising on account of unabsorbed depreciation or carried forward of losses under tax loss, are recognised and carried forward subject to consideration of prudence only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Current tax is determined at the amount of tax payable in respect of estimated taxable income for the year.

AS-26 INTANGIBLE ASSETS

Software is being amortised over a period of 1-3 years depending on the licenses of the respective software.

AS-28 IMPAIRMENT OF ASSETS

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired.

AS-29 PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

- a) Provisions involving degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources.
- b) Contingent liabilities in respect of show cause notice received are considered only when they are converted to demands. Contingent liabilities are disclosed by way of notes to accounts.
- c) Contingent liability under various fiscal laws includes those in respect of which the company/department is in appeal.

OTHERS

SUNDRY DEBTORS AND ADVANCES

Specific debts and advances identified as irrecoverable are written off.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the estimates is recognized prospectively.

Notes forming part of financial statements

(Rs. in Lakhs)

	Numbers 31-03-2014	Numbers 31-03-2013	Amount 31-03-2014	Amount 31-03-2013
2. SHARE CAPITAL				
Number and amount of Equity shares authorized	6000000	6000000	600	600
Number and amount of pref. shares authorized	300000	300000	300	300
Number and amount of Equity shares issued	3709575	3709575	370.96	370.96
Number of Equity shares subscribed and fully paid up	3682880	3682880	368.29	368.29
Add: Forfeited Shares	100	100	0.01	0.01
			368.30	368.30
Par value per Equity share (In Rs.)			10.00	10.00
Reconciliation of number of shares				
Number of Equity shares at the beginning	3682980	3682980		
Less : Adjustments during the year	0	0		
Number of Equity shares at the end of the reporting period	3682980	3682980		
Shareholders holding more than 5 percent Equity shares				
	No of Shares	No of Shares		
Mr KG Baalakrishnan	507375	507375		
Mrs B Sathyabama	280742	280742		
Crocodile India Private Limited	500000	500000		
Terms & Conditions of equity shares :				
The Company has only one class of equity shares having a par value of Rs.10 per share. Each Share holder is eligible for one vote per share				
In the event of liquidation the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding				
There are no shares allotted as fully paid without payments being received in cash, bonus shares or shares bought back				
3. RESERVES AND SURPLUS				
			31.3.2014	31.3.2013
General Reserve				
As per last Balance Sheet			38 24.41	38 24.41
Closing balance			38 24.41	38 24.41
Surplus				
As per last Balance Sheet			-12 96.11	-8 88.98
Add: Transfer from Profit & Loss statement			48.29	-4 07.13
Closing balance			-12 47.82	-12 96.11
Reserves and Surplus			25 76.59	25 28.30
NON CURRENT LIABILITIES				
4. LONG TERM BORROWINGS				
Secured				
Term Loans from Banks			27 01.56	36 01.83
Long Term maturities of Finance lease obligations			33.46	8.48
Unsecured				
Trade Deposits - Unsecured			5.57	5.57
Loans and advances from related parties-Deposits from Director-unsecured			12.25	12.25
Inter Corporate Deposits			5 00.00	5 00.00
TOTAL			32 52.84	41 28.13

Notes forming part of financial statements

There is no case of default as on the balance sheet date in repayment of loans and interest

Term loans from Indian Bank (IB), State Bank of Travancore (SBT), The South Indian Bank Limited (SIB), State Bank of India (SBI) and Indian Overseas Bank (IOB) are secured by first pari passu charge on (a) all immovable properties and (b) all plant and machineries including machineries and other movable fixed assets (excluding vehicles charged to financiers).

South Indian Bank has lien on the shares of face value of Rs.200 lakhs (2000000 shares of Rs.10 each) held by the Company as investment in KG Denim Limited to secure the Term loan and working capital limits of the Company

The term loans from IB, SBT, SIB and SBI are also guaranteed by Mr K G Baalakrishnan, Managing Director, Mr B Sriramulu and Mr B Srihari Directors. The term loan from IOB is also guaranteed by Mr K G Baalakrishnan, Managing Director.

Name of the bank	Outstanding Amount	No of Instalment	Interest %	Periodicity
Indian Bank	33.70	20	12.70	Monthly
	85.46	30	12.70	Monthly
	292.20	33	12.70	Monthly
	618.64	42	12.70	Monthly
	133.98	57	13.20	Monthly
	87.33	57	13.20	Monthly
	62.50	60	13.70	Monthly
	140.58	60	13.70	Monthly
	308.63	55	13.70	Monthly
	76.40	6	13.70	Monthly
56.00	60	13.00	Monthly	
State Bank of Travancore	34.21	13	13.75	Monthly
	129.20	21	13.75	Monthly
	153.81	36	13.75	Monthly
	200.20	60	14.25	Monthly
The South Indian Bank Limited	66.56	36	14.00	Monthly
	174.57	45	14.00	Monthly
	135.00	60	14.00	Monthly
State Bank of India	136.87	11	14.25	Quarterly
Indian Overseas Bank	838.66	47	14.25	Monthly

5. DEFERRED TAX LIABILITIES	31.3.2014	31.3.2013
Deferred Tax Asset:		
On account of Unabsorbed Depreciation	4 97.33	3 59.83
On account of Business Losses	0.54	1 65.27
Provision for Gratuity	62.11	55.32
	<u>5 59.98</u>	<u>5 80.43</u>
Deferred Tax Liability:		
On account of Depreciation	9 00.52	9 24.70
	<u>9 00.52</u>	<u>9 24.70</u>
Net Deferred Tax Liabilities	<u>3 40.54</u>	<u>3 44.28</u>
6. OTHER LONG TERM LIABILITIES		
Others	---	10.64
	<u>---</u>	<u>10.64</u>
7. LONG TERM PROVISIONS		
Provision for Gratuity(unfunded)	1 79.77	1 49.40
	<u>1 79.77</u>	<u>1 49.40</u>

Notes forming part of financial statements

Current liabilities

8. SHORT TERM BORROWINGS

Loans and advances repayable on demand
from banks - Secured

	26 79.91	20 72.61
	26 79.91	20 72.61

There is no case of default as on the balance sheet date in repayment of loans and interest

Working capital facilities from Indian Bank consortium (Indian Bank, State Bank of Travancore and The South Indian Bank limited) are secured by pari passu first charge on the entire current assets of the company and pari passu second charge on all the immovable properties and plant and machineries (excluding vehicles charged to financiers). The entire working capital is also guaranteed by Mr K G Baalakrishnan, Managing Director, Mr B Sriramulu and Mr B Srihari, Directors.

