

ANNUAL REPORT & ACCOUNTS  
2017-18

**KESORAM TEXTILE MILLS LIMITED**



### **The Group Logo —As represented by the 21st Century Atlas**

#### **Atlas, the Titan — *Collective Strength***

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolize the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

#### **The Sun — *Enlightenment and Growth***

The Sun, as a source of infinite energy and inspiration, is used here in conjunction with the Atlas head to represent the vitality and powerful presence of the Group - both in its industrial prowess and its financial, technological and intellectual skills.

#### **The Earth Segments — *Diversified Activities***

Each of the latitudes around the Titan represent various sections - industrial, agricultural, financial and other activities of the Group. As with the infinite variety of the world, so is the strength of the Group, made up of its diverse activities.

#### **The Globe — *Global Vision***

The Group's global presence and vision is reflected in the entirety of the Earth's sphere.

#### **The Base — *Solid Foundations***

The strength of the entire edifice depends upon the strength of the foundation embedded in the bedrock, represented here by the Group Name.

#### **The Symmetry — *The Resilience, Versatility and Stability***

Seen in its entirety, each of the elements-Atlas, the Sun, the Earth divisions, the Globe and the Base, together sum up a well conceptualised and balanced conglomerate.

***Strong Foundation***

***Sustained Growth***

***Proven Leadership***

# KESORAM TEXTILE MILLS LIMITED

CIN : L17114WB1999PLC089148



## 19th ANNUAL REPORT & ACCOUNTS 2017-18

### Board of Directors

Shri Surendra Kumar Birla - *Chairman*

*DIN: 00774279*

Shri Jayant Sogani

*DIN: 00121433*

Shri Uma Shankar Asopa

*DIN: 00305010*

Smt. Sarat Priya Patjoshi

*DIN: 06620290*

### Key Managerial Personnel

Shri Sanjay Kumar Sinha, *Manager (CEO)*

Shri B. N. Kedia, *Company Secretary*

Shri S. K. Choubey, *Chief Financial Officer*

### Auditors

Messrs APS Associates

### Bankers

Allahabad Bank

Punjab National Bank

### Registered Office & Factory

42, Garden Reach Road, Kolkata 700 024

Phone Nos.: +91-33-2489 3472, 2469 7825

Fax : +91-33-2469 6788

E-mail : ktmltext@vsnl.net; ktmltext@gmail.com

Website : www.kesoramtextiles.com

### City Office & Share Department

9/1, R. N. Mukherjee Road, Kolkata 700 001

Phone Nos. : +91-33-2243 5453/2242 9454

Fax : +91-33-2210 9455

E-mail : sharedepartment@kesoramtextiles.com

### Registrar and Share Transfer Agent

MCS Share Transfer Agent Limited

(Unit : Kesoram Textile Mills Limited)

12/1/5, Manoharpukur Road, Kolkata 700 026

Phone Nos.: +91-33-4072 4051 to 4054

Fax : +91-33-4072 4050

E-mail : mcssta@rediffmail.com

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## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of KESORAM TEXTILE MILLS LIMITED will be held at 11.00 A.M. on Tuesday, 11th September, 2018 at "Kala-Kunj" (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata - 700 017, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement consisting of the Balance Sheet as at 31st March, 2018, Statement of Profit and Loss, Cash Flow Statement for the year ended on that date, Statement of Changes in Equity, the Report of the Auditors thereon and the Report of the Board of Directors of the Company for the year ended 31st March, 2018.
2. To appoint Shri Uma Shankar Asopa (DIN: 00305010) as Director, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and Schedule V of the Companies Act, 2013 ("the Act") and the Rules made thereunder and subject to such approvals, if any, as may be necessary, including that of the Central Government, consent of the Company be and is hereby accorded to the re-appointment of Shri Sanjay Kumar Sinha ("Shri Sinha") as Manager and CEO of the Company effective 1st April, 2018 upon the following main terms and conditions :

