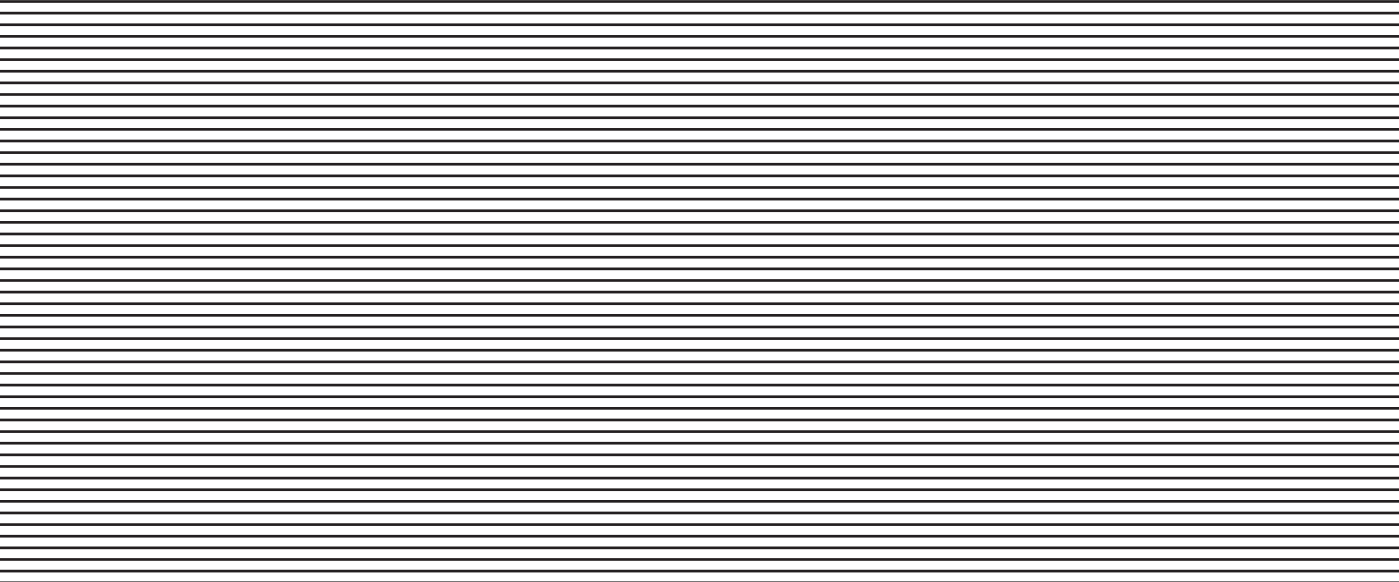


2013
Annual Report



Contents

Notice to Members.....	2
Report of the Directors and Management Analysis	5
Report on Corporate Governance	12
Report of the Auditor.....	21
Balance Sheet.....	26
Statement of Profit and Loss	27
Notes	28
Notes on Accounts	36
Cash Flow Statement	41

KLRF Limited

Board of Directors

Sudarsan Varadaraj

S.Govindan

K.Gnanasekaran

Suresh Jagannathan

Managing Director

V.N.Jayaprakasam

Executive Director

Chief Finance Officer

R.Kannan

Company Secretary

S.Piramuthu

Auditor

P.Marimuthu, B.Com., F.C.A.,

Chartered Accountant, Tirunelveli

Branch Auditors

M/s Haribhakti & Co.,

Chartered Accountants, Coimbatore

Bankers

Canara Bank

Indian Overseas Bank

Punjab National Bank

IDBI Bank Ltd.,

Registered Office

75/8, Benares Cape Road

Gangaikondan – 627352

Administrative Office

1054/21, Avanashi Road

Coimbatore-641018

Food Division

Gangaikondan – 627352

Textile Division

Gangaikondan – 627352

N.Subbiahpuram – 626205

Engineering Division

Coimbatore – 641020

Registrar and Share Transfer Agent

Link Intime India Private Limited

“Surya” 35, Mayflower Avenue

Senthil Nagar, Sowripalayam Road

Coimbatore – 641028, Tamilnadu

Telephone : 0422 – 2314792

Telefax : 0422 – 2314792

E-mail : coimbatore@linkintime.co.in

NOTICE

Notice is hereby given that the Fifty First Annual General Meeting of the Company will be held on Monday the 16th September, 2013 at 10.00 a.m., at the Company's Registered Office at 75/8, Benares Cape Road, Gangaikondan-627352, Tirunelveli District to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31.03.2013 and the Statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditor thereon.
2. To appoint a Director in the place of Mr.K.Gnanasekaran who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr.Sudarsan Varadaraj who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint an Auditor and fix his remuneration.

SPECIAL BUSINESS

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

"Resolved that pursuant to Section 228 (3) of the Companies Act, 1956 M/s Haribhakti & Co., Chartered Accountants, Coimbatore (Registration No.103523W) be and are hereby appointed as Branch Auditor of the Company to hold office upto the conclusion of the next Annual General Meeting to audit the books of accounts of both the Sheet Metal and Foundry Division, Coimbatore for the financial year 2013 - 2014 on a remuneration of Rs.4,17,000/- (Rupees four lakhs seventeen thousands only) excluding applicable taxes and out of pocket expenses incurred in connection with the audit."

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

Item No.5

As per Section 228 (3) of the Companies Act, 1956, Branch Auditor is required to be appointed at the General Meeting. Accordingly, Branch Auditor is being appointed at every annual general meeting for the respective financial year to audit the accounts of the Coimbatore branches of our Company.

The proposed resolution set out in Item No.5 of the Notice seeks the authorization of the members to appoint Branch Auditor for the financial year 2013-2014.

None of the directors of the company is, in any way, concerned or interested in the said resolution.

Notes:

1. **A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**
2. **Instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
3. The register of members and share transfer books of the Company will remain closed from 7th September to 16th September, 2013 (both days inclusive).
4. In terms of the amendment to Section 205A and introduction of Section 205C by the Companies (Amendment) Act, 1999, dividend for the financial year from 1995-1996 to 2004-2005 have already been transferred to Investors' Education and Protection Fund.
5. Members who have till date not encashed their dividend warrants for the financial year 2005-2006 or any subsequent financial years are advised to claim the dividend from the Company after filing Indemnity / any other documents. It may also be noted that once unclaimed dividends are transferred to the Investors' Education and Protection Fund, Members will lose their claim on these dividends.
6. Members who are holding shares in physical form in more than one folio are requested to write, to the Registrar and Transfer Agent immediately enclosing their share certificate(s) for consolidation of their holdings in one folio.
7. Members are requested to update the e-mail ID in the demat account by contacting their Depository Participant and those who are holding shares in Physical form kindly update your e-mail ID with our Registrar and Share transfer Agent to enable us to send documents through electronic mode.
8. Members who are holding shares in physical form are requested to intimate immediately their change of address/ change of bank account, if any, to the Company / Registrar & Share Transfer Agent quoting reference of the Registered Folio Number.
9. Members may now avail of the facility of nomination by nominating, in the prescribed form, a person to whom your shares in the Company vest in the event of death. Interested members holding shares in physical form may write to the Company / Registrar & Share Transfer Agent for the prescribed form and those holding shares in dematerialised form, should write to their Depository Participant.
10. Re-appointment of Directors

A brief resume, nature of experience in specific functional areas and other directorship of committees in respect of re-appointment of Directors are given in terms of clause 49 of the listing agreement.

KLRF Limited

a) Name: Mr.K.Gnanasekaran

Age : 61 years

Qualification : B.Com., F.C.A.,

Expertise : 34 years of experience in Finance and Accounts

Name of the company	Position held	Membership of the Committee
Magna Electro Castings Ltd.,	Director	Audit Committee - Member
Single Window Commodities Private Limited,	Director	Nil

b) Name : Mr. Sudarsan Varadaraj

Age : 55 years

Qualification : B.E.,(Hons), M.S.(Mech.Engg.,)

Expertise : 31 years of experience in Rubber Industry

Name of the company	Position held	Membership of the Committee
Elgi Rubber Company Limited	Chairman and Managing Director	Investors Grievance Committee and Finance & Administrative Committee - Member
Treadsdirect Limited	Managing Director	Nil
Elgi Equipments Limited	Director	Nil
Titan Tyrecare Products Limited	Director	Nil
Elgi Ultra Industries Limited	Director	Nil
LRG Technologies Limited	Director	Nil
Super Spinning Mills Limited	Director	Audit committee and Remuneration committee - Member

Place:Coimbatore

Date:28.05.2013

By Order of the Board

Suresh Jagannathan

Managing Director

DIRECTORS REPORT & MANAGEMENT ANALYSIS

Dear Shareholders,

The Directors present their Fifty first Annual Report together with the audited statement of accounts for the year ended 31st March 2013. The management discussion and analysis report have been included at the appropriate places in this report.