9. TRADE PAYABLES

Due to Micro, Small & Medium Enterprises
Other Trade Payables

	Nil	Nil
	29 97.08	22 11.29
	29 97.08	22 11.29

10. OTHER CURRENT LIABILITIES

Current maturities of long term debt - Secured - Refer Note No:4
Current maturities of finance lease obligations -
 Secured - Refer Note No. 4
Interest accrued and due on borrowings
 Advances from Customers
Other Payables

	10 62.95	8 64.52
	30.89	6.97
	42.33	38.28
	9.98	34.53
	3 89.26	3 33.87
	15 35.41	12 78.18

11. SHORT-TERM PROVISIONS

Provision for Gratuity
Provision for wealth tax

	21.26	40.05
	3.70	3.50
	24.96	43.55

12. FIXED ASSETS

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 01.04.2013	Additions during the year	Sales during the year	As at 31.03.2014	Up to 31.03.2013	For the Year	Withdrawn for the Year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
1. Land	73.23	12.26	-	85.49	-	-	-	-	85.49	73.23
2. Building	21 82.25	6.74	-	21 88.98	7 28.78	65.18	-	7 93.96	13 95.03	14 53.47
3. Machinery	1 14 01.53	2 41.81	1 45.13	1 14 98.20	73 19.95	4 55.95	1 35.56	76 40.34	38 57.87	40 81.58
4. Elec. Machinery	13 79.58	1 37.83	32.81	14 84.59	7 03.80	80.23	8.17	7 75.87	7 08.72	6 75.78
5. Furniture & Fixtures	3 62.26	1.76	-	3 64.02	3 00.65	18.71	-	3 19.37	44.65	61.61
6. Office Equipment	5.97	3.39	-	9.37	0.81	0.36	-	1.18	8.19	5.16
7. Motor Vehicles	1 83.93	86.10	20.93	2 49.10	50.04	7.65	16.00	41.69	2 07.42	1 33.89
Intangible Assets										
8. Software	7.12	-	-	7.12	6.67	0.10	-	6.76	0.35	0.45
TOTAL	1 55 95.86	4 89.88	1 98.87	1 58 86.88	91 10.70	6 28.19	1 59.74	95 79.15	63 07.72	64 85.16
Capital work in progress									61.71	
TOTAL	1 55 95.86	4 89.88	1 98.87	1 58 86.88	91 10.70	6 28.19	1 59.74	95 79.15	63 69.43	64 85.16
Previous Year	1 52 85.26	4 27.64	1 16.99	1 55 95.87	85 86.27	6 15.18	90.73	91 10.70	64 85.16	66 98.99

Note: Office furniture Cost includes Rs.78,39,677 towards cost of Jewels, Golden Chariot, Thoobasthambam of Prayer Hall Then Thirumalai

Notes forming part of financial statements

Non-Current Investments

				(Rs. in lakhs)	
13. INVESTMENTS IN EQUITY INSTRUMENTS (At Cost)	31.03.2014	31.03.2013	31.03.2014	31.03.2013	
Non Trade- Quoted-Fully paid up	Face value	Nos.	Nos.	Amount	Amount
Rajshree Sugars and Chemicals Ltd.	10	5,000	5,000	0.50	0.50
IDBI Bank Limited	10	14,240	14,240	11.57	11.57
Indian Bank	10	1,000	1,000	0.91	0.91
Trade Investments - Quoted - Associates					
K G Denim Limited	10	3,065,183	3,065,183	4 23.85	4 23.85
Trade Investments - Un quoted - Associates					
K G Fabriks Limited	10	2,825,575	2,825,575	2 82.56	2 82.56
Sri Balamurugan Textile Processing Ltd	10	135,025	135,025	13.50	13.50
Trade Investments - Unquoted					
Gayathri Sustainable Energies India P Ltd	10	1,900	18,200	0.19	1.82
Windage Power Company P Ltd	10	6,268	56,000	0.63	5.60
TVH Energy Resources P Ltd	10	-	65,000	-	6.50
TCW Renewable Energy (India) Pvt Ltd	10	-	117,971	-	10.64
iEnergy Wind farms (Theni) Private Limited	10	4,005	4,005	0.40	0.40
ARS Metal Pvt. Ltd.	10	200	-	0.55	-
Non Trade Investments - Unquoted					
National Saving Certificate				0.25	0.25
Kannapiran Mills Employee's Co-op. Stores Limited				0.04	0.04
Investment in Partnership firm					
M/s. K G House (Madras)				7.94	7.94
				7 42.88	7 66.07
Aggregate Value of quoted investments					
Cost				4 36.83	4 36.83
Market value				4 47.06	4 40.27
Aggregate amount of unquoted investments				2 98.11	3 21.30
14. LONG-TERM LOANS AND ADVANCES					
(Unsecured, considered good)					
Security Deposits				1 72.60	1 58.93
MAT Credit Entitlement				88.06	88.06
Others				25.00	25.00
TOTAL				2 85.66	2 71.99
15. OTHER NON CURRENT ASSETS					
Long Term Trade Receivables				49.93	5.87
Others					
TUF Subsidy Receivable				18.13	6.68
				68.06	12.55
16. INVENTORIES (At lower of cost or net realisable value)					
Raw materials				1 94.70	4 93.33
Work-in-progress				1 35.92	1 33.91
Finished goods				14 79.56	12 48.84
Stores and spares				2 37.83	2 06.13
TOTAL				20 48.01	20 82.21

Notes forming part of financial statements

(Rs. in Lakhs)

	31.3.2014	31.3.2013
17. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the due date	2 10.32	51.37
Others	28 37.76	21 92.62
TOTAL	30 48.08	22 43.99
18. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
In Current Account	66.93	55.40
Cash on hand	28.99	31.16
Other Bank Balances		
Deposits held as margin money	1 72.14	1 68.87
TOTAL	2 68.06	2 55.43
19. Short-term loans and advances		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind, or for value to be received	5 05.39	4 29.44
Security Deposit	-	65.06
Prepaid expenses	55.10	45.58
Advance taxes (Net of Provisions therefor)	2 32.10	1 35.56
TOTAL	7 92.59	6 75.65
20. OTHER CURRENT ASSETS		
Interest accrued on Bank Deposits	1.59	3.71
Income Receivable		
TUF Subsidy Receivable	1 07.69	87.36
DEPB & Duty draw back receivable	37.39	40.17
Conversion Charges Receivable	1 85.96	1 81.88
Wind Charges Receivable	-	2.75
Carbon Credit Receivable	-	25.74
TOTAL	3 32.63	3 41.61
21. Revenue from operations		
a) Sale of products		
Yarn	120 50.45	110 67.76
Glove	4 82.79	5 23.18
Fabric	67.69	67.55
Waste	41.05	72.69
Sub Total	126 41.98	117 31.17
b) Sale of services		
Conversion Charges	48 34.42	37 57.62
Sub Total	48 34.42	37 57.62
c) Other operating revenues:		
Export Incentives	34.53	79.61
Sub Total	34.53	79.61
TOTAL	175 10.93	155 68.41

Notes forming part of financial statements

(Rs. in Lakhs)