- a) The term of Shri Sinha's office will be with effect from 1st April, 2018 to 31st March, 2021 and his appointment shall be terminable (i) by efflux of time or (ii) by one party serving the other a one month's written notice or (iii) by one party paying the other one month's remuneration as notice pay;
- b) Subject to superintendence, control and direction of the Board of Directors of the Company, Shri Sinha shall have the power of management of the whole or substantially the whole of the affairs of the Company.
- c) Shri Sinha will be entitled to remuneration as follows :
  - i. Basic Salary, Allowances and Perquisites: Not exceeding ₹ 48,00,000 per annum as may be fixed by the Board of Directors including any Committee thereof from time to time.
  - ii. Perquisites :
    - a) House Rent Allowance, Ex-gratia, reimbursement of Leave Travel, Bonus & Medical expenses for self and family: As per the Rules of the Company;
    - b) Company's contribution towards Provident Fund, Leave with full pay/encashment, allowances and Gratuity : As per Rules of the Company;
    - c) Others: As per the Rules of the Company including telephone, furniture and electricity etc.
    - d) In the event of loss or inadequacy of profits in any Financial Year, Shri Sinha will be receiving the aforesaid remuneration as the minimum remuneration and will be restricted to the limits as stated under Clause (c) above and applicable provisions of Section II of the Part II of Schedule V of the Act.

“**RESOLVED FURTHER THAT** the Board or any Committee thereof be and is hereby authorised to effect such changes in the aforesaid terms and conditions of Shri Sinha’s appointment and remuneration subject always to the condition that alteration(s) in remuneration must be in accordance with the provisions of Section-II, Part-II of Schedule V or such additions to or modifications thereon and the Board or any Committee thereof is further authorised to do all such acts, deeds, matters and things as may be deemed necessary or desirable under the circumstances or to settle any question or difficulty that may arise in such manner as it may deem fit.”

**Registered Office :**

42, Garden Reach Road  
Kolkata 700 024  
Dated : 29th May, 2018

**By Order of the Board**

**B. N. Kedia**  
*Company Secretary*

**Notes :**

1. **A Member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and a proxy need not be a Member of the Company. The Instrument of Proxy to be effective, must be duly stamped, completed, signed and lodged with the Company not less than 48 hours before the commencement of Meeting.**

**A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 percent of the total Share Capital of the Company. A member holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person to act as proxy and such person shall not act as proxy for any other person or shareholder.**

2. Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) the Explanatory Statement in relation to special business in the Notice of this Annual General Meeting (“AGM”) is annexed hereto and forms part of this Notice.
3. The Register of Members shall remain closed from 5th September, 2018 to 11th September, 2018 (both days inclusive).
4. (i) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date i.e. Tuesday, 4th September, 2018** only shall be entitled to avail the facility of either remote e-Voting or voting at the AGM through Ballot Paper.  
(ii) Persons, who have acquired Shares and become Members of the Company after the despatch of the Notice for the AGM, but before the **cut-off date**, will follow instructions given under Serial No. 18.
5. The Notice of the Meeting will also be available on the Company’s website **www.kesoramtextiles.com** and the website of Central Depository Services (India) Limited (“CDSL”) at **www.evotingindia.com**.
6. **Members holding shares in physical form are requested to notify change of address**, if any, along with address proof i.e. self-attested copy of Voter Identity Card or Electricity or Telephone Bill or Driving License or Passport or Aadhaar Card or Bank Statement to the **Share Department of the Company / Registrar and Share Transfer Agent** and, in case the shares are held in dematerialised form, then this information should be passed on to the respective **Depository Participants** and not to the Share Department of the Company / Registrar and Share Transfer Agent.
7. In case the mailing address mentioned on the envelope of this Annual Report is either without Pin Code or with incorrect Pin Code, Members are requested to advise the correct Pin Code to the **Share Department of the Company / Registrar and Share Transfer Agent** or the respective **Depository Participant(s)**, as the case may be, immediately, for speedier delivery of documents in future.