	(Rs.in lakhs)	
FINANCIAL RESULTS	31.3.2013	31.3.2012
Total Turnover (Net)	21422.18	20334.25
Profit before financial charges and depreciation	1491.72	1055.72
Less : Financial charges	823.01	902.23
Profit before depreciation	668.71	153.49
Less : Depreciation	519.77	499.09
Profit / (Loss) before tax	148.94	(345.60)
Add/(Less): Provision for tax - Current	—	—
- MAT credit entitlement	29.74	—
- Deferred	(47.44)	124.61
Net Profit/ (Loss) after tax carried to Balance Sheet	131.24	(220.99)

INDUSTRY STRUCTURE AND DEVELOPMENTS

Results

The turnover of the company for the year is Rs.215 crores as against Rs.204 crores last year.

The Company has earned an EBIDTA of Rs.1492 lakhs.

The Food Division earned an EBIDTA of Rs.1108 lakhs on milling of 56940 Metric tons of wheat accounting for 55% of the turnover of the company.

The Textile Division has earned an EBIDTA of Rs. 400 lakhs and Engineering Division has incurred an EBIDTA of Rs.(-) 16 lakhs.

DIVIDEND

Your Directors are unable to recommend a dividend on the paid-up equity share capital of the Company for the year ended 31st March, 2013.

CAPITAL INVESTMENT

Company has made a total capital investment of Rs.182 lakhs. These investments will result in increase of production, cost reduction and improvement in quality.

ECONOMIC OUTLOOK FOR THE YEAR

It is gratifying that this year bench mark inflation has fallen substantially from 7.5% to 4.9 %. This trend will enable RBI to reduce interest burden and increase money supply substantially. Government policies to contain trade imbalance and to increase industrial production, exports are foreseen. Monsoon forecasts indicate a year of good rains. Though there is a decline in estimated production of wheat, total production of food grains are likely to remain at last years level. These are favourable factors conducive for economic growth.

Opportunities, Challenges, Risks & Concerns

Food Division

Earlier estimates of wheat production were around 93.5 million tones. However, halfway through harvests it has been scaled down. This year, minimum support price has been increased by Rs.700 per ton. Considering the huge stocks available with government agencies, prices are likely to remain stable. With consistent demand for wheat products the food division is likely to perform well.

Textile Division

Volatile conditions like high fluctuation in cotton and yarn prices have changed for better. Demand for yarn has increased in national and international markets. Cotton availability and prices are likely to remain stable this year. The other major impediment was power availability, its quality and cost. We propose to overcome this problem by installing a dedicated feeder and transmission facility which is currently under implementation. This division has spent an amount of Rs.68 lakhs on modernization and renovation.

Engineering Division

Power being the major input in this division, set back in power availability has severely affected the operations. General economic slow down has also impacted the performance. We are installing a dedicated power facility for this division also which will alleviate the problem of availability and cost of power. With improvement in economic activity, increase in requirement by down stream industries and favourable power situation will improve profitability of this division.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Planned periodic reviews are carried out resulting in identification of control deficiencies and formulation of time bound action plans to improve efficiency. The adequacy of the internal control systems are reviewed by the Audit Committee of the Board of Directors. This, supplemented with existing periodical management reviews, will enable the company to improve its monitoring system at all levels.

The company has internal control procedures commensurate with its size and the nature of

its business for purchase of raw materials, plant and machinery, components, other items and sale of goods.

SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

Segment-wise and product-wise results are stated separately under segment reporting

FINANCE

Your company continued to avail need based working capital facilities from Canara Bank and Indian Overseas Bank.

CORPORATE GOVERNANCE

A report on corporate governance is annexed to this report. The Company has complied with the conditions relating to the above as stipulated in Clause 49 of the listing agreement.

The certificate from the statutory auditor relating to the above is annexed.

FIXED DEPOSITS

The Company continued to accept fixed deposits during the year and there were no unclaimed deposits as on 31.3.2013.

DIRECTORS

Mr. K.Gnanasekaran and Mr.Sudarsan Varadaraj, Directors of the company retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Sec 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that;

- i. In the preparation of the annual accounts for the financial year ended 31 March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- iv. The Directors have prepared the annual accounts for the financial year ended 31st March, 2013 on a going concern basis.

AUDITORS

Mr.P.Marimuthu, Auditor of the Company will retire at the forthcoming annual general meeting and is eligible for re-appointment.

M/s Haribhakti & Co., Chartered Accountants, branch auditors for foundry and sheet metal divisions of the company will retire at the forthcoming annual general meeting and are eligible for re-appointment.

Mr.M.Kannan, Cost Accountant has been appointed as Cost Auditor for the year 2012-2013 for the textile and foundry divisions of the company and cost audit report will be filed on or before the due date. Cost audit report for the year ended 31.3.2012 has been filed on 28.2.2013 before the time limit prescribed under the Act. Cost compliance report for the financial year ended 31.3.2012 was submitted to the Central Government on 28.2.2013.

PERSONNEL

Particulars under Section 217 (2A) are not applicable, as no employee has been paid more than prescribed limits. Statement in accordance with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 is annexed.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company believes that its people are a key differentiator, especially in a knowledge driven, competitive and a global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management are corner stones for the success of any organization.

As in the past, the industrial relations continued to remain cordial in all the divisions of the Company.

LISTING

Your Company's shares are listed at Bombay Stock Exchange Limited, Madras Stock Exchange Ltd and traded in National Stock Exchange Ltd., under permitted category.

Necessary listing fees for the year have been paid. Company has filed de-listing application with Coimbatore Stock Exchange (CSX) for de-listing of our equity shares. Company has received a letter dated 10.5.2013 from the CSX stating that the CSX ceased to be a recognized stock exchange.

CAUTIONARY STATEMENT

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards incorporated in the listing agreement with Stock Exchanges and such statements may be "forward looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

GENERAL

Your Directors acknowledge with gratitude, the co-operation and assistance from Canara Bank, Indian Overseas Bank, IDBI Bank Ltd., and Punjab National Bank.

Your Directors would like to thank all Shareholders, Fixed Deposit Holders, Customers and Employees in appreciation of their continued support.

May the Almighty Goddess Lakshmi continue to shower HER choicest blessings and continue to grant us prosperity in the years to come.

By Order of the Board

Place : Coimbatore

Date : 28.05.2013

Sudarsan Varadaraj

Director

Suresh Jagannathan

Managing Director

Information in accordance with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended 31st March, 2013.

I. CONSERVATION OF ENERGY

1. Energy conservation measures taken : Nil
2. Additional investment and proposals if any, : Nil
being implemented for reduction of consumption of energy
3. Impact of the measures of (1) & (2) above for : Nil
reduction of energy consumption and consequent impact on the cost of production of goods.

4. Total energy consumption and energy consumption per unit of production. (Textile division)

A. POWER AND FUEL CONSUMPTION	Current year	Previous year
1. Electricity		
a) Purchased units From TNEB	8445284	10457184
Total amount (Rs.)	55746621	51224327
Rate/Unit (Rs.)	6.60	4.90
b) Own generation		
Through diesel generation (units)	4739867	1609515
Units Per Ltr of diesel oil	3.34	3.50
Cost/per unit (Rs.)	14.53	11.51
c) Through steam turbine/generator	Nil	Nil
Units per Ltr of fuel		
Oil / Gas		
Cost/Unit		
d) Wind Mill Generation		
Qty.(Units)	10836422	10548145
Total cost (Rs.)	53668120	39776191
Cost per unit (Rs.)	4.95	3.77
e) Units purchased from others	Nil	Nil
Rate per unit		
2. Coal	Nil	Nil
Qty. (tons)		
Total Cost		
Avg.Rate		
3. Furnace Oil	Nil	Nil
Qty.(K.Lts)		
Total amount		
Avg.Rate		

B. CONSUMPTION PER UNIT OF PRODUCTION

Standards (if any)

Cotton yarn in Kgs	3315283	3212915
Electricity per unit of production	3.98	3.76

II. TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out by the Company **Not applicable**
2. Benefit derived as a result of the above R & D **Not applicable**
3. Future plan of action **Not applicable**
4. Expenditure on R & D **Not applicable**
 - a. Capital
 - b. Recurring
 - c. Total R & D expenditure as a percentage of gross turnover/net turnover **Not applicable**

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation. **Not applicable**
2. Benefits arrived as a result of the above efforts, eg., product improvement, cost reduction, product development, import substitution etc., innovation. **Not applicable**
3. Technology imported. **Not applicable**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports During the year iron castings were exported to Germany and France. Yarn was exported to Singapore.
2. Initiative taken to increase exports and development of new exports markets for products & services and exports plans. Efforts are continuing to increase the export.
3. Total Foreign Exchange
Used Rs. 143.46 lakhs
Earned Rs. 429.80 lakhs

By Order of the Board

Place : Coimbatore
Date : 28.05.2013

Sudarsan varadaraj
Director

Suresh Jagannathan
Managing Director

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all facets of its operations and in all its interactions with its stake holders, including shareholders, employees, the government and lenders. The Company will endeavour to improve on these aspects on an ongoing basis.