	31.3.2014	31.3.2013
22. Other income		
Interest Income	29.75	38.92
Dividend Income	23.69	23.28
Profit on sale of assets	20.85	0.00
Miscellaneous receipts	72.80	47.68
Carbon credit	-	25.74
TOTAL	1 47.09	1 35.61
23. Cost of materials consumed		
Opening Stock		
Raw material - Cotton & Waste Cotton	4 91.34	5 70.99
Waste - Cotton	1.99	1.93
Add : Purchases - Cotton & Waste Cotton	78 63.58	72 11.18
	83 56.91	77 84.10
Less : Sales	.00	.00
Less: Closing Stock		
Raw material - Cotton & Waste Cotton	1 93.11	4 91.34
Waste - Cotton	1.59	1.99
TOTAL	81 62.21	72 90.77
24. Changes in inventory of Finished Goods and WIP		
Opening Stock		
Finished Goods - Yarn	10 34.17	8 69.85
Finished Goods - Glove	2 14.67	31.02
Work in Process	1 33.91	1 44.64
SUB TOTAL	13 82.75	10 45.51
Closing Stock		
Finished Goods - Yarn	14 47.61	10 34.17
Finished Goods - Glove	31.95	2 14.67
Work in Process	1 35.92	1 33.91
SUB TOTAL	16 15.48	13 82.75
Stock (Increase) / Decrease	232.73	3 37.24
25. EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	21 88.78	20 17.36
Contribution to provident and other funds	94.30	1 09.28
Welfare expenses	2 32.26	1 65.77
MD Remuneration	15.52	15.70
TOTAL	25 30.86	23 08.11

Notes forming part of financial statements

(Rs. in Lakhs)

	31.3.2014	31.3.2013
26. FINANCE COST		
Interest expenses	10 54.37	10 11.95
Bank charges	22.55	30.65
TOTAL	10 76.92	10 42.60
27. OTHER EXPENSES		
Consumption of stores and spare parts	25.62	12.65
Consumption of packing materials	2 51.71	2 35.87
Repairs to buildings	69.14	63.56
Repairs to machinery	8 50.81	7 35.41
Insurance	42.98	43.54
Rates and taxes, excluding, taxes on income	33.70	43.35
Accountancy and legal charges	15.46	10.75
Filling Fees	0.08	0.27
Brokerage & Commission	1 29.67	1 12.46
Selling Expenses	18.00	24.96
Carriage Outwards	1 63.28	1 64.75
Lease Rent	13.12	16.66
Auditors Remuneration	2.45	2.72
Sitting Fees	0.20	0.27
Processing Charges	4 46.42	5 01.29
Foreign exchange fluctuation loss	5.59	0.84
Loss on Sale of Assets	-	10.42
Prayer Hall Expenses	25.18	20.66
Miscellaneous expenses	2 35.11	2 14.93
TOTAL	23 28.52	22 15.34

28. Additional Information to Financial Statement

1. Estimated amount of contracts remaining to be executed on capital accounts not provided for as on 31.3.2014 is Rs.15 lakhs (31.3.2013 : Rs.20 lakhs).
2. Future Hire Purchase charges payable as on 31.3.2014 is Rs.9.14 lakhs. (Previous year 5.14 lakhs)
3. Income-tax Assessment for the Assessment years 2012-13 and onwards is pending.
4. Vehicle Loans from ICICI Bank Limited and Kotak Mahindra Prime Limited are secured by way of hypothecation of respective vehicles.

5.	a) Value of imports – CIF basis	31.3.2014	31.03.2013 (Rs. lakhs)		
	i) Raw materials	-		-	
	ii) Spares and components	48.64		66.71	
	iii) Capital goods	-		100.55	
	b) Consumption	Imported	Indigenous	Imported	Indigenous
	i) Raw materials Value (Rs lakhs)	-	8162.21	-	7290.77
	As a % of total raw material consumption	-	100%	-	100%
	ii) Spares and components (Rs lakhs)	58.39	818.04	154.63	593.43
	As a % of total Repairs and Maintenance	6.66%	93.34%	20.67%	79.33%
6.	i) Expenditure in Foreign Currency	Rs Lakhs	Rs Lakhs		
	Travelling Expenses	3.40	2.00		
	ii) Earnings in Foreign Currency on Export of Goods - FOB Basis Direct Export	1911.24	1957.84		
	iii) Export through Merchant Exporters	218.30	348.34		
7.	Auditors' remuneration	31.03.2014	31.03.2013		
	Audit Fees	1.40	1.40		
	Income-tax representation fees	0.17	0.15		
	Tax Audit Fees	0.34	0.34		
	Certification Fees	0.44	0.73		
	Travelling Expenses	0.10	0.10		
		2.45	2.72		

8. 6 Years National Savings Certificate of Rs 100/- has not been reflected in the Balance Sheet under the heading investments due to rounding off.
9. Particulars regarding investment in the capital of the partnership firm.

Name of the Firm:- K G House (Madras)

Total Capital of the Firm Rs 16,18,400/-

Name of the Partner	Capital contribution	Share ratio
The Kadri Mills (Cbe) Ltd	Rs 7,93,800/-	49.0 %
Sri Kannapiran Mills Ltd	Rs 7,93,800/-	49.0 %
Sri Palanivel Murugan Co	Rs 7,700/-	0.5 %
Mr K Govindaswamy Naidu (deceased)	Rs 7,700/-	0.5 %
Mrs G Rukmani Ammal (deceased)	Rs 7,700/-	0.5 %
Mrs G Seethalakshmi Ammal (deceased)	Rs 7,700/-	0.5 %

10. Rs.5,58,948/- on account of increase in foreign currency exchange loss relating to purchase of spares and restatement of parties, is debited in Profit and Loss account.
11. Provision towards Excise Duty does not arise as the company has opted for Zero Duty.
12. Balance of certain Creditors, Debtors, Loans and Advances given are subject to confirmation and reconciliation, if any. However in the opinion of management, there would not be any material impact on financial statements.
13. The segmental reporting as required under AS-17 is not applicable as the Company operates in only one segment, i.e. Textile.

