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# TRIGGER APPARELS LIMITED

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Financial Report for the year ended  
March 31, 2017

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# TRIGGER APPARELS LIMITED

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## BOARD OF DIRECTORS

**Managing Director**      Shri Surinder Chhibber

**Directors**                      Shri KG Baalakrishnan  
    Shri A Velusamy  
    Shri G Krishnakumar  
    Shri S Kalyanasundaram  
    Shri R K Sridhar

**Registered Office**          2, FCI Complex  
    Karamadai, Coimbatore - 641 104.

**Auditors**                        M/s Gopalaiyer and Subramanian  
    Chartered Accountants  
    Coimbatore.

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# TRIGGER APPARELS LIMITED

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## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

We have pleasure in presenting the Seventeenth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2017.

### STATE OF THE COMPANY'S AFFAIRS

During the period under review, the Company has earned revenue of Rs.11164.33 lakhs and Net Loss of Rs.143.75 lakhs.

### PERFORMANCE OF THE COMPANY

The Company is mainly engaged in manufacturing and marketing of readymade garments in the domestic market under the brand name of Trigger, export of readymade garments and manufacturing of readymade garments for other domestic brands.

The profitability for the year was affected on account of lower sales realization both in export and domestic markets.

### CONSOLIDATED FINANCIAL STATEMENTS

There are no subsidiaries, associates or joint ventures for the Company. Hence the provision of Section 129(3) read with rule 5 are not applicable for the Company.

### MEETINGS OF THE BOARD OF DIRECTORS

During the year ended 31<sup>st</sup> March, 2017, Four Board Meetings were held.

The dates on which the Board meetings were held are 24<sup>th</sup> May 2016, 23<sup>rd</sup> July 2016, 03<sup>rd</sup> November 2016 and 06<sup>th</sup> February 2017.

### DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement the Board of Directors of the Company hereby confirms:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) that 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 as at 31<sup>st</sup> March 2017 and Statement of Profit and Loss Account of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2017 on a going concern basis;
- v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

There are no Loans, Guarantees given or Investments made by the company as per Section 186 of the Companies Act, 2013.

### PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF COMPANIES ACT, 2013

Thus disclosure in Form AOC-2 as per Companies Act, 2013 and Rule 8 of Companies (Account) Rules, 2014 is given in Annexure 1 of this report.

All related party transaction are placed before the Board for approval on a quarterly basis.

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# TRIGGER APPARELS LIMITED

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## TRANSFER OF AMOUNT TO RESERVES

In absence of profits, there are no transfer of any amount to the general reserve for the Financial Year ended 31<sup>st</sup> March, 2017.

## EXTRACT OF ANNUAL RETURN

The extract of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as Annexure - 2 to this Report.

## THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 (ACT) READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as Annexure - 3 to this Report.

## RISK MANAGEMENT COMMITTEE

The Company had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure is reviewed by the Board of Directors on a Quarterly basis at the time of review of Quarterly Financial Results of the Company.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The provision of Section 135(1) of the Companies Act, 2013 were not applicable to the Company for the year.

The Report on Corporate Social Responsibility as Per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is hence not required.

## DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013.

## STATUTORY AUDITORS

The Shareholders of the Company at the Annual General Meeting held on 28<sup>th</sup> September, 2015 have appointed M/s. Gopalaiyer and Subramanian, Chartered Accountants (ICAI Regn. No.000960S) as Statutory Auditors of the Company.

It is proposed to re-appoint them as Statutory Auditors of the Company for a further period of one year.

M/s. Gopalaiyer and Subramanian, Chartered Accountants (ICAI Regn. No.000960S) have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 139 of the Companies Act, 2013.

## AUDITORS REPORT

M/s.Gopalaiyer and Subramanian, Chartered Accountants (ICAI Regn. No.000960S) have issued Auditors Report for the Financial Year ended 31<sup>st</sup> March, 2017 and there are no qualifications in Auditors' Report.

## SECRETARIAL AUDITORS REPORT

The provisions of Section 204 of the Companies Act, 2013, are not applicable to the Company.

## STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL

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# TRIGGER APPARELS LIMITED

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The Statement of particulars of Appointment and Remuneration of Managerial personnel as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

## CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

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

No Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Details of pending legal cases are furnished in Note No.29 to the accounts.

## MATERIAL CHANGES AND COMMITMENTS

There are no Material changes and commitments in the business operations of the Company from the Financial Year ended 31<sup>st</sup> March, 2017 to the date of signing of the Director's Report.

## ACKNOWLEDGMENT

The Directors take this opportunity to place on record their sincere thanks to the Banks, Insurance Companies, Central and State Government Departments for their support and co-operation extended to the Company from time to time.

## PARTICULARS OF EMPLOYEES

During the year under review there were no employees in receipt of remuneration covered by Section 197(12) read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Our humble prayers to **Sri Venkateswaraswamy Vari of Then Thirumalai** for the continued prosperity of the Company.

Coimbatore  
22.05.2017

On behalf of the Board  
**KG Baalakrishnan**  
Director  
DIN: 00002174

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# TRIGGER APPARELS LIMITED

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## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis  
There were no contracts or arrangements or transactions not at arm's length basis.
2. Details of material contracts or arrangement or transactions at arm's length basis

S. No	Name of the related party and nature of relationship	Nature of Contracts/ arrangements/ transactions	Duration of Contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances if any
	K G Denim Limited Section 2(76)(v) Public Company in which a directors holds along with his relatives more than 2% of its paid up share capital.	Purchase Contract	2 Years till 31.03.2018	Purchase/Sale of fabrics under Section 188(1)(a) and processing charges under Section 188(1)(a) of Companies Act, 2013. For the year 2016-17 purchase of fabrics /accessories Rs.2566.21 lakhs, sales of fabric/garments Rs.3.30 lakhs and processing charges paid of Rs.896.89 lakhs.	24.05.2016 23.07.2016 03.11.2016 06.02.2017	Nil
	KG Fabriks Limited Section 2(76)(v) Public Company is which a director holds along with his relatives more than 2% of its paid up share capital.	Purchase Contract	3 years' till 31.03.2018	Purchase of fabrics under Section 188(1)(a) of Companies, 2013. For the year 2016-17 Purchase of fabrics Rs.650.40 lakhs and sale of service Rs.1.45 Lakhs	24.05.2016 23.07.2016 03.11.2016 06.02.2017	Nil