2. Board of Directors

The Board comprises of a Managing Director, one Executive Director and three Non-Executive Directors. There are three independent directors who bring independent judgment in the board's deliberations and decisions.

The composition of the directors and their attendance at the board meetings during the year and at the last Annual General Meeting and also the number of the other directorships are as follows;

Name of Director	Category	No. of other Directorships held in public limited companies (*)	Membership in Committee of other companies @	
			Chairman	Member
Mr. Suresh Jagannathan Managing Director	Executive-Promoter	3	Nil	1
Mr. V.N.Jayaprakasam Executive Director	Executive - Non-Independent	Nil	Nil	Nil
Mr. Sudarsan Varadaraj	Non-Executive - Independent	7	1	1
Mr. K.Gnanasekaran	Non-Executive -Independent	1	Nil	1
Mr. S.Govindan	Non-Executive -Independent	Nil	Nil	Nil

Directors of the company do not have any inter-se relationship.

* Exclude directorship in Private companies and Foreign Companies.

@ Audit Committee and Shareholders Committee are considered.

Board Meetings were held on the following dates

The Board met four times during the financial year on 25th May, 2012, 20th July, 2012, 25th October, 2012 and 18th January, 2013 and the gap between the meeting did not exceed four months.

Name of Director	Board Meeting		Attendance at the last AGM Yes/No
	Held	Attended	
Mr.Suresh Jagannathan	4	4	Yes
Mr.V.N.Jayaprakasam	4	4	Yes
Mr.Sudarsan Varadaraj	4	4	Yes
Mr.K.Gnanasekaran	4	3	Yes
Mr.S.Govindan	4	4	Yes

Shareholding of Non-Executive Directors

Name of the Director	No.of shares held	% of holdings
Mr.S.Govindan	225	0.004%

Other Non-Executive Directors do not hold any shares in the company. The company currently does not have any stock option.

3. COMMITTEES OF THE BOARD**(a) Audit Committee**

This Committee comprises of three non-executive directors all being independent directors. The terms of reference of this Committee are as required under Section 292 A of the Companies Act, 1956 and under clause 49 of the Listing Agreement by SEBI. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory Auditor, Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditor, Branch Auditors, Internal Auditors and Cost Auditor of the Company.

The composition of the Audit Committee and details of their attendance at the meetings are as follows:

Name of the Member	Category	Attendance
Mr. Sudarsan Varadaraj (Chairman)	Non - Executive - Independent	4
Mr. K.Gnanasekaran	Non - Executive - Independent	3
Mr. S.Govindan	Non - Executive - Independent	4

(i) The Company Secretary acts as the Secretary to the Committee. The Chief Finance Officer, Branch Auditors, Internal Auditors and Statutory Auditor of the Company had also attended the meetings. The minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken on record. The Audit Committee considered and reviewed the accounts for the year 2012 – 2013, before it was placed in the Board. The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956.

(ii) No. of Audit Committee Meetings held during the last financial year and the dates on which held are as follows:

Number of Audit Committee meetings held	4
Dates on which held	25 th May, 2012, 20 th July, 2012 25 th October, 2012 and 18 th January, 2013

(b) Remuneration Committee

The Remuneration Committee of the Board comprises of Mr.Sudarsan Varadaraj, Mr.K.Gnanasekaran and Mr.S.Govindan and this Committee determines and recommends to the Board, the compensation payable to the Directors. The Chairman of the Committee is selected among the members at the time of each meeting. During the year 2012-2013, one meeting was held and all the members of the committee were present.

Remuneration Policy :

Managing Director/Executive Director are paid Remuneration approved by the Board of Directors on the recommendation of Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders at the general meeting and such other authorities as the case may be.

Remuneration of Directors :

The remuneration and sitting fees paid to the Directors during the year under review;

(Rs in lakhs)

Name	Remuneration & Perquisites	Sitting Fees	Total
Mr.Suresh Jagannathan	20.02	—	20.02
Mr.V.N.Jayaprakasam	22.18	—	22.18
Mr.Sudarsan Varadaraj	—	0.18	0.18
Mr.K.Gnanasekaran	—	0.14	0.14
Mr.S.Govindan	—	0.26	0.26

The Company does not pay remuneration to any of its non-executive directors except sitting fees.

No commission was paid to Directors during the year.

Mr.Suresh Jagannathan, Managing Director - appointed for a period of five years from 11.3.2011

Mr.V.N.Jayaprakasam, Executive Director - re-appointed for a period of two years from 1.7.2012

(c) Shareholders Committee

During the year under review, the Committee met four times. All the members of the committee were present. The Committee comprises of the following Directors;

Name of the Member	Category	Status
Mr.S.Govindan	Independent	Chairman
Mr.Suresh Jagannathan	Executive Promoter	Member
Mr.V.N.Jayaprakasam	Executive - Non Independent	Member

The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate shares certificates and looks into the shareholders/ Investor complaints, if any, on transfer of shares, non-receipt of dividend, annual report etc., In addition, the Committee looks into other issues including status of dematerialization/re-

dematerialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. The Compliance Officer for the purpose of the listing agreement is Mr.S.Piramuthu, Company Secretary. The Minutes of Shareholders Committee were placed at the Board Meeting. During the year, the Company had received and resolved one complaint from the shareholder. There are no pending share transfers/complaints as on 31.3.2013.

Unclaimed shares demat suspense account

Pursuant to new clause 5A I (g) and 5A II (h) of the listing agreement, Company has opened unclaimed shares demat suspense account with Coimbatore Capital Limited having connectivity with NSDL. Details of unclaimed shares as on 31.3.2013 are as follows;

Opening number of shareholders	Opening number of shares	Credited to the Account		Credited to the rightful owner during the year		Closing number of shareholders	Closing number of shares
		Number	Shares	Number	Shares		
2	600	173	996	Nil	Nil	175	1596

Voting rights in respect of these shares have been frozen till the rightful owner claims the same.

4. Annual General Meetings

Location and time, where last three Annual General Meetings held

AGM	Location	Date	Time
2010 48th AGM	75/8, Benares Cape Road, Gangaikondan, Tirunelveli District-627352	29.9.2010	9.30 a.m.,
2011 49th AGM	75/8, Benares Cape Road, Gangaikondan, Tirunelveli District-627352	15.9.2011	10.45 a.m.,
2012 50th AGM	75/8, Benares Cape Road, Gangaikondan, Tirunelveli District-627352	16.8.2012	10.45 a.m.,

Details of special resolutions passed in the previous three AGMs.

Date of AGM Details of Special Resolutions passed

29.09.2010	Appointment of Mr.Suresh Jagannathan, Managing Director for a period of five years from 1.3.2011. Appointment of Mr..V.N.Jayaprakasam, Executive Director for a period of two years from 1.7.2010.
15.09.2011	Resolution u/s 297 (1) (a) for entering contract with Prokop Eltex India P Ltd., for a period of 5 years commencing from 1.4.2012.
16.08.2012	Appointment of Mr.V.N.Jayaprakasam, Executive Director for a period of two years from 1.7.2012

No special resolutions were put through postal ballot last year and there is no proposal for this year. No Extra -Ordinary general meeting was held during the financial year.

5. Management Discussion and Analysis Report

The contents of the Management Discussion and Analysis Report have been included in the Directors' Report at the appropriate places and thus the said report forms part of the annual report.