14. AS 15 Employee Benefits

I. Principal Actuarial Assumptions	31.03.2014	31.03.2013
Discount Rate	8.00%	8.00%
Salary Escalation Rate	4.00%	4.00%
Attrition Rate	4.00%	4.00%
Expected Rate of Return on Plan Assets	0.00%	0.00%
	(Rs. in lakhs)	(Rs. in lakhs)
II. Changes in the present value of the obligation (PVO) - Reconciliation of Opening and Closing Balances	Gratuity (Unfunded)	Gratuity (Unfunded)
PVO as at the beginning of the period	189.45	170.14
Interest Cost	14.31	13.19
Current Service Cost	15.84	13.03
Past Service Cost - (Non Vested Benefits)	0	0
Past Service Cost - (Vested Benefits)	0	0
Benefits Paid	-20.95	-10.60
Actuarial loss / (gain) on obligation (balancing figure)	-2.38	-3.69
PVO as at the end of the period	201.03	189.45
III. Changes in the fair value of plan assets - Reconciliation of opening and closing balances		
Fair value of the plan assets as at the beginning of the period	0	0
Expected return on plan assets	0	0
Contributions	20.95	10.60
Benefits paid	(20.95)	(10.60)
Actuarial gain / (loss) on plan assets (balancing figure)	0	0
Fair value of plan assets as at the end of the period	0	0

IV. Actual return on plan assets

Expected return on plan assets	0	0
Actuarial gain / (loss) on plan assets	0	0

V. Actuarial gain / loss recognised

Actuarial gain / (loss) for the period - Obligation	-2.37	-3.69
Actuarial gain / (loss) on plan assets	0	0
Total gain / (Loss) for the period	-2.37	-3.69
Actuarial gain / (loss) recognised in the period	-2.37	-3.69
Unrecognised actuarial (gain) / loss at the end of the year	0	0

VI. Amounts recognised in the balance sheet and related analyses

Present value of the obligation	201.03	189.45
Fair value of plan assets	0	0
Difference	201.03	189.45
Unrecognised transitional liability	0	0
Unrecognised past service cost - non vested benefits	0	0
Liability recognised in the balance sheet	201.03	189.45

VII. Expenses recognised in the statement of profit and loss

Current service cost	15.83	13.03
Interest Cost	14.31	13.19
Expected return on plan assets	0	0
Net actuarial (gain)/loss recognised in the year	2.38	3.69
Transitional Liability recognised in the year	0	0
Past service cost - non-vested benefits	0	0
Past service cost - vested benefits	0	0
Expenses recognised in the statement of profit and loss	32.53	29.91

VIII. Movements in the liability recognised in the balance sheet

Opening net liability	189.44	170.14
Expense as above	32.53	29.91
Contribution paid	(20.95)	(10.60)
Closing net liability	201.03	189.45

IX. Amount for the current period

Present Value of obligation	201.03	189.45
Plan assets	0	0
Surplus (Deficit)	(201.03)	(189.45)
Experience adjustments on plan liabilities - (loss) / gain	(19.66)	(3.69)
Experience adjustments on plan assets - (loss) / gain	0	0

Note:

- i. The salary escalation considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- ii. Gratuity is based on last drawn basis salary. The scheme takes into account each completed year of service or part there of in excess of six months.

15. AS-18 RELATED PARTY DISCLOSURES :

Names of related parties :

1. Associates :
 - a. K G Denim Limited
 - b. KG Fabriks Limited
 - c. Sri Balamurugan Textile Processing Limited
2. Key Management Personnel :
 - a. Mr KG Baal Krishnan, MD
 - b. Dr G Bakthavathsalam, MD
3. Relatives of Key Management Personnel :
 - a. Mr G Ramasamy
 - b. Mr B Sriramulu
 - c. Mr B Srihari
 - d. Mrs B Sathyabama

(Rs. In Lakhs)

Particulars	Associates		Key Management Personnel		Relatives of Key Management Personnel	
	2014	2013	2014	2013	2014	2013
Purchase of Goods						
- KG Fabriks Limited	4.96	53.30	-	-	-	-
- K G Denim Limited	59.14	60.67	-	-	-	-
- Sri Balamurugan Textile Processing Limited	5.12	1.00	-	-	-	-
Sale of Goods						
- KG Fabriks Limited	9.15	9.83	-	-	-	-
- K G Denim Limited	6.21	1.60	-	-	-	-
- Sri Balamurugan Textile Processing Limited	3.58	0.98	-	-	-	-
Purchase of Fixed Assets						
- KG Fabriks Limited	-	-	-	-	-	-
Rendering of Services - Conversion charges (Receipt)						
- KG Fabriks Limited	2138.93	1961.91	-	-	-	-
- K G Denim Limited	2555.64	1715.86	-	-	-	-
Rendering of Services - Others (Receipt)						
- Sri Balamurugan Textile Processing Limited	0.38	1.12	-	-	-	-
- KG Fabriks Limited	-	1.00	-	-	-	-
Rendering of Services - Conversion charges (paid)						
- Sri Balamurugan Textile Processing Limited	171.00	264.34	-	-	-	-
- KG Fabriks Limited	-	0.12	-	-	-	-
Managerial Remuneration						
- KG Baalakrishnan	-	-	8.08	8.08	-	-
- Dr G Bakthavathsalam	-	-	7.62	7.62	-	-
Sitting Fees	-	-	-	-	0.07	0.07
Lease Rent						
- K G Denim Limited	0.64	3.84	-	-	-	-
- Mrs B Sathyabama	-	-	-	-	11.99	11.99
Unsecured Loan paid						
- B Srihari	-	-	-	-	-	-
Balance Outstanding as on 31st March						
Payables						
- B Srihari	-	-	-	-	12.25	12.25
- KG Baalakrishnan	-	-	-	-	0.50	0.50
- Dr G Bakthavathsalam	-	-	-	-	0.50	0.50
Receivables						
- Sri Balamurugan Textile Processing Limited	207.46	208.57	-	-	-	-
- K G Denim Limited	240.61	23.28	-	-	-	-
- KG Fabriks Limited	905.91	537.82	-	-	-	-

16 . AS-19 LEASES

The Company's significant leasing arrangements are mainly in respect of Godown rent. The aggregate rentals payable on these leasing arrangements are charged as lease rent under other expenses.

Particulars	31.03.2014	31.03.2013
Not later than one year	12.03	12.03
Later than one year but not later than five years	15.53	27.56
Later than Five years	--	--

17. AS-20 EARNINGS PER SHARE

	31.03.2014	31.03.2013
Net profit after tax	48.28	-407.13
Weighted average No of Equity Shares -	36,82,880	36,82,880
Basic & Diluted Earnings Per Share -	1.31	-11.05
(Face value of Rs. 10/- each)		

18. AS – 22 DEFERRED TAX LIABILITY

	Opening as on 01.04.2013	Adjustments made during the year	Closing as on 31.03.2014
Deferred Tax Liability			
Depreciation	924.70	-24.18	900.52
Total	924.70	-24.18	900.52
Deferred Tax Asset			
Depreciation	359.83	137.50	497.32
On account of Business Losses	165.27	-164.74	0.53
Provision for Gratuity (Net)	55.32	6.80	62.12
Total	580.42	-20.44	559.98
Net Deferred Tax Asset / (Liability)	344.28	-3.74	340.54