8. (i) Members desirous of receiving Notices and/or documents from the Company through the **electronic mode** are requested to update their E-mail addresses with their **Depository Participants**, where shares are held in electronic form or with the **Share Department of the Company / Registrar and Share Transfer Agent** where shares are held in physical form.
- (ii) E-mail addresses of Members as advised to **the Share Department of the Company/Registrar and Share Transfer Agent** where shares are held in physical mode or **registered with Depositories** where shares are held in the electronic mode are deemed to be the Member's registered E-mail addresses for serving Company's documents/notices. Members intending to refresh/update their E-mail addresses should do so as soon as possible.
- (iii) Members who hold shares in electronic form and who have not registered their E-mail addresses so far are requested to register their E-mail IDs with their **Depository Participants** and Members who hold shares in physical form are requested to intimate their E-mail address to the **Share Department of the Company/Registrar and Share Transfer Agent** for faster communication.
9. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Share Department of the Company / Registrar and Share Transfer Agent** enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for their own convenience.
10. Electronic copy of the Annual Report 2017-18, Notice of the aforesaid AGM, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the Members whose E-mail IDs are registered with the Company's **Registrar and Share Transfer Agent / Depository Participants** for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their E-mail IDs, physical copies of the said Annual Report 2017-18, Notice of the AGM along with Attendance Slip, Electronic Voting Particulars and Proxy Form are being sent at their registered addresses.
11. Corporate Members/AOPs are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
12. As per the provisions of the Act, the facility for making /varying/ cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in **Form-SH.13** and any variation/cancellation thereof can be made by giving notice in **Form SH.14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 (as amended) for the purpose. The Forms can be obtained from the **Share Department of the Company / Registrar and Share Transfer Agent or from the website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in)**.
13. (i) **Members desirous of getting any information in relation to the Company's Annual Report 2017-18 are requested to address their query(ies) well in advance, i.e. at least 10 days before the Annual General Meeting to the Company Secretary to enable the Management to keep the information readily available at the Meeting.**
- (ii) Members holding shares in **Electronic Form and in Physical Form** are requested to bring their **Depository ID Number and Client ID Number, Folio Number** respectively to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.
14. Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bonafides. Till such claim, as per Para E in Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on such shares shall remain frozen.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. It was further clarified vide Circular No. MRD/DOP/Cir-05/2009 dated May 20, 2009 that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of PAN Card to the **Company / Registrar and Share Transfer Agent** for registration of such transfer of shares. Hence, Members holding shares in the electronic form are requested to submit their PAN details to their **Depository Participants** with whom they maintain their Demat Accounts and Members holding shares in physical form should submit their PAN details to the **Company / Registrar and Share Transfer Agent**.
16. As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars relating to appointment and reappointment of Directors are given in the Corporate Governance Section of the Annual Report and forms the part of this notice.
17. As per Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 effective 19th March, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- i) the items of business set out in the attached Notice are to be transacted also through the electronic voting system from a place other than the venue of the Meeting ("remote e-Voting") under an arrangement with Central Depository Services (India) Limited ("CDSL"), as fully specified more in the instructions under serial number 18, provided that once the vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.
  - ii) the facility for voting through ballot paper shall also be made available at the venue of Annual General Meeting and members attending the Meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the Meeting.
  - iii) the members who have cast their vote by remote e-Voting prior to the Meeting may also attend and participate in the Meeting but shall not be entitled to cast their vote again.
18. The instructions for members to vote electronically are as under:-
- (i) The voting period begins from **9 AM on Saturday, 8th September, 2018** and ends at **5 PM on Monday, 10th September, 2018**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) 4th September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user, please follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL LETTERS eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank details or Date of Birth (dd/mm/yyyy) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the Depository or Company, please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for **KESORAM TEXTILE MILLS LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



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

(xx) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Institutional Shareholders (i.e., other than individual, HUF, NRI) are required also to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorised signatory (ies) who are authorised to vote through email at **sharedepartment@kesoramtextiles.com** or **salil.banerjee@gmail.com** with a copy marked to **helpdesk.evoting@cdslindia.com**.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**. For any query relating to the Resolutions proposed to be passed at the ensuing Annual General Meeting (AGM), it may be addressed to Shri B N Kedia, Company Secretary at email: **sharedepartment@kesoramtextiles.com** or at 033-2243 7121.

19. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date**.
20. Shri Salil Banerjee, (ICSI CP Registration No 1140), a Practising Company Secretary has been appointed as the Scrutinizer for the voting and remote e-Voting process being conducted in a fair and transparent manner.
21. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Ballot Paper for all those Members who are present at the AGM and have not cast their votes by availing the remote e-Voting facility.
22. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

23. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after declaration of result by the Chairman or the person so authorized by him in writing. The results shall also be simultaneously communicated to the Calcutta Stock Exchange Limited.
24. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
25. The Landmark and Route Map of the venue of the AGM is given on the backside of the Attendance Slip in the Annual Report 2017-18.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

#### **Item No. 3**

The Board of Directors of the Company at its Meeting held on 29th May, 2018 re-appointed Shri Sanjay Kumar Sinha ("Shri Sinha"), as Manager of the Company under the Act for a period of three years effective 1st April, 2018 to 31st March, 2021, subject to the approval of Shareholders through Special Resolution. His appointment and proposed remuneration, recommended both by the Nomination and Remuneration Committee as well as by the Board has been set out under Item No. 3 of the attached Notice. The Resolution also authorises the Board and/or any Committee thereof to alter his terms of appointment, including remuneration, within the parameters set out therein.

Shri Sinha aged about 55 years is a graduate in Science and has Masters Degree in Business Administration and carries rich and vast managerial experience of over three decades. The Board is of the view that Shri Sinha's continuance as Manager will be beneficial for the Company. Shri Sinha was Manager of the Company prior to the proposed appointment as well and he is adequately qualified to be re-appointed as Manager under the Act. The remuneration proposed to Shri Sinha is in line with prevailing corporate practice and is commensurate with Shri Sinha's experience and ability. Shri Sinha drew a remuneration of ₹ 30.54 lakhs in FY 2017-18.

Shri Sinha was not holding any securities of the Company as an employee or Manager of the Company and was not related to any Director or Promoter or any other Key Managerial Personnel (KMP) of the Company at any time during the two years prior to this appointment.

The Board recommends the passing of the Special Resolution set out under Item No.3 of the attached Notice of Annual General Meeting.

Shri Sinha should be deemed concerned or interested in the Resolution pertaining to his re-appointment. No other Director or other KMP or any of their relatives have any concern or interest in this Resolution. The passing of this Resolution does not and will not relate to or affect any other Company. This notice should also be treated as the requisite disclosure under Section 190 of the Act.

The Effective Capital of the Company is negative as on 31st March, 2018. However, by passing of Special Resolution, his remuneration will be within the limits of Section II of Part II of Schedule V of the Act.

## KESORAM TEXTILE MILLS LIMITED

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A Statement containing the General Information prescribed under Second Proviso in Section-II, Part II of Schedule V of the Act is, therefore, given hereunder :

### I. GENERAL INFORMATION :

1	Nature of Industry	Textiles
2	Date or expected date of commencement of commercial production	Existing Unit
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4	Financial performance based on given indicators	Reference is invited to the Financial Statement for the year ended 31st March, 2018 given in this Annual Report
5	Foreign investments or collaborations, if any	Not applicable

### II. INFORMATION ABOUT APPOINTEE :

1.	Background details	Shri Sinha is a graduate in Science and has a Masters in Business Administration. He has over 32 years managerial experience.
2.	Past remuneration	His remuneration by the Company in respect of the year ended 31st March, 2018 amounted to ₹ 30.54 Lakhs.
3.	Recognition or awards	None
4.	Job profile and his suitability	Shri Sinha is already the Manager of the Company under the Act. The Board is of the view that Shri Sinha is adequately qualified and experienced to continue as a Manager under the Act.
5.	Remuneration proposed	Not exceeding ₹ 48.00 lakhs per annum as may be decided by the Board or Committee from time to time.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Based upon Shri Sinha's background and experience, the Board considers his proposed remuneration to be in line with present compensation practice in India. Shri Sinha is an Indian national.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	None, except pecuniary relationship as stated above.