6. Disclosures

a. Disclosures on materially significant related party transactions

There are no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given elsewhere in the annual report.

b. Details of non compliance by the Company penalties, strictures imposed on the company by stock exchange of SEBI or any Statutory Authorities or any matter relating to capital markets during the last three years

The Company has complied with all the requirements of the listing agreement of the Stock Exchange as well as regulations and guidelines of SEBI. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange or any other statutory authority on matters relating to capital markets in the last three years.

c. Notes on Whistle Policy

The Company does not have any whistle blower policy. However any employee if he /she so desires, would have free access to meet senior level management and report any matter of concern.

d. Details of Compliance with mandatory requirements and adoption of the non mandatory requirements of clause 49

The Company has complied with all the mandatory requirements of corporate governance norms as enumerated in Clause 49 of the listing agreement with the stock exchange.

The Company adopted the non mandatory requirement of corporate governance recommended under Clause 49 of the Listing Agreement and constituted a remuneration committee comprising of three non executive independent directors.

The Company has not adopted any other non-mandatory requirements.

The Certification by the CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained and submitted to the Board.

7. Code of Conduct

The company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on 31st March, 2013. The Company's Managing Director's declaration to this effect forms a part of this report.

8. Code of conduct for prevention of insider trading

The company has framed a code of conduct for prevention of insider trading based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all directors / designated employees. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

9. Means of Communication

The quarterly results are published in Business Line (National Daily) and Dina Malar (Regional News paper).

As per the requirement of the listing agreement the company has also been filing all the data relating to financial results, shareholding pattern and annual report on the Company's website (www.klrf.in)

The copies of the results are forwarded to concerned stock exchanges immediately after they are approved by the board for publication in their website.

Official news releases are made whenever it is considered necessary. There were no specific presentations made to Institutional Investors/ analysts during the year.

10. General Shareholder information

A. Annual General Meeting

Date	16.09.2013
Time	10.00 A.M.,
Venue	75/8, Benares Cape Road, Gangaikondan-627352
Financial Year	April to March

B. Book Closure : 07.09.2013 to 16.09.2013 (both days inclusive)

C. Dividend payment date : Not applicable

D. Listing on Stock Exchanges

The Company's Equity Shares are listed at
Bombay Stock Exchange Ltd.,

Stock Code : 507598

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai-400001.

Madras Stock Exchange Ltd.,

Stock Code : "KOVILPATTI"

Exchange Building, Post Box No.183

11, Second Line Beach, Chennai-600001

International Security Identification Number (ISIN) : INE014E01015

The Company's equity shares are traded in National Stock Exchange of India Ltd., Mumbai under permitted category. The Company has paid the annual listing fees for the year 2013 - 2014.

E. Market Price Data

Month	Bombay Stock Exchange Ltd.,		National Stock Exchange Ltd.,	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April - 2012	33.80	24.05	34.95	23.90
May	32.50	22.35	30.00	21.00
June	29.45	22.35	29.90	22.30
July	28.00	23.35	28.85	23.20
August	31.95	24.85	31.20	24.60
September	30.50	25.75	28.80	25.05
October	29.20	24.05	28.95	25.10
November	28.90	25.45	30.45	25.80
December	30.35	25.75	29.70	26.00
January - 2013	33.75	24.40	29.90	26.00
February	30.00	24.30	29.90	25.80
March	31.40	25.00	34.90	23.70

F. Dematerialisation of shares and liquidity as on 31st March, 2013

Your company obtained necessary approvals from the NSDL and CDSL for providing demat facilities to our shareholders. The equity shares of the Company are compulsorily traded in dematerialised form.

Extent of Dematerialisation

Name of the Depository	No. of shares	% to total paid-up capital
National Securities Depository Limited	4185497	83.36 %
Central Depository Services (India) Limited	489396	9.75 %
Total	4674893	93.11 %

Outstanding GDRs / ADR / Warrants, Convertible Bonds, conversion date and likely impact on equity : Nil

G. Share transfer registrar & Transfer Agent

Shareholders are advised to send all their correspondence, transfer/transmission of shares directly to Link Intime India Private Ltd., Branch Office at "Surya" No.35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028.

H. Share Transfer System

The Share Transfers in physical form are registered and returned within 15 days from the date of receipt if the documents are in order. The Shareholders Committee who usually meets as and when required approves the share transfers.

I. Reconciliation of share capital audit

A qualified Company Secretary carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

J. Distribution of Shareholding as on 31.3.2013

No. of shares held	SHAREHOLDERS		SHAREHOLDING	
	Nos	%	Nos	%
Upto 500	4866	87.30	649151	12.93
501 - 1000	385	6.91	310271	6.18
1001 - 2000	177	3.17	270237	5.38
2001 - 3000	47	0.85	122142	2.43
3001 - 4000	18	0.32	64807	1.29
4001 - 5000	20	0.36	90881	1.81
5001 - 10000	33	0.59	239530	4.77
10001 & above	28	0.50	3273625	65.21
Total	5574	100.00	5020644	100.00

K. Shareholding pattern as on 31.3.2013

Particulars	No. of shares held	Percentage of Shareholding
Promoter's Holding	2466552	49.13
Directors and their Relatives	20192	0.41
Banks/FIS/Mutual Funds	805	0.02
Private Corporate Bodies	179934	3.58
Insurance Companies	250000	4.98
NRI/OCBs	16165	0.32
Indian Public	2086996	41.56
Total	5020644	100.00

L. Plant location

Food Division	Gangaikondan, Tirunelveli District
Textile Division	Unit-I, Gangaikondan, Tirunelveli District Unit-II, N.Subbiahpuram Village, Sattur Taluk, Virudhunagar District.
Wind Farms	Aralvoimozhi Village, Kanyakumari District Pazhavor Village, Radhapuram Taluk, Tirunelveli District Dhanukkarkulam Village, Radhapuram Taluk, Tirunelveli District. Parameshwarapuram Vilalge, Radhapuram Taluk, Tirunelveli District
Engineering Division	Periyanaickenpalayam, Coimbatore.

M. Address for correspondence

Share Transfer and other communications may be addressed to :
Link Intime India Private Limited
(Unit. KLRF Limited) , `Surya' , 35, Mayflower Avenue
Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028.
Phone : 0422 - 2314792, 2314792 Fax : 0422 - 2314792
E-mail : coimbatore@linkintime.co.in

Investors' complaints may be addressed to :
The Company Secretary, KLRF Limited
75/8, Benares Cape Road, Gangaikondan - 627352, Tirunelveli District
Phone : 0462 - 2486532, Fax 0462 - 2486132
E-mail : cosec@klrf.in website : www.klrf.in

Name of the Compliance Officer : Mr. S.Piramuthu, Company Secretary

By Order of the Board

Place : Coimbatore

Sudarsan varadaraj

Suresh Jagannathan

Date : 28.05.2013

Director

Managing Director

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby declare that the Board of Directors of the Company have adopted a code of conduct for Board members and the senior management of the company and the same has also been posted on the website of the Company and that all the Board members and senior management personnel to whom this code of conduct is applicable have affirmed the compliance of code of conduct during the year 2012 - 2013.

By Order of the Board

Place : Coimbatore

Suresh Jagannathan

Date : 28.05.2013

Managing Director

Auditors' certificate on compliance with conditions of Corporate Governance as per Clause 49 of the Listing Agreement with Stock Exchanges

To

The Members of KLRF Limited

I have examined the compliance of conditions of Corporate Governance by KLRF Limited ("the Company") for the year ended on 31.03.2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me; I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that no Investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investors Grievance Committee.

I 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.

Place : Coimbatore

Date : 28.05.2013

P. Marimuthu

Chartered Accountant

Membership No.5770

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of KLRF LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and 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"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I 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. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion

Opinion

In my opinion and to the best of my information and according to the explanations given to me, 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) 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") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I 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, I report that:
 - a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books and proper returns adequate for the purposes of my audit have been received from the Branches not visited by me. Branch Auditors' reports have been forwarded to me and has been appropriately dealt with.
 - 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 my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2013, from being appointed as a director in terms of /clause (g) of sub-section (1) of section 274 of the Companies Act 1956.

Place : Coimbatore

Date : 28.05.2013

P. Marimuthu

Chartered Accountant

Membership No : 5770

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of my report of even date,

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in my opinion, is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.
 - c) The company has not disposed of a major part of the fixed assets. According to the information and explanations given to me, I am of the opinion that the sale of the part of plant and machinery has not affected the going concern status of the company.
2.
 - a) The inventories have been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories 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 is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3.
 - a) The company has not granted any unsecured loan to parties listed in the register maintained Under Section 301 of the Companies Act, 1956. Hence, the question of rate of interest and other terms and conditions on which the loan was granted does not arise.
 - b) The Company has not taken any loans except deposits, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the question of rate of interest and the terms and conditions of such loan taken by the company and repayment of such loan with interest thereon in due dates does not arise.
4. In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of my audit, I have not observed any continuing failure to correct major weaknesses in internal control system.
5.
 - a) According to the explanations and information given to me I am of the opinion that the particulars of contracts or arrangements referred to in section 301 of the

Companies Act, 1956 have been entered in the register required to be maintained under that section.