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# TRIGGER APPARELS LIMITED

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Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the Financial Year ended on 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

1. CIN	U18101TZ1999PLC008956
2. Registration Date	30.07.1999
3. Name of the Company	TRIGGER APPARELS LIMITED
4. Category / Sub-Category of the Company	PUBLIC LIMITED COMPANY
5. Address of the Registered office and contact details	2, FCI Complex, Karamadai, Coimbatore – 641 104.
6. Whether listed company Yes / No	No
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sl.No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total turnover of the company
1	Readymade garments	14101	98.65%

## III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl.No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/Associate	% of Shares Held	Applicable Section
1.	K G Denim Limited	L17115TZ1992PLC003798	Holding Company	100%	Section 2(46)

# TRIGGER APPARELS LIMITED

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01st April 2016)				No. of Shares held at the end of the year (As on 31st March 2017)				% Changed during the year
	Demat	Physical	Total	% of Share	Demat	Physical	Total	% of Shares	
<b>A. PROMOTERS</b>									
<b>(1) INDIAN</b>									
1. Individual/HUF	0	0	0	0	0	0	0	0	0
2. Central Govt	0	0	0	0	0	0	0	0	0
3. State Govt (s)	0	0	0	0	0	0	0	0	0
4. Bodies Corp.	0	4500000	4500000	100	0	4500000	4500000	100	0
5. Banks/FI	0	0	0	0	0	0	0	0	0
6. Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	0	4500000	4500000	100	0	4500000	4500000	100	0
<b>(2) Foreign</b>									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoters	0	4500000	4500000	100	0	4500000	4500000	100	0
(A)=(A)(1)+(A)(2)	0	4500000	4500000	100	0	4500000	4500000	100	0
<b>B. PUBLIC Shareholding</b>	Nil								

### ii) Shareholding of Promoters

Sno	Shareholder Name	Shareholding at the beginning of the year (As on 1st April 2016)			Shareholding at the beginning of the year (As on 31st March 2017)			% Change in Shareholder during the year
		No. of shares	% of Shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of Shares of the Company	% of shares pledged/encumbered to total shares	
1	K G Denim Limited	4500000	100%	0	4500000	100%	0	0%

### (iii) Change in Promoter's Shareholding

Nil

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Not Applicable

### (v) Shareholding of Directors and Key Managerial Personnel: Nil



# TRIGGER APPARELS LIMITED

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

	Secured Loans excluding deposits	Un Secured Loan	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	576.56			576.56
(ii) Interest due but not paid	-			-
(iii) Interest accrued but not due	-			-
Total (i+ii+iii)	576.56			576.56
<b>Change in Indebtedness during the financial year</b>				
Addition	0			0
Reduction	134.99			134.99
Net Change	134.99			134.99
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	441.57			441.57
(ii) Interest due but not paid	-			-
(iii) Interest accrued but not due	-			-
Total (i+ii+iii)	441.57			441.57

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager : Nil

B. Remuneration to other Directors: Nil

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD : Nil

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of punishment/compounding imposed	penalty/fees	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b> Penalty Punishment Compounding						
<b>B. DIRECTORS</b> Penalty Punishment Compounding						
<b>B. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding						

There are no Penalties/Punishment/Compounding of offences during the year.

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# TRIGGER APPARELS LIMITED

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## Annexure- 3

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

### A. CONSERVATION OF ENERGY:

- 1) The steps taken or impact on conservation of energy: Not Applicable
  - a) Energy conservation measures taken: Nil
  - 2) The steps taken by the Company for utilizing alternate sources of energy: Nil
  - 3) The Capital investment on energy conservation equipment: Nil

### B. TECHNOLOGY ABSORPTION:

- i. The Efforts made towards technology absorption: NIL
- ii. The Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- iii. Details of technology imported during the past 3 years:  
No technology has been imported during the past 3 years.
  - a. The details of technology import: -Nil
  - b. The year of import: -Nil
  - c. Whether the technology has been fully absorbed: -NIL
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: -Nil
- iv. The expenditure incurred on Research and Development: Nil

### C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

- 1) The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Particulars	(Rs. lakh)	
	March 31, 2017	March 31, 2016
Used	Rs. 251.31	Rs. 210.84
Earned	Rs. 4372.38	Rs.2979.94

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# TRIGGER APPARELS LIMITED

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## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TRIGGER APPARELS LIMITED

#### REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of **TRIGGER APPARELS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, and the Rules made there under including the accounting standards matters which are required to be included in the audit report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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# TRIGGER APPARELS LIMITED

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## OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(1) The Company did not have any pending litigations which would impact its financial position.

(2) The Company did not have any long term contracts including derivative contracts for which there were material foreseeable losses.

(3) There were no amounts, which were required to be transferred to Investor Education and Protection Fund by the Company.

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# TRIGGER APPARELS LIMITED

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11. As required by Rule 11(d) of the Companies (Audit and Auditors) Amendment Rules, 2017 and amendment to Schedule III to Companies Act, 2013, we report that

The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For **GOPALAIYER AND SUBRAMANIAN**  
Chartered Accountants  
**CA. R MAHADEVAN**  
Partner

Coimbatore

22.05.2017

Membership No.27497  
Firm Regn. No.000960S

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

**Referred to in paragraph 10 (f) of the Independent Auditors' Report of the even date to the members of M/s. TRIGGER APPARELS LIMITED on the financial statements for the year ended March 31, 2017.**

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of M/s **TRIGGER APPARELS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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# TRIGGER APPARELS LIMITED

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4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the company.