### III. OTHER INFORMATION :

1.	Reasons of loss or inadequate profits	The Company had to declare suspension of work at its Mills on 5th January, 1999 due to labour problem which is still continuing.
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## KESORAM TEXTILE MILLS LIMITED

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|--|--|
| 2. Steps taken or proposed to be taken for improvement               | The continued hostile attitude and rigid stand taken by a section of workmen and their unions have thwarted all efforts made by the Management to revoke the suspension of work and resume production. The Management is, however, hopeful of an amicable solution to the problem. |
| 3. Expected increase in productivity and profits in measurable terms | This would be subject to the Company's Mill resuming operations.   |

#### IV. DISCLOSURES :

- |  |   |
|--|---|
| 1. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the Directors                           | Directors are only entitled to Sitting Fee. These are disclosed under the 'Report on Corporate Governance' to Shareholders. |
| 2. Details of fixed component and performance linked incentives along with the performance criteria  | Not applicable.   |
| 3. Service contracts, notice period, severance fees  | Not applicable.   |
| 4. Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable | Not applicable  |

#### Registered Office :

42, Garden Reach Road  
Kolkata 700 024  
Dated : 29th May, 2018

#### By Order of the Board

**B. N. Kedia**  
*Company Secretary*

**REPORT OF THE DIRECTORS****For the year ended 31st March, 2018**

The Board presents its Nineteenth Annual Report and the Audited Financial Statement of the Company for the year ended 31st March, 2018.

**FINANCIAL RESULTS**

(₹ in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Total Revenue	-	-
Profit/(Loss) before Interest, Depreciation, Tax and other Amortizations ("EBIDTA")	<b>-12.08</b>	-11.77
Add : Exceptional (Expense)/Income	-	-
Less :		
Depreciation and Amortization Expenses	<b>1.69</b>	2.56
Finance Costs	<b>0.07</b>	0.02
Tax Expenses – Net	-	-
Profit/(Loss) for the year from continuing operations	<b>-13.84</b>	-14.35
Other Comprehensive Income (net of tax expense)		
Re-measurement of post-employment benefit obligations	<b>51.46</b>	49.61
Total comprehensive income/(loss) for the year	<b>37.62</b>	35.26

**DIVIDEND**

In view of accumulated losses, no dividend is recommended for the Financial Year under reference and no transfer is proposed to be made to Reserves.

**SHARE CAPITAL**

The Company has not, during the year under Report, issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares. The Paid-up Equity Capital as on 31st March, 2018 was ₹ 10.46 crores.

**ADOPTION OF INDIAN ACCOUNTING STANDARDS**

The Company adopted the Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these Financial Statements. Consequently, the Financial Statements of the previous year have had to be restated to conform to the provisions of IndAS. The corresponding reconciliation and description of the effects of this transition from the provisions of the Companies (Accounting Standards) Rules, 2005 have been provided under Note 29 of the Notes forming part of Financial Statements.

**GENERAL REVIEW**

Due to labour problems on account of continued hostile attitude and rigid stand taken by a section of workmen and /or the Union(s) the "Suspension of Work" in the Mill continues from 5th January, 1999. All efforts made by the Management for a settlement did not bear fruit. Illegal blockading and barricading in front of the mill's gate continues. The condition of the machines, factory sheds, buildings and other assets have further deteriorated for want of maintenance.

The matter pending before the 4th Industrial Tribunal referred by the Government of West Bengal, Labour Department, I.R. Branch, Writers' Buildings, Kolkata remains pending at that level.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) of the Companies Act, 2013 ("the Act") and based upon representations from the Management, the Board, to the best of its knowledge and belief, states that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) such accounting policies have been selected 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 ended 31st March, 2018 and loss of the Company for that period;
- (c) proper and sufficient care has been taken by the Directors for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS**

A Report on Corporate Governance together with a Certificate from the Practising Company Secretary on compliance thereof and a Certificate from the Manager (CEO) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached as **Annexure I** of this Annual Report.

The Management Discussion & Analysis is attached as **Annexure II** to this Annual Report.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

The Board confirms that it has the required number of Independent Directors as envisaged under Section 149(4) of the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Requisite declarations from Independent Directors of the Company have been received that they meet the Independent Directors criteria as laid down under Section 149(6) of the Act and Regulation 16(1)(b)(vi) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Uma Shankar Asopa (DIN: 00305010), retires by rotation and being eligible offers himself for re-appointment and an appropriate Resolution has also been included as part of the Notice convening the forthcoming Annual General Meeting. His brief profile is given in the Report on Corporate Governance.