- b) According to the explanations and information given to me, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In my opinion and according to the information and explanations given to me, the company has complied with the provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In my opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. I have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records in the textile and engineering divisions under section 209 (1) (d) of the Companies Act, 1956 and I am of the opinion that prima facie the prescribed accounts and records have been made and maintained. The cost auditor has done the cost audit of textile and engineering divisions.
9. a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it.
- b) According to the information and explanations given to me, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were in arrears, as at 31.03.2013 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to me, disputed statutory dues pending for payment as at 31.3.2013 is Rs.31.24 lakhs.
10. In my opinion and according to the information and explanations given to me, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders
11. In my opinion the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

12. In my opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
13. In my opinion, the company is not dealing in or trading in shares, securities, debentures and other Investments. Accordingly, the provisions of Clause (xiv) of para 4 of the Companies (Auditor's Report) Order, 2003 are not applicable.
14. In my opinion, on the basis of information the company has not given any guarantees for loans taken by others from banks or financial institutions.
15. The Company has not availed term loan during the year from Financial Institutions/ Banks.
16. According to the information and explanations given to me and on an overall examination of the balance sheet of the company, I report that no funds raised on short-term basis have been used for long term investment.
17. The company has not made any preferential allotment of shares during the year and hence the provisions of clause (xviii) of para 4 of this order are not applicable.
18. According to the information and explanations given to me, during the period covered in my audit report the company had not issued any debentures.
19. According to the information and explanations given to me, no fraud on or by the company has been noticed or reported during the course of my audit.

Place : Coimbatore
Date : 28.05.2013

P. Marimuthu
Chartered Accountant
Membership No : 5770

Balance Sheet as at 31st March, 2013

(Rupees)

Particulars	Note No.	31.03.2013	31.03.2012
I. EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share Capital	1	50206440	50206440
b) Reserves and Surplus	2	179621397	166948971
Non-current liabilities			
a) Long Term Borrowings	3	162858768	227133623
b) Deferred tax liabilities (Net)		1830827	—
c) Other Long Term Liabilities	4	312500	40272500
Current liabilities			
a) Short – term borrowings	5	305320118	325644653
b) Trade payables		73617068	40899048
c) Other current liabilities	6	70714862	75673545
d) Short – term liabilities	7	42405065	34847066
TOTAL		<u>886887045</u>	<u>961625846</u>
II. ASSETS			
Non-current assets			
a) Fixed Assets			
i) Tangible assets	8	323460883	361051817
ii) Intangible assets		665427	794160
iii) Capital work-in-progress		39198713	40482696
b) Deferred tax assets (net)		—	2912736
c) Long –Term Loans and advances	9	23808331	21056899
Current assets			
a) Inventories	10	310664281	373435251
b) Trade Receivables	11	128344959	117475130
c) Cash and Cash equivalents	12	6295285	7970260
d) Short-term Loans and advances	13	54449166	36446897
TOTAL		<u>886887045</u>	<u>961625846</u>

Significant Accounting Policies

14

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board

In accordance with my report of even date attached

Sudarsan Varadaraj

Director

P. Marimuthu
Chartered Accountant
Membership No.5770

Suresh Jagannathan
Managing Director

Place : Coimbatore
Date : 28.05.2013

S.Piramuthu
Company Secretary

Statement of Profit and loss for the year ended 31st March, 2013

(Rupees)

Particulars	Note No.	31.03.2013	31.03.2012
I. Revenue from Operations (Gross)	15	2187774930	2085002399
Less : Excise duty		45557264	51576979
Revenue from Operations (Net)		2142217666	2033425420
II. Other Income	16	1538620	4580476
III. Total Revenue (I + II)		2143756286	2038005896
IV. Expenses:			
Cost of material consumed	17	1465370952	1438929681
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	18	(13409438)	26440639
Employee benefits expense	19	101778037	124660605
Finance cost	20	82301100	90223064
Depreciation and amortization expense		51976533	49909880
Other expenses	21	440845515	342402483
Total expenses		2128862699	2072566352
V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		14893587	(34560456)
VI. Exceptional items		—	—
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		14893587	(34560456)
VIII. Extraordinary Items		—	—
IX. Profit / (Loss) before tax (VII- VIII)		14893587	(34560456)
X. Tax expense:			
(1) Current tax (Net - refer note No. 14 (f 1))		—	—
MAT credit entitlement		2973904	—
(2) Deferred tax – Asset / (Liabilities)		(47435663)	12461032
XI. Profit / (Loss) for the period from continuing operations (IX-X)		13123928	(22099424)
XII. Profit/(loss) from discontinuing operations		—	—
XIII. Tax expense of discontinuing operations		—	—
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		13123928	(22099424)
XV. Profit / (Loss) for the period (XI + XIV)		13123928	(22099424)
XVI. Earnings per equity share:			
(1) Basic		2.61	(4.40)
(2) Diluted		2.61	(4.40)

Significant Accounting Policies

14

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board

In accordance with my report of even date attached

Sudarsan Varadaraj
Director

P. Marimuthu
Chartered Accountant
Membership No.5770

Suresh Jagannathan
Managing Director

Place : Coimbatore
Date : 28.05.2013

S.Piramuthu
Company Secretary

Notes to Financial Statements for the year ended 31st March, 2013

1. Share Capital	31.3.2013		31.3. 2012	
Authorised	Number	Rupees	Number	Rupees
10% Cumulative Redeemable Preference shares of Rs.10/- each	6000000	60000000	6000000	60000000
Equity Shares of Rs.10/- each	9000000	90000000	9000000	90000000
	<u>15000000</u>	<u>150000000</u>	<u>15000000</u>	<u>150000000</u>
Issued				
Equity Shares of Rs.10/- each	<u>5119598</u>	<u>51195980</u>	<u>5119598</u>	<u>51195980</u>
Subscribed & fully Paid up				
Equity Shares of Rs.10/- each	<u>5020644</u>	<u>50206440</u>	<u>5020644</u>	<u>50206440</u>
Total	<u>5020644</u>	<u>50206440</u>	<u>5020644</u>	<u>50206440</u>

98954 partly paid equity shares were forfeited on 25.3.1998 vide board resolution dated 25.3.1998

a) Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share.

b) Reconciliation of number of Shares

Shares outstanding at the beginning / closing of the year

Equity Shares	<u>5020644</u>	<u>50206440</u>	<u>5020644</u>	<u>50206440</u>
---------------	-----------------------	------------------------	----------------	-----------------

c) No shares have been allotted as fully paid up, by way of bonus shares during 5 years immediately preceding 31.3.2013

d) Details of equity shareholders holding more than 5% shares in the Company

Name of Shareholder	31.3.2013		31.3.2012	
	No. of Shares	% held	No. of Shares	% held
Mr. Suresh Jagannathan	948148	18.88	948148	18.88
Cape Flour Mills Private Limited	1137071	22.65	995285	19.82

2. Reserves & Surplus	31.3.2013	31.3.2012
a) Capital Reserve		
Opening / Closing Balance	2071233	2071233
b) Securities Premium Account		
Opening / Closing Balance	164215420	164215420
c) Revaluation Reserve		
Opening Balance	12142845	14033923
Less : Written Back in Current Year	<u>451502</u>	<u>1891078</u>
Closing Balance	<u>11691343</u>	<u>12142845</u>
d) General Reserve		
Opening / Closing Balance	99497443	99497443
e) Surplus		
Opening balance	(110977970)	(88878546)
(+) Net Profit/(Net Loss) For the current year	13123928	(22099424)
(-) Proposed Dividends	—	—
(-) Interim Dividends	—	—
Closing Balance	<u>(97854042)</u>	<u>(110977970)</u>
Total	<u>179621397</u>	<u>166948971</u>

Notes to Financial Statements (Contd.,)

(Rupees)

3. Long Term Borrowings	Non Current portion		Current maturities	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
a) Secured				
Term loans from banks (ref note no.6) (Guaranteed by Managing Director for term loans)				
i) Canara Bank	17000152	21857336	4857184	4857184
ii) Indian Overseas Bank	12223500	19209500	6986000	6986000
iii) Punjab National Bank	46898334	76631334	29733000	33860000
iv) IDBI Bank Ltd.,	39999999	66666657	26666667	26666667
v) Vehicle Loans from Indian Overseas Bank, Canara Bank and ICICI Bank Ltd.,	4613917	4143177	1913016	2651224
Total	120735902	188508004	70155867	75021075
b) Unsecured				
Deposits (ref note no.5)	42122866	38625619	32392358	25944523
Total	162858768	227133623	102548225	100965598