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting.**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

8. In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GOPALAIYER AND SUBRAMANIAN**  
Chartered Accountants  
**CA. R MAHADEVAN**  
Partner

Coimbatore

22.05.2017

Membership No.27497  
Firm Regn. No.000960S

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# TRIGGER APPARELS LIMITED

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## Annexure B to the Independent Auditors' Report

**Referred to in paragraph 9 of the Independent Auditors' Report of the even date to the members of M/s. TRIGGER APPARELS LIMITED on the financial statements for the year ended March 31, 2017.**

In terms of information and explanation sought by us and given by the Company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following:

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The fixed assets are physically verified by the management according to a phased program 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 the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

c According to the information and explanations given to us and based on our examinations of the books of accounts, the company does not own any immovable properties in its name and hence verification of title deeds in the name of the company does not arise.

(ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed at the time of verification.

(iii) The Company has not granted loans, secured or unsecured to companies, firms, LLP's or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv). In respect of loans, investments and guarantees, the provisions of section 185 and 186 of the Act have been complied with.

(v) The company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76 of the Act, 2013 and the Rules framed there under to the extent notified and hence Clause 3 (v) is not applicable.

(vi). We have broadly reviewed the books of accounts maintained by the company pursuant to Rules made thereunder by the Central Government for the maintenance of cost records u/s 148 of the Act and are of the opinion that, *prima facie* the prescribed records have been maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii). a. According to the information and explanations given to us and records examined by us, the Company is regular in depositing the undisputed dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, excise duty, service tax, customs duty, cess and other statutory dues with the appropriate authorities, wherever applicable.

b. According to the information and explanations given to us and on the basis of our records of the Company, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, excise duty, service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(viii). Based on our audit procedures, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date.

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# TRIGGER APPARELS LIMITED

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(ix) The Company has not raised any moneys by way of initial public offer or further public offer ( including debt instruments) or term loans during the year. Hence Para 3(ix) is not applicable to the company.

(x) Based on the audit procedures performed, we have neither come across any instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) No provision of managerial remuneration has been made by the Company for the year on the basis of request from the Managing Director for waiver of same.

(xii) As the Company is not a Nidhi Company and therefore Clause 3(xii) of the Order is not applicable to the company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of section 177 & 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules,2014.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore Clause 3(xiv) of the order is not applicable to the Company.

(xv) The Company has not entered into any cash transactions with its directors or persons connected with him and hence Clause 3(xv) of the Order is not applicable to the company.

(xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **GOPALAIYER AND SUBRAMANIAN**  
Chartered Accountants  
**CA. R MAHADEVAN**  
Partner

Coimbatore

22.05.2017

Membership No.27497  
Firm Regn. No.000960S



# TRIGGER APPARELS LIMITED

## TRIGGER APPARELS LIMITED

2 FCI COMPLEX KARAMADAI  
COIMBATORE – 641104

### BALANCE SHEET AS AT 31st MARCH 2017

(Rs in Lakhs)

	PARTICULARS	NOTE NO	AS AT 31.03.2017	AS AT 31.03.2016
I.	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	1	450.00	450.00
	(b) Reserves and surplus	2	(622.87)	(479.12)
2	<b>Share application money pending allotment</b>			
3	<b>Non-current liabilities</b>			
	(c) Other Long term liabilities	3	732.27	457.09
	(d) Long-term provisions	4	96.74	49.52
4	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	441.57	576.56
	(b) Trade payables	6	4,624.18	4,171.46
	(c) Other current liabilities	7	131.42	76.28
	(d) Short-term provisions	8	2.45	8.36
			<b>5,855.76</b>	<b>5,310.15</b>
II.	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	9	589.35	585.45
	(b) Long-term Loans and Advances	10	0.60	0.60
	(c) Deferred tax assets (Net)	11	122.29	189.41
2	<b>Current assets</b>			
	(a) Current investments		-	-
	(b) Inventories	12	3,165.44	2,524.94
	(c) Trade receivables	13	1,437.21	1,555.64
	(d) Cash and cash equivalents	14	145.26	139.27
	(e) Short-term loans and advances	15	206.60	228.22
	(f) Other current assets	16	189.01	86.62
			<b>5,855.76</b>	<b>5,310.15</b>

As per our report of even dated

For GOPALAIYER AND SUBRAMANIAN  
Chartered Accountants  
CA. R MAHADEVAN  
Partner

Coimbatore  
22nd May 2017

Membership No.27497  
Firm Regn. No.000960S

KG BAALAKRISHNAN  
Director  
DIN: 00002174

A VELUSAMY  
Director  
DIN: 00002204

# TRIGGER APPARELS LIMITED

## TRIGGER APPARELS LIMITED

2 FCI COMPLEX KARAMADAI

COIMBATORE – 641104

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

(Rs in Lakhs)

	PARTICULARS	Note No	31.03.2017	31.03.2016
I.	Revenue from operations	17	11,139.05	9,282.58
II.	Other income	18	25.28	19.45
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>11,164.33</b>	<b>9,302.03</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	19	4,791.60	4,797.14
	Purchases of Stock-in-Trade	20	1,875.90	1,516.41
	Changes in inventories of finished goods WIP and Stock-in-Trade	21	(676.24)	(1,093.98)
	Other Processing Cost	22	1,599.96	1,197.37
	Employee benefits expense	23	1,739.74	1,573.83
	Finance costs	24	147.38	114.22
	Depreciation and amortization expense		73.85	23.91
	Other expenses	25	1,688.77	1,292.90
	<b>Total expenses</b>		<b>11,240.96</b>	<b>9,421.81</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(76.63)</b>	<b>(119.78)</b>
VI.	Exceptional items			
<b>VII.</b>	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>(76.63)</b>	<b>(119.78)</b>
VIII.	Extraordinary Items :			
<b>IX.</b>	<b>Profit before tax (VII- VIII)</b>		<b>(76.63)</b>	<b>(119.78)</b>
<b>X</b>	<b>Tax expense:</b>			
	(1) Current tax		-	-
	(2) MAT Credit Entitlement		-	-
	(2) Deferred tax		67.12	(51.03)
	(4) Prior Year Taxes		-	0.90
			<b>67.12</b>	<b>(50.13)</b>
<b>XI</b>	<b>Profit (Loss) for the period from continuing operations (IX - X)</b>		<b>(143.75)</b>	<b>(69.65)</b>
XII	Profit/(loss) from discontinuing operations			
XIII	Tax expense of discontinuing operations			
<b>XIV</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>			
<b>XV</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>(143.75)</b>	<b>(69.65)</b>
XVI	Earnings per equity share:			
	(1) Basic		(3.19)	(1.55)
	(2) Diluted		(3.19)	(1.55)
	Weighted average Number of shares		4,500,000	4,500,000
	The Notes form an Integral Part of these financial statements			