In compliance with Section 203 of the Act, the Company had Shri S K Sinha as Chief Executive Officer, Shri S K Choubey as Chief Financial Officer and Shri B N Kedia as Company Secretary for the year under review. The Board, on the recommendation of Nomination and Remuneration Committee of Directors, re-appointed Shri S. K. Sinha as Manager of the Company effective 1st April, 2018 for a period of three years subject to approval of the shareholders.

#### **EVALUATION OF PERFORMANCE OF BOARD AND ITS COMMITTEES**

Besides the Nomination and Remuneration Committee, in compliance with the provisions of the Act and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board evaluated its own performance during the year under report along with that of its various Committees and its individual Directors. The Independent Directors also reviewed the performance of the Non-Independent Director of the Company.

#### **NUMBER OF BOARD MEETINGS**

The Board met five times during the Financial Year 2017-18. Details of Meetings and the attendance of each Director is provided in the Report on Corporate Governance.

### **NOMINATION AND REMUNERATION POLICY OF THE COMPANY**

In terms of Section 178(3) of the Act, the Company has in place a formal Nomination and Remuneration Policy. The text of the Policy is available at the website of the Company [www.kesoramtextiles.com](http://www.kesoramtextiles.com).

### **AUDIT COMMITTEE**

The Board's Audit Committee comprises Shri S K Birla, Shri J Sogani, Shri U S Asopa and Smt. Sarat Priya Patjoshi. Shri S K Birla is Chairman of the Committee. During the year under Report, there were no disagreements whatsoever between the Audit Committee and the Board.

### **RELATED PARTY TRANSACTIONS**

The Related Party Transactions that were entered during the Financial Year were on an arm's length basis and in the ordinary course of business and provisions of Section 188 of the Act were not attracted; therefore, the Form AOC-2 is not required to be annexed to this Report.

There were no materially significant related party transactions made during the period under review by the Company with Promoters, Directors or other designated persons which could conflict with the interest of the Company at large except payment of remuneration to Key Managerial Personnel and payment of sitting fees to Directors as disclosed in Note No. 28 of the Notes forming part of Financial Statements.

Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Related Party transactions during the year under review were placed before the Audit Committee for approval. Where required, prior omnibus approval of the Audit Committee is obtained for continuous transactions and the corresponding actual transactions are reviewed at subsequent Audit Committee Meetings.

The Policy on Related Party transactions as approved by the Board is given on the website of the Company and the weblink is <https://www.kesoramtextiles.com/policy.html>.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under Report, a guarantee provided favouring Axis Trustees Services Limited, was released. The Company during the year extended an irrevocable and unconditional corporate guarantee of an amount not exceeding ₹ 250 crores in the form of collateral security by way of mortgaging the land of the Company situated at 42, Garden Reach Road, Kolkata favouring IndusInd Bank Limited as security consideration for a Term Loan availed by Cygnet Industries Limited, an unlisted Public Limited Company, upon obtaining necessary approvals. Except the above, the Company did not give any loan or guarantee or made any investment covered under Section 186 of the Act during the year under review.

### **FIXED DEPOSIT**

The Company has not accepted any fixed deposits during the Financial Year 2017-18.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company does not meet the criteria specified in Section 135 of the Act requiring constitution of a Corporate Social Responsibility Committee and formulate a policy for this purpose.

### **WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy which is hosted on its website [www.kesoramtextiles.com](http://www.kesoramtextiles.com) in compliance with the provisions of Section 177(9) of the Act and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **STATUTORY AUDITORS AND REPORT**

Shareholders at the Company's Seventeenth Annual General Meeting appointed Messrs APS Associates, Chartered Accountants (Firm Regn. No. 306015E), Statutory Auditors of the Company for a period of five years from the conclusion of that Annual General Meeting.