- i). Rupee term loan availed from Canara Bank carries interest @ 12.75% p.a., (base rate+2.50 p.a.+1% p.a.). The loan is repayable in quarterly instalments of Rs.12.14 lakhs each. The interest is payable on quarterly basis. The loan matures in August, 2017. The loan is secured by way of exclusive charge on Land, Buildings and Machineries pertaining to 1 No 1250 KW Wind Mill situated at Parameshwarapuram Village Tirunelveli District.
- ii). Rupee term loan availed from Indian Overseas Bank carries interest @ 13% p.a., (base rate+2.75%). The loan is repayable in quarterly instalments of Rs.17.47 lakhs each. The interest is payable on monthly basis. The loan matures in December, 2015. The loan is secured by way of exclusive charge on Land, Buildings and Machineries pertaining to 1 No 1250 KW Wind Mill situated at Parameshwarapuram Village Tirunelveli District.
- iii). Rupee terms loans availed from Punjab National Bank carries interest @ 14.50% p.a.,(BPLR+0.50%p.a.). TUF loan interest @ 9.50%p.a., (BPLR+0.50% p.a., - 5 % p.a.,)The interest payable on monthly basis. The loans are repayable on quarterly basis. The loan will mature in October, 2016. The loans are secured by way of pari-passu first charge on Land, Buildings and Machineries except the Wind Mill fixed assets to Canara Bank and Indian Overseas Bank and Land and Buildings of foundry division charged to IDBI Bank Ltd.,
- iv). Rupee term loan availed from IDBI Bank Ltd., carries interest @ 14.25% p.a., (base rate+4% p.a.). The loan is repayable on monthly basis. The interest also payable on monthly basis. The loan matures in September, 2015. The loan is secured by exclusive charge on the Land and Buildings of foundry division.
- V). Vehicle loans availed from Canara Bank, Indian Overseas Bank and ICICI Bank Ltd. These loans are repayable on monthly basis. The loans are secured by vehicle.
- b) Deposits are accepted pursuant to provisions of Companies (Acceptance of Deposits) Rules 1975 and having maturity periods of one year two years and three years. Interest payable on quarterly basis @ 11.50% p.a., 12.00% p.a. and 12.50% p.a. respectively.

Notes to Financial Statements (Contd.,)

(Rupees)

4. Other Long Term Liabilities	31.3.2013	31.3.2012
Security deposits from dealers	312500	272500
Advance received for sale of property	—	40000000
Total	<u>312500</u>	<u>40272500</u>
5. Short Term Borrowings		
a) Secured		
Loans repayable on demand (Guaranteed by Managing Director for working capital loan)		
Open Loan and Packing Credit Loan from Canara Bank	166821551	210214567
Open Loan from Indian Overseas Bank	106106209	89485563
Total	<u>272927760</u>	<u>299700130</u>
b) Unsecured		
Deposits (ref note no.3)	32392358	25944523
Total	<u>305320118</u>	<u>325644653</u>
1. Working capital loans from Canara Bank carries an interest rate @ 13.75% (base rate+2.50%+1%) and secured by pari-passu first charge on all the current assets and pari-passu second charge on all the immovable assets except those which are having exclusive charge.		
2. Working capital loans from Indian Overseas Bank carries an interest rate @ 13 % (base rate+2.50%) and secured by pari-passu first charge on all the current assets and pari-passu second charge on all the immovable assets except those which are having exclusive charge.		
6. Other Current Liabilities		
a) Current maturities of long-term debt (refer note no 3)	70155867	75021075
b) Unclaimed dividends	558995	652470
Total	<u>70714862</u>	<u>75673545</u>
7. Short Term Liabilities		
Provision for Bonus	2213833	2579812
Outstanding expenses	32157151	15146188
Statutory dues payable	7406941	6872609
Advance from customers	627140	10248457
Total	<u>42405065</u>	<u>34847066</u>

Notes to Financial Statements (Contd.,)

8. Fixed Assets

(Rupees)

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 1.4.2012	Additions	Disposals	Balance as at 1.4.2012	Depreciation charge for the year	On disposals	Balance as at 31.3.2013	Balance as at 31.3.2013	Balance as at 31.3.2012
a) Tangible Assets (Not Under Lease)									
Land	15558579	—	—	15558579	—	—	—	15558579	15558579
Buildings	109544113	2200100	—	111744213	3221867	—	44924201	66820012	67841779
Plant and Equipment	807059403	12390714	115600	819334517	45005689	60411	601735105	217599412	250269576
Furniture and Fixtures	3923102	352824	—	4275926	268939	—	2826534	1449392	1365507
Vehicles	22619575	3838794	8928293	17530076	1240756	3120826	5992589	11537487	14746916
Office equipment	16418513	1847370	1593964	16671919	1585879	1458804	12529508	4142411	4016080
Electrical Equipment	17131331	144642	1365010	15910963	230955	1296750	14207114	1703849	1858422
Mould & Pattern	8626716	—	—	8626716	745217	—	3976975	4649741	5394958
Total (a)	1000881332	20774444	12002867	1009652909	52299302	5936791	686192026	323460883	361051817
b) Intangible Assets									
Computer software	794160	—	—	794160	128733	—	128733	665427	794160
Total (b)	794160	—	—	794160	128733	—	128733	665427	794160
C) Capital Work in Progress									
Total (c)	40482696	—	1283983	39198713	—	—	—	39198713	40482696
Total (a+b+c)	1042158188	20774444	13286850	1049645782	52428035	5936791	686320759	363325023	402328673
Total depreciation for the year 52428035									
Less : Transferred to revaluation reserve 451502									
Depreciation charged in Statement of Profit and Loss 51976533									

Notes to Financial Statements (Contd.,)

		(Rupees)
9. Long Term Loans and Advances	31.3.2013	31.3.2012
Security Deposits		
Unsecured, considered good	23808331	21056899
Total	<u>23808331</u>	<u>21056899</u>
10. Inventories (Valued at lower of cost and net realizable value)		
Raw Materials and components	183884273	262547366
Work-in-progress	23024098	18064748
Finished goods	83817707	62705475
Stores and spares	13823451	11340766
Impurities, Runner and Riser	2871644	16670391
Gunnies	3243108	2106505
Total	<u>310664281</u>	<u>373435251</u>
11. Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	128179303	117226674
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	165656	248456
Total	<u>128344959</u>	<u>117475130</u>
12. Cash and cash equivalents		
a) Balances with bank – current account	371840	2193587
b) Cash on hand	1150016	1475306
c) Earmarked Balances		
Unpaid dividend deposit account	558995	652470
Bank deposits with more than 12 months maturity	4214434	3648897
Total	<u>6295285</u>	<u>7970260</u>

Notes to Financial Statements (Contd.,)

	31.3.2013	(Rupees) 31.3.2012
13. Short-term loans and advances		
Unsecured, considered good		
Interest Receivables	211626	437368
Advance for purchases	9473839	10126577
Prepaid expenses	5790685	5209213
Receivables	10150412	6450750
Other advances	8010141	1230979
Taxes paid	17838559	12992010
MAT Credit entitlement	2973904	—
Total	<u>54449166</u>	<u>36446897</u>
15. Revenue From operations		
a) Sale of products		
Wheat, wheat products and impurities	1164782885	975761684
Yarn and waste cotton	596236216	546901109
Sheet metal components	57247146	79904618
Castings	357227061	460871417
b) Sale of services – fabrication charges	2794073	4523707
c) Other operating revenues – sale of scrap and gunnies	9487549	17039864
Revenue from operations (Gross) – Total	<u>2187774930</u>	<u>2085002399</u>
d) Less : Excise duty	45557264	51576979
Revenue from operations (Net) – Total	<u>2142217666</u>	<u>2033425420</u>
16. Other Income		
Interest Income	1933976	1501974
Net gain / (Loss) on sale of fixed assets	(2670868)	(372207)
Other non-operating income – Miscellaneous Income	2275512	3450709
Total	<u>1538620</u>	<u>4580476</u>
17. Cost of material consumed		
Wheat	949605781	800003098
Cotton	355709096	408002560
Iron Materials	160056075	230924023
Total	<u>1465370952</u>	<u>1438929681</u>

Notes to Financial Statements (Contd.,)