As per our report of even dated

For GOPALAIYER AND SUBRAMANIAN

Chartered Accountants

CA. R MAHADEVAN

Partner

Membership No.27497

Firm Regn. No.000960S

KG BAALAKRISHNAN

Director

DIN: 00002174

A VELUSAMY

Director

DIN: 00002204

Coimbatore  
22nd May 2017

# TRIGGER APPARELS LIMITED

## TRIGGER APPARELS LIMITED

2 FCI COMPLEX KARAMADAI

COIMBATORE – 641104

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

PARTICULARS		YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net profit before tax and extraordinary items	-76.63	-119.78
	Adjustments for:		
	Depreciation and Amortization expenses	73.84	23.91
	Profit/Loss on sale of assets	0.00	0.00
	Interest Charges	147.38	114.22
	<b>Operating Profit before working capital changes</b>	<b>144.59</b>	<b>18.35</b>
	Adjustments for:		
	Trade and other receivables	118.43	-830.24
	Inventories	-640.50	-1486.89
	Loans & Advances	21.62	-79.16
	Other Current assets	-102.39	-86.62
	Trade and other payables	824.37	3066.07
	<b>Cash generated from operations</b>	<b>366.12</b>	<b>601.51</b>
	<b>Cash flow before extraordinary items</b>	<b>366.12</b>	<b>601.51</b>
	Extraordinary items (Additional Gratuity Liability)	0.00	-126.38
	<b>Cash flow after extraordinary items</b>	<b>366.12</b>	<b>475.13</b>
	Income Tax	0.00	-0.90
	<b>Net cash from operating activities</b>	<b>366.12</b>	<b>474.23</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Share Capital	0.00	250.00
	Withdrawn / Sale of fixed assets	0.00	0.00
	Acquisitions of fixed assets	-77.76	-556.47
	Investments	0.00	0.00
	<b>Net cash used in investing activities</b>	<b>-77.76</b>	<b>-306.47</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Long term borrowings from Banks	0.00	0.00
	Short Term borrowings from Banks	-134.99	39.97
	Other Loans	0.00	0.00
	Interest paid	-147.38	-114.22
	<b>Net cash used in financing activities</b>	<b>-282.37</b>	<b>-74.25</b>
	<b>Net Increase in cash and cash equivalents</b>	<b>5.99</b>	<b>93.51</b>
	Cash and cash equivalents as at 1st April, 2016 (Opening Balance)	139.27	45.76
	Cash and cash equivalents as at 31st March, 2017 (Closing Balance)	<b>145.26</b>	<b>139.27</b>

As per our report of even dated

For GOPALAIYER AND SUBRAMANIAN

Chartered Accountants

CA. R MAHADEVAN

Partner

Membership No.27497

Firm Regn. No.000960S

KG BAALAKRISHNAN

Director

DIN: 00002174

A VELUSAMY

Director

DIN: 00002204

Coimbatore  
22nd May 2017

# TRIGGER APPARELS LIMITED

## TRIGGER APPARELS LIMITED

2 FCI COMPLEX KARAMADAI

COIMBATORE – 641104

Note 1

### NOTES TO THE FINANCIAL STATEMENTS

(Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
<b><u>Authorised</u></b>		
5000000 Equity Shares of Rs.10 each	500.00	500.00
<b><u>Issued</u></b>		
4500000 Equity Shares of Rs.10 each	450.00	450.00
<b><u>Subscribed &amp; Paid up</u></b>		
4500000 Equity Shares of Rs.10 each fully paid	450.00	450.00
<b>Total</b>	<b>450.00</b>	<b>450.00</b>

#### Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31.03.2017	31.03.2016
Shares outstanding at the beginning of the year 45,00,000 Number	450.00	200.00
Shares issued - 25,00,000 number of shares issued during the year to KG Denim Limited	0.00	250.00
Shares outstanding at the end of the year 45,00,000 Number	<b>450.00</b>	<b>450.00</b>

#### Shares in the company held by each shareholder holding more than 5 percent shares

	31.03.2017	31.03.2016
Name of Shareholder	No. of Shares held & % of Holding	No. of Shares held & % of Holding
1 KG Denim Limited (Holding company)	45,00,000 - 100%	45,00,000 - 100%

#### Terms and Conditions of Equity shares :-

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder 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 amount in proportion of their shareholding

There are no shares allotted as fully paid without payments being received in cash, bonus share or shares bought back

# TRIGGER APPARELS LIMITED

## Note 2

Reserve and surplus	TOTAL (Rs in Lakhs)	
Particulars	31.03.2017	31.03.2016
<b>Surplus</b>		
Opening balance	(479.12)	(409.42)
(+) Net Profit/(Net Loss) For the current year	(143.75)	(69.64)
<b>Closing Balance</b>	<b>(622.87)</b>	<b>(479.12)</b>
<b>Total</b>	<b>(622.87)</b>	<b>(479.12)</b>