19. a. There is a claim of Rs.1,07,82,102/- as per the order passed by the Commissioner of Central Excise, Salem in respect of additional excise duty claim on job work production of cotton yarn against which the Company has paid Rs.25,00,000/- as a pre deposit amount. The Company has disputed the same and this is pending before the Customs, Excise and Service Tax Appellate Tribunal, South Zonal Bench, Chennai and the company is legally advised that there is a fair chance of winning the appeal and hence no provision is made in the accounts.
- b. There is a tax demand from Income Tax department in respect of A.Y.1994-95 to the extent of 223.72 lakhs. However no provision is made in the accounts, as the assessing officer has to give consequential benefits for the subsequent years in respect of depreciation as per the recent directions given by CIT(A), Cbe and the revised tax liability for A.Y.1994-95 will have to be arrived based on revision order.
20. Power charges shown in the statement of profit and loss account is net of wind energy charges to the extent of Rs. 190.73 adjusted by TNEB.
21. Corporate Guarantee has been given by Sri Kannapiran Mills Limited to Indian Overseas Bank on behalf of KG Fabriks Limited to secure their loan to the extent of Rs. 1000 lakhs(Outstanding as on 31.03.2014 - Rs. 928 lakhs)



Sri Kannapiran Mills Limited

22. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given below:

		31.03.2014	31.03.2013
a)	Principal amount due	-	-
	Interest due on above	-	-
b)	Interest paid during the period beyond the appointed date	-	-
c)	Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
d)	Amount of interest accrued and remaining unpaid at the end of the period	-	-
e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise for the purpose of disallowance as a deductible expenditure under sec 23 of the Act	-	-

23. Details of Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise:

Particulars	Currency	Amount in Foreign Currency		Amount in Rupees	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
Sundry Debtors	USD	1,13,259	62,548	67,86,498	34,46,405
Sundry Creditors	USD	Nil	Nil	Nil	Nil

24. In the opinion of the Board of Directors, assets other than fixed assets and non current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

25. **Details of Miscellaneous expenses :**

	31.03.2014	31.03.2013
Printing & Stationary	8.89	8.33
Postage & Telephone	15.43	14.09
Subscription,newspaper & Advertisement	7.73	3.78
Travelling and maintenance of vehicle	156.89	145.29
Garden maintenance	6.12	6.80
Agriculture expenses	17.94	8.84
Repairs & maintenance - others	21.77	25.84
Miscellaneous Expenses	0.34	1.95
	235.11	214.93

26. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's disclosure / classification

In terms of our Report of even date

For **M S Jagannathan & Visvanathan**

Firm Regd. No. 001209S

Chartered Accountants

(Sd/-) A Velusamy

Director

(Sd/-) KG Baalakrishnan

Managing Director

(Sd/-) M J Vijayaraghavan

Partner

Coimbatore

26th May, 2014

Membership No. 7534

PERFORMANCE OVER THE YEAR

(Rs. in thousands),.....

	For the year ended March 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Sales										
(less excise duty)	1 22 15 22	1 30 26 05	1 38 56 54	1 32 37 47	1 21 99 36	1 18 07 79	1 25 73 36	1 16 39 75	1 17 31 18	1 26 41 98
Conversion Charges	27 03 60	29 60 82	29 38 16	30 98 48	27 49 29	27 05 44	27 82 64	32 98 48	37 57 62	48 34 42
Other Income	1 97 72	2 20 77	1 32 56	1 06 87	1 62 43	3 58 39	90 83	2 17 20	2 15 22	1 81 62
Profit before Interest and Depreciation	21 45 46	25 45 43	23 93 19	15 68 93	8 56 26	15 71 91	20 65 30	8 97 12	11 16 10	17 49 84
Financial Charges	4 15 39	4 18 97	3 02 19	7 20 50	8 35 37	9 30 86	10 84 21	10 38 22	10 42 60	10 76 92
Depreciation	4 14 70	7 16 76	8 83 39	9 51 50	9 70 24	5 87 70	5 89 35	6 00 30	6 15 16	6 28 19
Profit before Taxation	12 99 88	13 94 21	11 92 12	-1 21 02	-9 49 35	53 35	3 91 75	-7 41 04	-5 41 66s	44 73
Profit after Taxation	10 74 88	11 44 21	9 73 12	-1 21 02	-9 49 35	53 35	3 91 75	-7 41 04	-5 41 66	44 73
Dividend (%)	-	-	-	-	-	-	-	-	-	-
Gross Fixed Assets	99 26 53	1 16 92 66	1 39 53 52	1 43 68 95	1 48 25 11	1 46 38 95	1 47 76 66	1 52 86 80	1 55 95 87	1 58 86 88
Net Fixed Assets	55 95 37	70 30 25	85 38 40	80 29 93	75 77 57	71 14 35	67 86 06	66 98 99	64 85 17	63 69 42
Net Current Assets	15 69 10	21 74 35	18 64 83	13 68 08	6 81 98	10 62 22	13 41 77	6 03 94	11 36 75	6 31 51
Share Capital	3 68 30	3 68 30	3 68 30	3 68 30	3 68 30	3 68 30	3 68 30	3 68 30	3 68 30	3 68 30
Reserves & Surplus	21 87 20	31 03 68	39 43 23	38 46 47	31 52 42	32 00 52	34 52 26	29 35 43	25 28 30	25 76 59
Deferred Tax Liability	6 11 83	8 11 78	9 33 80	9 01 38	6 36 11	5 73 06	7 04 15	4 78 81	3 44 28	3 40 54
Long Term Borrowings	40 34 16	49 46 88	57 09 90	48 07 85	48 54 35	47 76 93	43 26 20	40 97 49	49 99 62	43 46 68
Debt Equity Ratio	1.27	1.15	1.09	0.94	1.17	1.16	0.98	1.24	1.39	1.34
Current Ratio	1.60	1.68	1.56	1.29	1.12	1.19	1.22	1.17	1.21	1.09



SRI KANNAPIRAN MILLS LIMITED

CIN : L17111TZ1946PLC000188

Registered Office: Sowripalayam, Coimbatore 641 028

Phone 0422 - 3019111 :: Fax 0422 – 3019110

Email: csd@kannapiran.co.in Website : www.kannapiran.co.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 68th Annual General Meeting of the Members of SRI KANNAPIRAN MILLS LIMITED will be held on Wednesday the 10th day of September, 2014 at Sri Kannapiran Mills Premises, Sowripalayam, Coimbatore 641 028 at 9.30 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2014 and Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr B Sriramulu (holding DIN 00002560), who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr A Velusamy (holding DIN 00002204), who retires by rotation and is eligible for reappointment.
4. To appoint Auditors. M/s M S Jagannathan & Visvanathan, the retiring Auditors of the Company are eligible for reappointment.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr K N V Ramani (holding DIN 00007931), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019”.

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr R Mahadevan (holding DIN 00145437), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 1st April, 2014 to 31st March, 2019”.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr V Arunachalam (holding DIN 00051327), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 1st April, 2014 to 31st March, 2019”.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the decision to pay a Remuneration of Rs.65,000/- to Mr M Nagarajan, the Cost Auditor of the Company for the year 2014-15, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified”.

9. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT consent of the Company be and is hereby accorded under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, to the Board of Directors of the Company to borrow any sum or sums of money from time to time as may in the opinion of the Board of Directors be required to be borrowed by the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business, will exceed the aggregate paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, the total monies borrowed and outstanding at any time, for the principal amounts of the loans borrowed, apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business, shall not exceed the sum of Rs.300 Crores (Rupees three hundred crores only)”.

10. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company to create, mortgage and/or charge and/or to hypothecate in addition to the mortgages/hypothecations/ charges created/ to be created by the Company upto the limit as per resolution under Section 180 (1)(c) of the Companies Act, 2013 in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine on all or any of the movable and/or immovable properties of the Company wheresoever situate both present and future and/or the whole or substantially the whole of the undertaking or the undertakings of the Company in favour of the Financial Institutions/ Banks/ Trusts/ Mutual Funds or any other Institutions/ Companies/ Authorities for securing the loans/finance sanctioned or to be sanctioned to the Company or for securing the securities or any other debt instruments etc issued or to be issued together with interest, remuneration of the trustees and/ or any other Institutions/ Companies/ Authorities, premium (if any) on redemption and all other costs, charges and expenses payable by the Company in terms of the trust deed and / or any other agreements/ documents, etc to be finalised and executed between the Company and the agents and trustees and/or any other Institutions or Authorities

and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the agents and trustees and /or any other Institutions or Authorities”.

11. To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:

RESOLVED that pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, approval of the members be and is hereby accorded for the reappointment of Mr KG Baal Krishnan (holding DIN 00002174) as Managing Director of the Company for one year from 15th September, 2014 to 14th September, 2015, on the following terms and conditions:

- 1) Salary : Rs.50,000/- (Rupees fifty thousand only) per month.
- 2) Perquisites :
 - a) Medical Reimbursement
Medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
 - b) Leave Travel Concession
For self and family once in a year incurred in accordance with the rules specified by the Company.
 - c) Club Fees
Fees of clubs to a maximum of two clubs. This will not include admission and life membership fees.
 - d) Personal Accident Insurance
Premium not to exceed Rs.4000 per annum.
 - e) Provident Fund
Company's contribution to Provident Fund at the rate of 12% of the salary.
 - f) Superannuation Fund
Company's contribution towards Superannuation Fund as per the rules of the Company, but shall not together with the Company's contribution to the Provident Fund exceed 27% of the salary as laid down under Income Tax Rules, 1962.
 - g) Gratuity
Gratuity payable shall not exceed half a month's salary for each completed year of service.
 - h) Conveyance and Communication
The Company shall provide a car and telephone facility at the residence of the Managing Directors. The provision of car and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Directors.

FURTHER RESOLVED that the remuneration and perquisites shall be subject to the overall ceiling under Sections 196, 197, 198 and 203 of the Companies Act, 2013. In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of the Managing Director, the remuneration would be paid as above, subject to the ceiling under Paragraph (i) of Section II of Part II of Schedule V of the Companies Act, 2013 as modified from time to time.

12. To consider and if thought fit to pass, with or without modification, the following Resolution as a Special Resolution:

RESOLVED that pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, approval of the members be and is hereby accorded for the reappointment of Dr G Bakthavathsalam (holding DIN 00007132) as Managing Director of the Company for one year from 15th September, 2014 to 14th September, 2015, on the following terms and conditions:

- 1) Salary : Rs.50,000/- (Rupees fifty thousand only) per month.
- 2) Perquisites :
 - a) Medical Reimbursement
Medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
 - b) Leave Travel Concession
For self and family once in a year incurred in accordance with the rules specified by the Company.
 - c) Club Fees
Fees of clubs to a maximum of two clubs. This will not include admission and life membership fees.
 - d) Personal Accident Insurance
Premium not to exceed Rs.4000 per annum.
 - e) Provident Fund
Company's contribution to Provident Fund at the rate of 12% of the salary.
 - f) Superannuation Fund
Company's contribution towards Superannuation Fund as per the rules of the Company, but shall not together with the Company's contribution to the Provident Fund exceed 27% of the salary as laid down under Income Tax Rules, 1962.
 - g) Gratuity
Gratuity payable shall not exceed half a month's salary for each completed year of service.
 - h) Conveyance and Communication
The Company shall provide a car and telephone facility at the residence of the Managing Directors. The provision of car and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Directors.

FURTHER RESOLVED that the remuneration and perquisites shall be subject to the overall ceiling under Sections 196, 197, 198 and 203 of the Companies Act, 2013. In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of the Managing Director, the remuneration would be paid as above, subject to the ceiling under Paragraph (i) of Section II of Part II of Schedule V of the Companies Act, 2013 as modified from time to time.

Coimbatore
01.08.2014

By order of the Board
(Sd/-) KG BAALAKRISHNAN
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a vote instead of himself. The proxy need not be a member of the Company, proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. Register of Members and the Share Transfer Book of the Company will remain closed from 03.09.2014 to 10.09.2014 (Both days inclusive).
3. Members are requested to notify any change in their address to Company's Registered Office immediately.
4. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company to enable the Company to serve documents such as Notice, Annual Report etc., in electronic form.
5. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for re-appointment at the Annual General Meeting, is appearing in the Report and Accounts.
6. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is enclosed.
7. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN Card to the Company in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares. Shareholders are requested to furnish copy of PAN card for all above mentioned transactions.
8. Members may also note that the Notice of the 68th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.kannapiran.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor E-mail ID : csd@kannapiran.co.in.

9. Voting Through Electronic Means

- a) As the Company, being a Listed Company is compulsorily required to provide e-voting facility to its members in terms of Section 108 of the Companies Act, 2013 read with the Rules made thereunder and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on the AGM subjects, by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- b) The e-voting period commences on 03.09.2014 (0830 hours) and ends on 05.09.2014 (1730 hours). During this period shareholders' of the Company as on the cut-off date (record date) of 09.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- c) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 09.08.2014.
- d) CA C A Venkatesan, Chartered Accountant, has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

- e) The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) 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 of the Company.
- f) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutiniser's Report shall be placed on the Company's website www.kannapiran.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.
- g) **The instructions for members for voting electronically are as under:-**
- i. Log on to the e-voting website www.evotingindia.com
 - ii. Click on "Shareholders" tab.
 - iii. Now, select "SRI KANNAPIRAN MILLS LIMITED" from the drop down menu and click on "SUBMIT"
 - iv. Now Enter your User ID (Folio Number registered with the Company) and then enter the Captcha Code as displayed and Click on Login.
 - v. Now, fill up the following details in the appropriate boxes:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department For Members who have not registered their PAN with the Company, the first two letters of their name followed by the eight digits Serial Number printed on the address slip shall be entered in the PAN field. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth in the company records for the said folio in dd/mm/yyyy format.
Bank Details	Please enter the Folio number if DOB or Bank details have not been registered with the Company.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members will then reach directly the Company selection screen and the details can be used only for e-voting on the resolutions contained in this Notice.
- viii. Click on "SRI KANNAPIRAN MILLS LIMITED" on which you choose to vote.
- ix. 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.
- x. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xi. 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.
- xii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- xiii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xiv. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then 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.
- xv. The voting period begins on 03.09.2014 (0830 hours) and ends on 05.09.2014 (1730 hours). During this period shareholders' of the Company as on the cut-off date (record date) of 09.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- xvi. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

10. **POSTAL BALLOT FORM :**

In terms of Clause 35 B of the Listing Agreement, those members, who do not have access to e-voting facility, may send their assent or dissent in writing on the Postal Ballot Form attached with this AGM Notice in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer at the address mentioned therein, on or before 06.09.2014. Any Postal Ballot Form received after this date will be treated as if the reply from the member has not been received.