	31.3.2013	31.3.2012	(Rupees) (Increase)/ Decrease
18. Changes in Inventories of finished goods and work-in-progress			
Inventory at the end of the year			
Work-in-progress			
Cotton	16945940	10100146	(6845794)
Iron Materials and Sheet Metal Components	6078158	7964602	1886444
Finished Goods			
Wheat products	24560979	18300942	(6260037)
Yarn	39565515	46303706	6738191
Castings	25805965	16877723	(8928242)
Total	<u>112956557</u>	<u>99547119</u>	<u>(13409438)</u>
Inventory at the beginning of the year			
Work-in-progress			
Cotton	10100146	15648877	5548731
Iron Materials and Sheet Metal Components	7964602	7441102	(523500)
Finished Goods			
Wheat products	18300942	19514023	1213081
Yarn	46303706	62726896	16423190
Castings	16877723	20656860	3779137
Total	<u>99547119</u>	<u>125987758</u>	<u>26440639</u>
 19. Employees Benefit Expenses		31.3.2013	31.3.2012
Directors remuneration and fees		4278675	3248800
Salaries, Wages and Bonus		85090872	105813613
Contribution to PF and other Funds		6950903	9089968
Employees' Welfare		3939149	3532567
Gratuity		1518438	2975657
Total		<u>101778037</u>	<u>124660605</u>

Notes to Financial Statements (Contd.,)

		(Rupees)
20. Finance cost	31.3.2013	31.3.2012
Interest expense - Banks and Institutions	64954337	80169926
Interest expense - Fixed deposits and others	15550633	8770560
Other borrowing costs	1796130	1282578
Total	<u>82301100</u>	<u>90223064</u>
21. Other Expenses		
Fabrication Charges	43622174	38138300
Power and Fuel	169046463	103656491
Stores, Spares and Packing Materials	83986613	97779078
Repairs to Machineries	69032803	36209597
Factory Maintenance and Buildings Repairs	11110388	11067671
Commission and Discount	7967263	8904469
Freight	15614795	12658570
Insurance	2668808	2853427
Auditor's Fees and Expenses	1408719	1282485
Rent and Office Maintenance	3186294	3011137
Rates and Taxes	5220591	2420623
Advertisement and Sales Promotion Expenses	4061346	2204183
Miscellaneous Expenses	13555	8384
Water Charges and Maintenance	62613	33663
Printing and Stationery	1147510	1053291
Postage, Telegram and Telephones	1532945	1417558
Subscription and Periodicals	561099	485600
Vehicle Maintenance	2517528	2230639
Travelling	9592298	6943700
Filing Fees	11530	12125
Legal Expenses and Professional Charges	4493693	4268242
Enlisting Fees	40316	43017
Furniture and Other Repairs	17678	53020
Lighting	379102	146828
Data Processing	1308030	1322727
Yarn Conversion Charges	1270469	2422192
Pollution Control Expenses	423621	330606
Bank Commission	547271	1077565
Diminishing in Investments	—	15000
Bad debts written off	—	352295
TOTAL	<u>440845515</u>	<u>342402483</u>

14 NOTES ON ACCOUNTS

1 Significant Accounting Policies

a METHOD OF ACCOUNTING

The Company follows mercantile system of accounting and recognise income and expenditure on accrual basis.

b FIXED ASSETS

Interest and commitment charges on term loans specifically availed for acquisition of assets for modernisation is capitalised untill commencement of production.

Exchange rate fluctuations on assets acquired under foreign currency loan are capitalised.

Depreciation on assets has been provided on Straight Line Basis at the rates specified in Schedule XIV of the Companies Act, 1956, as amended.

Recoverable amount of every asset is higher of its carrying amount and its value in use.

c INVENTORIES

Inventories other than finished goods are valued at cost. Costs include expenses incurred in bringing the inventories upto the present location and condition and is net of modvat. Finished goods are valued at lower of cost and net realisable value.

d FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency are accounted at exchange rate prevailing on the date of transactions. Exchange gains/losses are recognised in the Statement of Profit and Loss except in respect of liabilities incurred for acquisition of fixed asset.

e EMPLOYEES BENEFITS

Future liability towards gratuity to employees is determined on the basis of actuarial valuation as at the year end and funded through separate approved trust administered by LIC of India. Contributions to Provident Fund, ESI and Family Pension Fund being fixed contributions are absorbed in the accounts.

f INCOMETAX

i) Current Tax

MAT credit relating to earlier years to the extent of Rs.43,53,986/- has been taken into account during the year. Provision for current tax Rs.13,80,082/- has been adjusted against eligible MAT credit entitlement.

ii) Deferred Tax

Deferred Taxation is accounted for in respect of all timing differences on a liability method.

NOTES ON ACCOUNTS (Contd.,)

(Rupees)

Sl.No.	Particulars	31.3.2013	31.3.2012
--------	-------------	------------------	-----------

2	Number of employees who are in receipt or entitled to receive emoluments amounting in aggregate Rs.5,00,000/- or more per month	—	—
----------	---	---	---

3 Contingent Liabilities

Claims, Excise and Customs Duty, Taxes and other matter-not acknowledged by the Company

a) Guarantees by Banks		—	—
------------------------	--	---	---

b) Claims against the company not acknowledged as debts		3123758	3123758
---	--	----------------	---------

Customs authority has confirmed import duty demands aggregating Rs.19,47,408/- in respect of wheat imported. The Company has disputed the said demand and has filed appeal to Appellate Authority.

4 Income tax appeals are pending before the Supreme Court for the Assessment years 1991-92 to 1993-94, 1995-96 and 1996-97 Commercial tax and levy of PF damages are pending in appeal.

5 Expenditure in foreign currency

a) Foreign travel		2602696	1723024
-------------------	--	----------------	---------

b) Others		—	—
-----------	--	---	---

6 Value of imports on c.i.f. basis

a) Raw Material		4793776	15779554
-----------------	--	----------------	----------

b) Spares		6566382	—
-----------	--	----------------	---

c) Machinery		382873	—
--------------	--	---------------	---

7 Earnings in foreign exchange

a) Export of goods on f.o.b. basis		42980170	69631575
------------------------------------	--	-----------------	----------

b) Commission Received		—	—
------------------------	--	---	---

		31.3.2013		31.3.2012	
Raw material consumed		Value	%	Value	%
Wheat	-Indigenous	949605781	64.80	800003098	55.60
	-Imported	—	—	—	—
Cotton	-Indigenous	355709096	24.27	408002560	28.35
	-Imported	—	—	—	—
Iron Materials	-Indigenous	155262299	10.60	215144469	14.95
	-Imported	4793776	0.33	15779554	1.10
Total		1465370952	100.00	1438929681	100.00

9 Audit fees and expenses

Statutory Audit Fees	374000	340000
----------------------	---------------	--------

Statutory Cost Audit Fees	77000	57000
---------------------------	--------------	-------

Fees for other services and expenses	237719	231985
--------------------------------------	---------------	--------

Internal Audit Fees	348000	316000
---------------------	---------------	--------

Branch Audit Fee	372000	337500
------------------	---------------	--------

	1408719	1282485
--	----------------	---------

NOTES ON ACCOUNTS (Contd.,)

Sl.No.	Particulars	31.3.2013	31.3.2012
10	Licensed and installed capacity		
	Flour Mill	Installed M.T	74000
			74000
	Textile	Installed Spindles	29520
			29520
		Installed Rotors	2760
			2760
	Foundry	Installed M.T	9600
			9600
11	Actual production meant for sale		
(a)	Wheat Milled	M.T	56940
	Products obtained	M.T	56258
			54423
(b)	Cotton		
	Consumed	Kgs.	4178109
	Products obtained	Kgs.	3315283
			3212915
(c)	Iron material		
	Consumed	M.T	4417
	Products obtained	M.T	4295
			6332
			5944
12	Opening and closing stock of finished goods		
(a)	Wheat Products		
	Opening Stock	M.T	840
	Closing Stock	M.T	893
			922
			840
(b)	Cotton yarn		
	Opening Stock	Kgs.	216255
	Closing Stock	Kgs.	225726
			349058
			216255
(c)	Iron materials		
	Foundry Returns		
	Opening Stock	M.T	167
	Closing Stock	M.T	96
			85
	Finished goods		
	Opening Stock	M.T	157
	Closing Stock	M.T	298
			274
			157
13	Earning per share		
	Profit / (Loss) after taxes (Rs.)	13123928	(22099424)
	Fully paid shares of Rs.10/- each (Nos.)	5020644	5020644
	Earning per share (Rs.)	2.61	(4.40)
14	During the year the Company has accounted for the deferred taxation which represents the amount determined and considered upto the Balance Sheet date, in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India, to neutralise the tax effect of "timing differences" between taxable income & depreciation and accounting income & depreciation that originate in one period and are capable of reversal in subsequent periods.		
15	Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information and evidence available with the company, there are no dues to micro and small enterprises, outstanding as on 31.03.2013.		