## Note 3

Other Long Term Liabilities	(Rs in Lakhs)	
Particulars	31.03.2017	31.03.2016
(a) Trade Payables	-	-
(b) Others :- Security Deposit	732.27	457.09
(i) Creditors for Capital Goods	-	-
<b>Total</b>	<b>732.27</b>	<b>457.09</b>

## Note 4

Long Term Provisions	(Rs in Lakhs)	
Particulars	31.03.2017	31.03.2016
(a) Provision for employee benefits Gratuity (unfunded)	96.74	49.52
(b) Others	-	-
<b>Total</b>	<b>96.74</b>	<b>49.52</b>

## Note 5

Short Term Borrowings	(Rs in Lakhs)	
Particulars	31.03.2017	31.03.2016
Secured		
(a) Loans repayable on demand		
Working capital from banks (Secured)	441.57	576.56
There are no case of default in repayment of loan and interest as on the date of Ba		
<b>Total</b>	<b>441.57</b>	<b>576.56</b>

Secured loan :- Working Capital Loan from Indian Overseas Bank is Secured by an exclusive first charge on the fixed and current assets besides corporate guarantee by Holding company viz KG Denim limited. The Loans are also personally guaranteed by Shri KG Baalakrishnan, Director

# TRIGGER APPARELS LIMITED

## Note 6

### Trade Payable ( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
Dues of Micro Enterprises and Small Enterprises	-	-
Trade Payable for Goods Purchased	4,055.39	3,421.07
Trade Payable for Services Received	568.79	750.39
<b>Total</b>	<b>4,624.18</b>	<b>4,171.46</b>

## Note 7

### Other Current Liabilities ( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
(a) Customer Credit Balance	77.36	44.65
(b) Security Deposits	-	-
(c) Duties and Taxes	54.06	31.62
(d) Credit Balance in Scheduled Banks (Current Account)	-	-
<b>Total</b>	<b>131.42</b>	<b>76.28</b>

## Note 8

### Short Term Provisions ( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
(a) Provision for employee benefits Gratuity (unfunded)	2.45	8.36
(b) Others Income Tax provision (Net of Advance Tax)	-	-
<b>Total</b>	<b>2.45</b>	<b>8.36</b>

Trigger Apparels Limited

## Note 9

Fixed Assets details for the year 2016-17

( Rs in Lakhs)

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block			
		Balance as at 1 April 2016	Additions	Disposals	Brought into use	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2017	Balance as at 1 April 2017	Balance as at 31 March 2016
a	Tangible Assets												
	Machinery	517.02	47.58			564.60	2.74	34.42			37.16	527.44	514.28
	Electrical Machinery	0.86	-			0.86	0.10	0.08			0.18	0.68	0.76
	Furniture and Fixtures	101.39	21.33			122.72	46.55	26.42			72.97	49.75	54.84
	Vehicles	5.16	-			5.16	0.34	0.49			0.83	4.33	4.82
	Office equipment	46.12	8.85			54.97	40.86	11.27			52.13	2.84	5.26
	Others (specify nature)	6.14	-			6.14	0.66	1.17			1.83	4.31	5.48
	<b>Total</b>	<b>676.69</b>	<b>77.76</b>	-	-	<b>754.45</b>	<b>91.25</b>	<b>73.85</b>	-	-	<b>165.10</b>	<b>589.35</b>	<b>585.45</b>
	Previous Year	120.24	556.47	-	-	676.71	67.35	23.91	-	-	91.26	585.45	52.90
	(b) Capital work in Progress	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Grand Total</b>	<b>676.69</b>	<b>77.76</b>	-	-	<b>754.45</b>	<b>91.25</b>	<b>73.85</b>	-	-	<b>165.10</b>	<b>589.35</b>	<b>585.45</b>
	Previous Year	120.24	556.47	-	-	676.71	67.35	23.91	-	-	91.26	585.45	52.90

# TRIGGER APPARELS LIMITED

## Note 10

### Long Term Loans and Advances

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
a. Capital Advances		
Advance for Capital Goods - Unsecured considered good	-	-
b. Security Deposits		
Security Deposits - Unsecured considered good	0.60	0.60
<b>Total</b>	<b>0.60</b>	<b>0.60</b>

## Note 11

### Deferred Tax Assets (Net)

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
<b>Opening Balance</b>	(189.41)	(138.38)
Value of Depreciation as per books of accounts & IT purpose(DT Liability)	67.12	-
Deferred Tax Asset on Others	-	(51.03)
<b>Net Deferred Tax Asset</b>	<b>(122.29)</b>	<b>(189.41)</b>

## Note 12

### Inventories

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
a. Raw Materials and components	428.74	464.48
Goods-in transit	-	-
	<b>428.74</b>	<b>464.48</b>
b. Work-in-progress	556.99	418.25
Goods-in transit	-	-
	<b>556.99</b>	<b>418.25</b>
c. Finished goods	2,179.71	1,642.22
Goods-in transit	-	-
	<b>2,179.71</b>	<b>1,642.22</b>
<b>Total</b>	<b>3,165.44</b>	<b>2,524.94</b>

Mode of Valuation : Refer Note 24.2 in Significant Accounting Policies

### Details of Raw materials

Particulars	31.03.2017	31.03.2016
Fabric	286.29	290.01
Accessories	142.45	174.47
<b>Total</b>	<b>428.74</b>	<b>464.48</b>

### Details of Work in process

Particulars	31.03.2017	31.03.2016
Garments	556.99	418.25
<b>Total</b>	<b>556.99</b>	<b>418.25</b>

### Details of Finished Goods

Particulars	31.03.2017	31.03.2016
Garments	2,179.71	1,642.22
<b>Total</b>	<b>2,179.71</b>	<b>1,642.22</b>

# TRIGGER APPARELS LIMITED

## Note 13

### Trade Receivables

Particulars	31.03.2017	31.03.2016
Trade receivables outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured, considered good	330.02	298.92
	<b>330.02</b>	<b>298.92</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,107.19	1,256.71
<b>Total</b>	<b>1,437.21</b>	<b>1,555.64</b>