If any member exercises both e-voting and postal ballot, then the Scrutiniser will consider only the e-voting.

Members are requested to read the instructions given below :

- i. The postal ballot form should be completed and signed by the sole / first named member. In case of joint holding, this Form should be completed and signed by the first named member and in his absence, by the next named joint holder. The signature of the member on this Postal Ballot Form should be as per the specimen signature registered with the Company
- ii. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authorisation together with attached specimen signature(s) of the duly authorised signatories.
- iii. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutiniser and any other paper found in such envelope, the same would not be considered and would be destroyed by the Scrutiniser.
- iv. The votes should be cast in favour of or against the Resolution by putting the tick mark (✓) in the column provided for assent or dissent. Postal Ballot Form bearing (✓) in both the column will render the form invalid. Incomplete, unsigned, incorrectly filed or bearing more than one Postal Ballot Forms will be subject to rejection by the Scrutiniser.
- v. There will be one Postal Ballot Form for every Folio irrespective of the number of joint holder.
- vi. The Postal Ballot shall not be exercised by a Proxy.

- vii. Postal Ballot Form - Votes will be considered invalid on the following grounds.
 - a) If the member's signature does not tally.
 - b) If the member has marked all his shares both in favour and also against the resolutions.
 - c) If the Ballot paper is unsigned.
 - d) If the Ballot paper is filed in pencil or signed in pencil.
 - e) If the Ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the Scrutiniser to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or one or more of the above grounds.
- viii. The Scrutiniser's decision on the validity of the Postal Ballot will be final.
- 11. In support of the "Green Initiative" announced by the Government of India, electronic copy of the Annual Report and Notice *inter alia* indicating the process and manner of e-voting alongwith attendance slip and proxy form are being sent by e-mail to those shareholders whose e-mail addresses have been made available to the Company unless member has requested for a hard copy of the same.

Explanatory statement as required under Section 102(1) of the Companies Act, 2013

Item No. 5

Mr K N V Ramani is a Non-Executive Independent Director and Chairman of the Board. He joined the Board of Directors of the Company in 1995. Mr K N V Ramani is Chairman of the Remuneration Committee and a member of the Audit Committee of the Board of Directors of the Company.

Mr K N V Ramani, M.A., B.L., aged 82 years is a leading Advocate specialized in Corporate Laws. He has rich experience in Corporate Laws for more than four decades and has been on the Board of several Companies. M/s Ramani & Shankar, firm of Advocates headed by him consists of panel of Advocates specialized in different fields of law.

Mr K N V Ramani retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr K N V Ramani being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term from 1st April, 2014 to 31st March, 2019. A notice has been received from a member proposing Mr K N V Ramani as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr K N V Ramani fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr K N V Ramani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr K N V Ramani as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr K N V Ramani as an Independent Director, for the approval by the shareholders of the Company.

Except Mr K N V Ramani, being an appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Mr R Mahadevan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2005. Mr R Mahadevan is a member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company.

Mr R Mahadevan aged 54 years, is a Chartered Accountant having rich experience in accounts and taxation.

Mr R Mahadevan is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr R Mahadevan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term from 1st April, 2014 to 31st March, 2019. A notice has been received from a member proposing Mr R Mahadevan as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr R Mahadevan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr R Mahadevan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr R Mahadevan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr R Mahadevan as an Independent Director, for the approval by the shareholders of the Company.

Except Mr R Mahadevan, being an appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7

Mr V Arunachalam is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2005.

Mr V Arunachalam aged 52 years, is a Chartered Accountant having rich experience in capital market and administration.

Mr V Arunachalam is a Director, whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr V Arunachalam being eligible and offering himself for appointment, is proposed to be appointed as an Independent

Director for five consecutive years for a term from 1st April, 2014 to 31st March, 2019. A notice has been received from a member proposing Mr V Arunachalam as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr V Arunachalam fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr V Arunachalam as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr V Arunachalam as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr V Arunachalam as an Independent Director, for the approval by the shareholders of the Company.

Except Mr V Arunachalam, being an appointee, none of the Directors and Key Managerial Personnel of the Company is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8

At the Board Meeting held on the 13th February, 2014, after considering the recommendation of the Audit Committee, the Directors have appointed Mr M Nagarajan, Cost Accountant, as the Cost Auditor of the Company for the year 2014-15 on a remuneration of Rs.65,000. Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

The Ordinary Resolution appearing in the Notice is sought to be passed for this purpose.

None of the Directors or the Key Managerial Personnel is interested or concerned in the passing of the Resolution.

Item No. 9

The members, at the Extraordinary General Meeting of the Company held on 14th February, 2005, had, by way of an ordinary resolution, authorised the Board of Directors, to borrow monies up to Rs.300 crores, over and above the paid up capital and free reserves, under Section 293(1)(d) of the Companies Act, 1956.

As per Section 180(1)(c) of the Companies Act, 2013 the Board of Directors of the Company shall exercise the following powers only with the consent of the Company by a special resolution, namely : to borrow money, where money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, for which purpose the necessary resolution is brought before you for approval.

None of the Directors or the Key Managerial Personnel is interested or concerned in the passing of the Resolution.

Item No. 10

As a security for the loans sanctioned/to be sanctioned by Financial Institutions/banks/other Corporate Bodies, the Company would be required to give mortgage and/or charge all the movable and immovable properties of the Company both present and future.

The members, at the Extraordinary General Meeting of the Company held on 14th February, 2005, had, by way of an ordinary resolution, authorised the Board of Directors, to create/extent mortgage, under Section 293(1)(a) of the Companies Act, 1956.

As per the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company cannot except with the consent of the Company in the general meeting create charge or mortgage or hypothecate any of the assets of the Company for securing the loan/finance sanctioned/to be sanctioned by the Financial Institutions/Banks and/or for securing securities such as debentures, etc as also any other debt instruments issued/to be issued from time to time by the Company.

It is proposed to obtain the approval of the shareholders under section 180(1)(a) of the Companies Act, 2013 to enable the Board of Directors to create charges on the assets of the Company upto such ceilings for borrowings as may be fixed by the shareholders under section 180(1)(c). Your Directors recommend the resolution for your approval.