NOTES ON ACCOUNTS (Contd.,)

16 Related Party Disclosure

The following are the transactions with related parties in terms of AS 18 issued by the Institute of Chartered Accountants of India.

Sl.No	Name of the party	Relationship	Nature of Transaction	Rs.
1	The Lakshmi Textile Suppliers	Director interested concern	Purchase of electrical goods	2435515
2	Ellargi & Co.,	Director interested concern	Purchase of fuel	69253
3	Cape Flour Mills P Ltd.,	Director interested concern	Purchase of power Service - Trade mark permission Sale of sheet metal components Rent received	— 120000 94602 86400
4	Mckinnon India P Ltd.,	Director interested concern	Purchase of scrap Sale of sheet metal components	126090 7248680
5	Super Springs P Ltd.,	Director interested concern	Purchase of scrap Sale of sheet metal components	497698 52592
6	Prokop Eltex India P Ltd.,	Director interested concern	Purchase of flour mill machineries and sale of sheet metal components	825791

17 Segment Reporting

(Rs.in lakhs)

Sl.No	Information about primary Segments-Business Segments	Food Division	Textile Division	Engineering Division	Total
1	Revenue	11680.39	5964.78	3777.01	21422.18
2	Segment Results - Operating Profit/(Loss)	1077.24	19.10	(124.39)	971.95
	Less : Finance Cost	253.97	418.69	150.35	823.01
	Add : Other unallocable income net of un allocable expenditure	—	—	—	—
	Net Profit / (Loss) before Tax	823.27	(399.59)	(274.74)	148.94
3	Capital Employed (Segment Assets - Segment Liabilities)	2468.49	3281.46	2380.77	8130.72
	Unallocable corporate assets less corporate liabilities	—	—	—	738.15
	Total Capital Employed	—	—	—	8868.87

NOTES ON ACCOUNTS (Contd.,)

18 Disclosure as required under Accounting Standard (AS) 15 of The Companies (Accounting Standards) Rules

	As at 31.3.2013 (Rs.in lakhs)	As at 31.3.2012 (Rs.in lakhs)
Defined Benefit Plans : Gratuity		
a) Changes in present value of obligations		
Present value of benefit obligations at the beginning of the year	116.24	88.51
Interest cost	9.30	2.25
Current service cost	4.76	3.38
Benefits paid	(17.90)	(5.19)
Actuarial gain / loss on benefit obligation	2.42	27.29
Present value of benefit obligations at the end of the year	114.82	116.24
b) Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	116.24	88.51
Expected return on plan assets	9.69	5.87
Contributions	15.18	—
Actuarial gain / loss on plan assets	—	(2.71)
Benefits paid	(17.90)	(5.19)
Fair value of plan assets at the end of the year	123.21	86.48
c) Actuarial gain / loss recognised		
Actuarial gain / loss for the year - obligation	2.42	27.29
Actuarial gain / loss for the year - plan assets	—	(2.71)
Total gain / loss recognised in the financial Year	2.42	24.58
d) Expenses recognized in statement of profit and loss		
Interest cost on benefit obligations	14.72	7.67
Service cost on benefit obligations	4.76	3.38
Expected return on plan assets	(9.69)	(5.87)
Net gain / loss recognised in the statement of profit and loss	2.42	24.58
Expenses recognised in statement of profit and loss	12.21	29.76
e) Liabilities recognised in the balance sheet		
Present value of benefit obligations at the end of the financial year	114.82	116.24
Fair value of plan assets	123.21	86.48
Funded status	8.39	29.76
Net assets/liabilities recognised in balance sheet	8.39	29.76
f) Actuarial Assumptions		
Discount rate	8.00%	8.00%
Expected return on plan assets	9.15%	8.00%
Salary increase	6.00%	5.00%

19 Comparative figures for previous year have been re-classified and re-grouped wherever necessary to confirm to this year's classifications.

In accordance with my report of even date attached

For and on behalf of the Board

P. Marimuthu
Chartered Accountant
Membership No.5770
Place : Coimbatore
Date : 28.05. 2013

Sudarsan Varadaraj
Director
Suresh Jagannathan
Managing Director

S.Piramuthu
Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

Rs. In Lakhs

	31.3.2013	31.3.2012
a) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	148.94	(345.60)
Adjustments for		
Depreciation	519.77	499.10
Investments	26.71	3.72
Dividend	—	—
Finance Cost (Net)	803.67	887.21
	<u>1350.15</u>	<u>1390.03</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>1499.09</u>	<u>1044.43</u>
Adjustments for		
Trade and other Receivables	(288.72)	924.23
Inventories	627.71	1011.73
Trade Payables and Liabilities	353.17	(1004.62)
Cash generated from operations	<u>2191.25</u>	<u>1975.77</u>
Less : Finance Cost (Net)	803.67	887.21
Less : Direct Taxes	(17.69)	—
Cash flow before extraordinary items	<u>1405.27</u>	<u>1088.56</u>
Extraordinary Items	—	—
Net cash from operating activities	<u>1405.27</u>	<u>1088.56</u>
b) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(182.06)	(284.86)
Sale of Fixed Assets	33.16	10.37
Purchase/sale of Investment (Net)	—	0.15
Deferred Revenue Expenditure	—	—
Dividend Received	—	(274.34)
Net cash used in investing activities	<u>(148.90)</u>	<u>(274.34)</u>
c) CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings	(203.25)	(291.91)
Long term borrowings (Net)	(1042.35)	(511.86)
Long term loans and advances	(27.51)	(41.73)
Dividend and tax paid	—	—
Tax on dividend	—	—
Net cash from financing activities	<u>(1273.11)</u>	<u>(845.50)</u>
Net increase in cash and cash equivalents (a+b+c)	<u>(16.74)</u>	<u>(31.28)</u>
Cash and cash equivalents at the beginning of the year	79.70	110.98
Cash and cash equivalents at the close of the year	<u>62.96</u>	<u>79.70</u>

For and on behalf of the Board

Sudarsan Varadaraj
Director

Suresh Jagannathan
Managing Director

S.Piramuthu
Company Secretary

AUDITOR'S CERTIFICATE

I have verified the above cash flow of KLRF Limited, Gangaikondan derived from the audited annual financial statement for the years 31st March, 2013 and 31st March, 2012 and found the same to be drawn in accordance therewith and also with the requirement of Clause 32 of the listing agreements with Stock Exchanges.

P. Marimuthu

Place : Coimbatore
Date : 28.05.2013

Chartered Accountant
Membership No.5770

THIS PAGE IS INTENTIONALLY LEFT BLANK

KLRF Limited

Regd. Office : 75/8, Benares Cape Road, Gangaikondan – 627352

ADMISSION SLIP

Name of the Member/

Joint holder

Name of Proxy

I hereby record my presence at the 51st Annual General Meeting of the Company held on Monday the 16th September, 2013 at 10.00 a.m., at the Registered Office : 75/8, Benares Cape Road, Gangaikondan-627352.

Folio No. Demat A/C No.	
No. of Shares	

.....
Signature of Member / Proxy



KLRF Limited

Regd. Office : 75/8, Benares Cape Road, Gangaikondan – 627352

PROXY FORM



I / We

ofbeing a Member /

Members of KLRF Limited hereby appoint

.....of

or failing him.....Of

As my / our Proxy to attend and vote for me / us on my / our behalf at the 51st Annual General Meeting of the Company to be held on Monday, the 16th September, 2013 at 10.00 a.m., at the Registered Office : 75/8, Benares Cape Road, Gangaikondan – 627352 and at any adjournment thereof.

Signed thisday of2013.

Folio No. Demat A/C No.	
No. of Shares	

Affix
Re1
Revenue
Stamp

- Notes:** (1) The form should be signed across the stamp as per specimen signature registered with the Company.
(2) The proxy form duly completed must reach the Registered Office of the Company at 75/8, Benares Cape Road, Gangaikondan – 627352, not less than 48 hours before the time of meeting.

THIS PAGE IS INTENTIONALLY LEFT BLANK

BOOK POST

To

If undelivered, please return to :
KLRF Limited
75/8, Benares Cape Road
Gangaikondan-627352
Tirunelveli District