## Note 14

### Cash and cash equivalents

(Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
a. Balances with banks	110.27	124.98
b. Cheques, drafts on hand	-	-
c. Cash on hand	19.44	0.55
Margin Money Deposit	15.55	13.74
<b>Total</b>	<b>145.26</b>	<b>139.27</b>

## Note 15

### Short-term loans and advances

(Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
For Material Purchase	47.36	74.11
For Expenses / Others	81.10	71.77
For Claims Recoverable	33.78	33.78
For Duties & Taxes	18.27	26.77
Prepaid Expenses	26.09	21.79
<b>Total</b>	<b>206.60</b>	<b>228.22</b>

## Note 16

### Other Current Assets

(Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
<b>Income Receivable</b>		
a. Duty Drawback Receivable	42.10	36.94
b. Rebate on State Levies Receivables	73.36	-
c. Export Sales Special Incentive Receivable	73.18	49.68
d. Interest Receivable	0.37	-
<b>Total</b>	<b>189.01</b>	<b>86.62</b>



# TRIGGER APPARELS LIMITED

## Note 17

### Revenue from operations

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
Sale of products	11,150.28	9,228.75
Other operating revenues : Waste/Accessories Sales	37.57	53.83
<b>Less:</b>		
Excise duty	48.80	-
<b>Total</b>	<b>11,139.05</b>	<b>9,282.58</b>

### Details of Sale of Products

Particulars	31.03.2017	31.03.2016
Garments	10,988.98	8,983.14
Fabrics	161.30	245.61
<b>Total</b>	<b>11,150.28</b>	<b>9,228.75</b>

## Note 18

### Other income

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
Interest Income	3.79	0.85
Insurance Claim Received	8.77	-
Net gain/loss on sale of Export License	(2.80)	(0.43)
Other non-operating income (net of expenses directly attributable to such income)	15.52	19.03
<b>Total</b>	<b>25.28</b>	<b>19.45</b>

## Note 19

### Fabric Purchases\Consumed

Opening Stock	464.48	71.57
Add Purchases	4,755.85	5,190.05
<b>Total</b>	<b>5,220.33</b>	<b>5,261.62</b>
Less Closing Stock	428.73	464.48
<b>Raw materials Consumed</b>	<b>4,791.60</b>	<b>4,797.14</b>

Imported and Indigenous Raw materials consumed - Fabric/accessories		
Imported	279.50	132.28
Indigenous	4,512.10	4,664.86
	<b>4,791.60</b>	<b>4,797.14</b>

### Details of Raw materials consumed

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
Fabrics	3,307.82	3,466.08
Accessories	1,483.78	1,331.06
<b>Total</b>	<b>4,791.60</b>	<b>4,797.14</b>

# TRIGGER APPARELS LIMITED

## Note 20

### Purchases of Stock-in-Trade

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
Garments purchase	1,841.79	1,497.65
Leather Products Purchase	34.11	18.76
<b>Total</b>	<b>1,875.90</b>	<b>1,516.41</b>

## Note 21

### Changes in inventories of finished goods work-in-progress and Stock-in-Trade

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
Opening Stock :		
Work-in-Process	418.24	130.55
Finished Goods	1,642.22	835.93
	<b>2,060.46</b>	<b>966.49</b>
Closing Stock :		
Work-in-Process	556.99	418.24
Finished Goods	2,179.71	1,642.22
	<b>2,736.70</b>	<b>2,060.46</b>
<b>Total</b>	<b>(676.24)</b>	<b>(1,093.98)</b>

## Note 22

### Other Processing Cost

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
(a) Power & Fuel	52.31	58.73
(b) Processing Charges	1,547.65	1,138.65
<b>Total</b>	<b>1,599.96</b>	<b>1,197.37</b>

## Note 23

### Employee Benefits Expense

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
(a) Salaries and incentives	1,652.26	1,533.15
(b) Gratuity as per actuarial valuations	43.63	24.00
(c) Staff welfare expenses	43.85	16.68
<b>Total</b>	<b>1,739.74</b>	<b>1,573.83</b>

# TRIGGER APPARELS LIMITED

## Note 24

### Finance costs

( Rs in Lakhs)

Particulars	31.03.2017	31.03.2016
Bank Charges	45.89	19.91
Interest Expenses	101.49	94.31
<b>Total</b>	<b>147.38</b>	<b>114.22</b>

## Note 25

### Other expenses

( Rs in Lakhs)

Particulars	31.03.2016	31.03.2016
Rent	72.71	70.43
Insurance	51.66	45.35
Rates and taxes, excluding, taxes on income	40.01	20.91
<b>Payments to the auditor as</b>		
a. As Auditor	0.60	0.57
b. Tax matters	0.81	0.80
f. for reimbursement of expenses	-	0.47
Legal, Professional & Consultancy Charges	7.87	11.15
Printing and Stationery	11.70	17.42
Postage, Telegrams and Telephones	21.50	17.56
Traveling Expenses and Maintenance of Vehicles	146.18	138.72
Repairs & Maintenance	48.99	39.64
Commission on Sales	846.56	568.05
Discount on Sales	3.88	20.31
Selling Expenses	54.83	75.41
Freight Outwards	277.46	167.33
Miscellaneous expense	104.02	98.80
<b>Total</b>	<b>1,688.78</b>	<b>1,292.90</b>

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# TRIGGER APPARELS LIMITED

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## NOTE 26

### SIGNIFICANT ACCOUNTING POLICIES

#### 26.1 DISCLOSURE AND BASIS OF ACCOUNTING

- a. The financial statements have been prepared under the historical cost convention which is in accordance with the generally accepted accounting principles and provisions of the Companies Act, 2013. The Company has complied with the Accounting Standards prescribed by the Institute of Chartered Accountants of India and as referred u/s 133 of the Companies Act, 2013.
- 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.
- d. The presentation of financial statements require estimates and assumptions to be made which affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenue and expenditure during the reporting period.