None of the Directors or the Key Managerial Personnel is interested or concerned in the passing of the Resolution.

Item No. 11

Mr KG Baalakrishnan, Managing Director was reappointed for a period of one year from September 15, 2013 at the Annual General Meeting held on 11.09.2013.

As the terms of appointment of the Managing Director expires on September 14, 2014, based on the recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 26.05.2014 reappointed him for a further period of one year with effect from September 15, 2014 subject to the approval of the members. As his age exceeded the limit of 70 years as laid down in Schedule V of The Companies Act, 2013 a special resolution is proposed. Other terms and conditions are within the ceiling limits laid down in Schedule V of the Companies Act, 2013.

Mr KG Baalakrishnan, a graduate in Commerce having 43 years experience in the Cotton textile industry is the Managing Director of the Company for over two decades. His vision and effective planning and turnaround strategy have helped the Company to tide over the crisis during the general recession in the Country. Besides he is associated with various associations in various capacities over the decades.

Mr KG Baalakrishnan is related to Dr G Bakthavathsalam, Mr G Ramaswamy, Mr B Sriramulu and Mr B Srihari, Directors who are deemed to be interested in the proposed resolution.

This explanations together with the accompanying notice may also be considered as an abstract of the terms of the appointment of Managing Director and Memorandum as to the nature of the concern or interest of the Directors in the said appointment, as required under Section 190 of the Companies Act, 2013.

Item No. 12

Dr G Bakthavathsalam, Managing Director was reappointed for a period of one year from September 15, 2013 at the Annual General Meeting held on 11.09.2013.

As the terms of appointment of the Managing Director expires on September 14, 2014, based on the recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 26.05.2014 reappointed them for a further period of one year with effect from September 15, 2014 on the terms and conditions set out in the resolutions mentioned above subject to the approval of the members. As his age exceeded the limit of 70 years as laid down in Schedule V of The Companies Act, 2013 a special resolution is proposed. Other terms and conditions are within the ceiling limits laid down in Schedule V of the Companies Act, 2013.

Dr G Bakthavathsalam MS, FICS, FCCP, FAMS, FMMC having 41 years experience in management and administration. His achievement were well recognized by the Government of India, social and religious institutions.

Dr G Bakthavathsalam is related to Mr KG Baalakrishnan, Mr G Ramaswamy, Mr B Sriramulu and Mr B Srihari, Directors who are deemed to be interested in the proposed resolution.

This explanations together with the accompanying notice may also be considered as an abstract of the terms of the appointment of Managing Directors and Memorandum as to the nature of the concern or interest of the Directors in the said appointment, as required under Section 190 of the Companies Act, 2013.

By order of the Board

Coimbatore

(sd/-) **KG BAALAKRISHNAN**

01.08.2014

Managing Director



SRI KANNAPIRAN MILLS LIMITED

ATTENDANCE SLIP

CIN : L17111TZ1946PLC000188

Registered Office: Sowripalayam, Coimbatore 641 028

Phone 0422 - 3019111 :: Fax 0422 - 3019110

Email: csd@kannapiran.co.in Website : www.kannapiran.co.in

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Name of the attending Members :

Folio No. :

No. of Shares held :

I hereby record my presence at the 68th ANNUAL GENERAL MEETING of the Company on 10th September, 2014.

Name of Proxy in Block Letters

Signature of the Shareholder/Proxy*

**Strike out whichever is not applicable*

Please see address slip for details of Folio No. & No. of Shares

MGT - 11



SRI KANNAPIRAN MILLS LIMITED

PROXY FORM

CIN : L17111TZ1946PLC000188

Registered Office: Sowripalayam, Coimbatore 641 028

Phone 0422 - 3019111 :: Fax 0422 - 3019110

Email: csd@kannapiran.co.in Website : www.kannapiran.co.in

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

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No. :

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

(1) Name Address

E-mail Id Signatureor failing him/her

(2) Name Address

E-mail Id Signatureor failing him/her

(3) Name Address

E-mail Id Signatureor failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 68th Annual General Meeting of the Company, to be held on Wednesday, the 10th day of September, 2014 at 9.30 a.m. at Sri Kannapiran Mills Premises, Sowripalayam, Coimbatore - 641 028 and at any adjournment thereof.

Signed this day of 2014

Signature of Shareholder(s)

Signature of Proxyholder(s)

Re. 1/-
Revenue
Stamp

Notes: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office the Company, not less than 48 hours before the commencement of the Meeting.

2. In the case of a Corporation, the proxy form shall be either given under the Common Seal signed on its behalf by an Attorney or Officer of the Corporation.



SRI KANNAPIRAN MILLS LIMITED

CIN : L17111TZ1946PLC000188

Registered Office: Sowripalayam, Coimbatore 641 028

Phone 0422 - 3019111 :: Fax 0422 – 3019110

Email: csd@kannapiran.co.in Website : www.kannapiran.co.in

POSTAL BALLOT FORM (in lieu of e-Voting)

Sl. No:

(Read the instructions given in the notice of AGM before proceeding to fill up the form)

1	Name(s) of shareholder(s) (including joint holders, if any) in block letters	:	
2	Registered Address of the sole/ first named shareholder	:	
3	Registered Folio No.	:	
4	Number of Shares held	:	

I / We hereby exercise my / our vote in respect of the “**Resolution**” for the business stated in the **Annual General Meeting Notice** of the Company dated August 1, 2014 by sending my / our assent (for) or dissent (against) to the said resolution by placing the tick mark (✓) at the appropriate box below:

Description	Type of Resolution	I / We assent to the Resolution	I / We dissent to the Resolution
		For	Against
1. Consider and adopt audited Financial Statements, Reports of the Board of Directors and Auditors	Ordinary		
2. Re-appointment of Mr B Sriramulu who retires by rotation, as a Director	Ordinary		
3. Re-appointment of Mr A Velusamy who retires by rotation, as a Director	Ordinary		
4. Re-appointment of M/s M S Jagannathan & Visvanathan, the retiring Auditors of the Company, as a Statutory Auditor	Ordinary		
5. Appointment of Mr K N V Ramani who retires by rotation, as an Independent Director	Ordinary		
6. Appointment of Mr R Mahadevan as an Independent Director	Ordinary		
7. Appointment of Mr V Arunachalam as an Independent Director	Ordinary		
8. Ratification of Remuneration to Cost Auditor	Ordinary		
9. Fixing Borrowing powers of the Board of Directors under Section 180(1)(c) of Companies Act, 2013	Special		
10. To create charge on movable and immovable property under Section 180 (1)(a) of Companies Act, 2013	Special		
11. Re-appointment of Mr KG Baalakrishnan as Managing Director of the Company	Special		
12. Re-appointment of Dr G Bakthavathsalam as Managing Director of the Company	Special		

Place :

Date :

(Signature of Shareholder)