#### 26.2 VALUATION OF INVENTORIES

Inventories are valued at the lower of cost and net realizable value. The cost formula used is average cost.

#### 26.3 CASH FLOW STATEMENT

The Cash Flow Statement is prepared under indirect method as per the Institute of Chartered Accountants of India guidelines.

#### 26.4 REVENUE RECOGNITION

Revenue from sale transaction is recognized as and when the property in the goods sold is transferred to the buyer for a definite consideration and there is no uncertainty regarding the amount of consideration or collectability.

#### 26.5 RELATED PARTY DISCLOSURES

The related party transactions are disclosed in the notes on accounts as per the Accounting Standards and Companies Act, 2013.

#### 26.6 DEPRECIATION ACCOUNTING

Depreciation on fixed assets has been provided on the basis of the useful life of the assets as prescribed in Schedule II of the Companies Act 2013.

#### 26.7 ACCOUNTING FOR EMPLOYEE RETIREMENT BENEFITS

- a. Contribution to Provident Fund has been made to the respective authorities.
- b. 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. Company's contributions paid/payable during the year to Provident Fund and ESIC are recongnized in the statement of profit and loss account.
- c. Gratuity liability as per the Actuarial valuation has been provided in the accounts as at the year end.

# TRIGGER APPARELS LIMITED

## NOTE 27: GRATUITY

In accordance with the revised Accounting Standard AS – 15, details of actuarial provision are given below which is certified by the actuary and relied upon by the auditors though the company has provided the liability in accounts, to meet its liability from internal generation.

<b>I. PRINCIPAL ACTUARIAL ASSUMPTIONS</b> [Expressed as weighted averages]	<b>31 03 2016</b>	<b>31 03 2017</b>
Discount Rate	7.90%	7.20%
Salary escalation rate	7.25%	8.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	0.00%	0.00%
<b>All amounts are in Rupees</b>		
<b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>		
<b>PVO as at the beginning of the period</b>	<b>3,387,868</b>	<b>5,819,605</b>
Interest Cost	264,254	449,303
Current service cost	883,596	1,627,039
Past service cost - (non vested benefits)	0	0
Past service cost - (vested benefits)	0	0
Benefits paid	0	(264,438)
Actuarial loss/(gain) on obligation (balancing figure)	1,283,887	2,287,022
<b>PVO as at the end of the period</b>	<b>5,819,605</b>	<b>9,918,531</b>
<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>		
<b>Fair value of plan assets as at the beginning of the period</b>	<b>0</b>	<b>0</b>
Expected return on plan assets	0	0
Contributions	0	264,438
Benefits paid	0	(264,438)
Actuarial gain/(loss) on plan assets [balancing figure]	0	0
<b>Fair value of plan assets as at the end of the period</b>	<b>0</b>	<b>0</b>
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
<b>Expected return on plan assets</b>	<b>0</b>	<b>0</b>
<b>Actuarial gain (loss) on plan assets</b>	<b>0</b>	<b>0</b>
<b>Actual return on plan assets</b>	<b>0</b>	<b>0</b>
<b>V. ACTUARIAL GAIN / LOSS RECOGNIZED</b>		
Actuarial gain / (loss) for the period - Obligation	(1,283,887)	(2,287,022)
Actuarial gain / (loss) for the period- Plan Assets	0	0
Total (gain) / loss for the period	1,283,887	2,287,022
<b>Actuarial (gain) / loss recognized in the period</b>	<b>1,283,887</b>	<b>2,287,022</b>
Unrecognized actuarial (gain) / loss at the end of the year	0	0
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES</b>		
Present value of the obligation	5,819,605	9,918,531
Fair value of plan assets	0	0
Difference	5,819,605	9,918,531
Unrecognised transitional liability	0	0
Unrecognised past service cost - non vested benefits	0	0
<b>Liability recognized in the balance sheet</b>	<b>5,819,605</b>	<b>9,918,531</b>
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:</b>		
Current service cost	883,596	1,627,039
Interest Cost	264,254	449,303
Expected return on plan assets	0	0
Net actuarial (gain)/loss recognised in the year	1,283,887	2,287,022
Transitional Liability recognised in the year	0	0
Past service cost - non-vested benefits	0	0
Past service cost - vested benefits	0	0
<b>Expenses recognized in the statement of profit and loss</b>	<b>2,431,737</b>	<b>4,363,364</b>
<b>VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening net liability	3,387,868	5,819,605
Expense as above	2,431,737	4,363,364
Contribution paid	0	(264,438)
<b>Closing net liability</b>	<b>5,819,605</b>	<b>9,918,531</b>
<b>IX. AMOUNT FOR THE CURRENT PERIOD</b>		
Present Value of obligation	5,819,605	9,918,531
Plan Assets	0	0
Surplus (Deficit)	(5,819,605)	(9,918,531)
Experience adjustments on plan liabilities -(loss)/gain	(3,716,187)	(813,695)
Experience adjustments on plan assets -(loss)/gain	0	0

# TRIGGER APPARELS LIMITED

## Annexure to Notes Accounts:

### 27.1 Accounting Standard AS – 18 on “Related Party Disclosure”

(Rs. In lakhs)

Particulars	2016-17			2015-16		
	Holding Co	Other Related Parties	Key Management Personnel	Holding Co	Other Related Parties	Key Management Personnel
Purchase of goods	2566.21	650.40		3740.89	484.19	-
Sale of goods	2.14		-	65.36	-	-
Sale of Services	1.16	1.45		1.48		
Processing Charges Paid	896.89	-	-	788.31	-	-

### 27.2 Balance outstanding as on 31.03.2017

(Rs. In lakhs)

Particulars	2016-17			2015-16		
	Holding Co	Other Related Parties	Key Management Personnel	Holding Co	Other Related Parties	Key Management Personnel
Debtors				-	-	-
Creditors				-	-	-
-for Goods Purchase	3769.39	86.59	-	3262.84	242.79	-

Holding Company	K G Denim Limited
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Other Related Parties	Sri Kannapiran Mills Limited K G Fabriks Limited
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28. a. There are no dues to Small Scale Industrial Units as on 31<sup>st</sup> March 2017 as per information available with the Company.

b. In the absence of necessary information with the company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 the information required under the said Act could not be complied and disclosed.

# TRIGGER APPARELS LIMITED

## 29. Contingent Liability

(Rs. In lakhs)

	2016-17	2015-16
Claim against the company not acknowledged a debts	6.74	6.74
Managerial Remuneration		

No provision of managerial remuneration of Shri Surinder Chhibber till 31<sup>st</sup> March 2017 has been made on the basis of request from him for waiver.

### Annexure to Notes on Accounts :

	31.03.2017	31.03.2016
		(Rs.in lakhs)
<b>30</b> Value of Imports on CIF basis		
Garment Accessories	322.30	205.84
<b>31</b> Expenditure in Foreign Currency		
Commission	174.08	155.99
Advertisement and Trade Fair Expenses	4.25	2.41
Travel Expenses	2.52	1.86
<b>32</b> Earnings in Foreign Currency (FOB)		
Export of goods on Direct Export	4372.38	2979.94

**33** Previous year's figures have been regrouped wherever necessary.

**34** As per Companies Act, 2013, Amendment in Schedule III Notification No.GSR 308(E) (F.No.17/62/2015-CL-(VOL.I) DT 30.03.2017, the following details is provided.

Particulars	SBN'S Rs.	OTHER DENOMINATION Rs.	TOTAL Rs.
Closing Cash in Hand as on 08.11.2016	779000	2632112.00	3411112.00
Add: Permitted Receipts	-	5097810.00	5097810.00
Less: Permitted Payments	-	6696750.00	6696750.00
Less: Amount Deposited in Banks	779000.00	930	779930.00
Closing Cash in Hand as on 30.12.2016	-	-	1032242.00
Amount Deposited Directly into Company's Bank Account by Customers	723000.00	2327873.00	3050873.00

**35** Figures have been rounded off to Rs. in lakhs.

As per our report of even dated

For **GOPALAIYER AND SUBRAMANIAN**  
Chartered Accountants  
**CA. R MAHADEVAN**  
Partner

Coimbatore  
22<sup>nd</sup> May 2017

Membership No.27497  
Firm Regn. No.000960S

**KG BAALAKRISHNAN**  
Director  
DIN: 00002174

**A VELUSAMY**  
Director  
DIN: 00002204

**KG DENIM (USA) INC**  
**2711, Centerville Road, Suite - 400,**  
**Wilmington, Delaware - 19808**

**BALANCE SHEET AS ON 31st March 2017 (Un-Audited)**

Particulars	31.03.2017		31.03.2016	
	USD	Rs. Lakhs	USD	Rs. Lakhs
<b><u>SOURCES OF FUNDS</u></b>				
<b>Shareholders Funds</b>				
1500 Nos of Shares of common stock with no par value				
Subscribed, Issued and Paid up Capital 700 nos of Shares of common stock with no par value	700	0.46	700	0.46
Reserves & Surplus	-1934	-1.26	0	0.00
Un Secured Loan From K G Denim Limited India (Holding Company)	9343	6.07	8844	5.85
Trade Payable	27027	17.57	0	0.00
Short term provisions	0	0.00	0	0.00
	<b>35137</b>	<b>22.84</b>	<b>9544</b>	<b>6.31</b>
<b><u>APPLICATION OF FUNDS</u></b>				
Inventories	16250	10.55	0	0.00
Trade Receivables	2800	1.82	0	0.00
Cash at Bank of India , Newyork Branch	10733	6.98	3120	2.06
<b>MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)</b>				
Incorporation Expenses	700	0.46	700	0.46
Pre Operative Expenses	4654	3.03	5724	3.79
	<b>35137</b>	<b>22.84</b>	<b>9544</b>	<b>6.31</b>

**Note:**

Exchange rate for Rupee vis-à-vis US Dollar has been considered as on 31st March of the respective years.



**K.G.DENIM USA INC**  
**2711, Centerville Road, Suite - 400,**  
**Wilmington, Delaware - 19808**

**Statement of Profit and Loss for the Quarter ended 31.03.2017**

<b>Particulars</b>		<b>31.03.2017</b>		
		<b>USD</b>	<b>Rs. In Lakhs</b>	<b>%</b>
<b>I</b>	<i>Revenue from operations</i>	53738	34.93	
<b>II</b>	<i>Other income</i>	0	0	
<b>III</b>	<b>Total Revenue (I + II)</b>	<b>53738</b>	<b>34.93</b>	<b>100%</b>
<b>IV</b>	<b>Expenses :</b>			
	<i>Purchase of Stock in trade</i>	48856	31.76	90.92%
	<i>Changes in inventories of stock in trade ,</i>	-16250	-10.56	-30.24%
	<i>Selling Expenses</i>	21356	13.88	39.74%
	<i>Legal &amp; Professional Expenses</i>	425	0.28	0.79%
	<i>Pre Incorporation expenses written off</i>	1145	0.74	2.13%
	<i>Other Expenses</i>	140	0.09	0.26%
	<b>Total Expenses</b>	<b>55672</b>	<b>36.19</b>	<b>103.60%</b>
<b>V</b>	<b>Profit before tax ( III-IV )</b>	<b>-1934</b>	<b>-1.26</b>	<b>-3.60%</b>
<b>VI</b>	<b>Tax expenses :</b>			
	<i>Current tax</i>	0	0.00	0.00%
<b>VII</b>	<b>Profit / (Loss) for the period ( V- VI )</b>	<b>-1934</b>	<b>-1.26</b>	<b>-3.60%</b>

**Note:**

2016-17 is the first year of Operation. Hence there is no Previous year figures