As regards the observation of the 'Basis for Qualified Opinion' in the Auditors' Report, no provision for interest is made for the year under review as negotiations to revise loan terms and the outstanding interest with the lenders could not be finished. Note No. 11 to the Notes forming part of the Financial Statement explains the position and needs no further explanation in this regard. Emphasis of Matter in Auditors Report has been explained in Note No. 2.1 to the Notes forming part of the Financial Statement and once terms of the loan is re-negotiated, the net worth of the Company shall also be restored to the extent of relief in interest is received.

#### **SECRETARIAL AUDIT**

The Board appointed Shri Salil Banerjee, Practising Company Secretary (ICSI CP Registration No. 1140) to audit the Secretarial Records of the Company in respect of the Financial Year 2017-18, pursuant to provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Report of the Secretarial Auditor is attached in **Annexure III** to this Report. The said Report does not contain any qualification / observation or adverse remark.

#### **COST AUDITOR**

Under Section 148 of the Act, no Cost Auditor was required to be appointed by the Company since the manufacturing activities of the Company have been under suspension since 5th January, 1999 and the Assistant Director (Costs), Ministry of Corporate Affairs, Government of India vide letter dated 12th December, 2011 has exempted the Company to comply with the Cost Audit Orders issued by the Department relating to maintenance of Cost Records till their further orders.

#### **RISK MANAGEMENT AND SIGNIFICANT ORDERS**

The Management is continuously endeavouring to deal with perceived risks in its business by identifying and evaluating business risks and opportunities. The Mill is under suspension of work since 5th January, 1999 due to labour problems, in the opinion of the Board, the risk involved due to that may threaten the existence of the Company.

During the year under report, there were no significant and material orders passed by regulators or courts or tribunals' impacting the Company's going concern status and its future operations.

#### **INTERNAL CONTROL SYSTEMS**

The Company has adequate system of internal control commensurate with the size and nature of business. Detailed procedures are in place to ensure that all assets are safeguarded and protected against loss. All transactions are authorised, recorded and appropriately reported. The internal control system is monitored and evaluated by an Internal Audit team, which interacts with the Audit Committee.

#### **MATERIAL CHANGES BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT**

There were no material changes and commitments between the end of the financial year and date of report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

No figures are available for conservation of energy, technology absorption etc. as required under provisions of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014 since mill operations have been under suspension of work for a considerable length of time. There were no foreign exchange earnings or outgo during the year under review.

#### **COMPLIANCE OF SECRETARIAL STANDARD 1 & 2 ON BOARD AND SHAREHOLDERS MEETINGS (SS-1 & SS-2)**

The Company had adopted revised Secretarial Standards on Board & Member's Meetings and had complied with the Secretarial Standards throughout the financial year under review.



#### **PARTICULARS OF EMPLOYEES**

Provisions of Section 197 of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable as no employee or Director of the Company was in receipt of such remuneration as prescribed under the said Rules.

Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as **Annexure IV** of this Report.

#### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has in place the requisite Internal Committee as envisaged in the Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013.

No Complaints on the issues covered by the above Act were received during the year.

#### **EXTRACT FROM ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT 9 as required under Section 92 of the Act are given as **Annexure V** to this Report.

#### **ANNEXURES FORMING PART OF THIS REPORT**

Annexure	Particulars
I	Report on Corporate Governance together with Certificate from Statutory Auditor on Compliance thereof and Certificate from Manager (CEO)
II	Management Discussion & Analysis
III	Secretarial Audit Report
IV	Details under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
V	Extracts from the Annual Return filed by the Company in Form MGT 9

#### **ACKNOWLEDGEMENT**

The Board gratefully acknowledges the understanding and support received by the Company from its employees. It also places on record its deep gratitude for the unstinted support the Company has received from the State Government, Shareholders and the lenders during the year.

Place : Kolkata  
Dated : 29th May, 2018

**Surendra Kumar Birla** *Chairman*

**Jayant Sogani**

**Uma Shankar Asopa**

**Sarat Priya Patjoshi**

*Directors*

**REPORT ON CORPORATE GOVERNANCE**

Annexure I

**1. GOVERNANCE PHILOSOPHY**

The Company's philosophy on governance is founded upon and structured on a rich legacy of principles and practices that predicates dealings with stakeholders based on fairness, transparency and ethical behaviour.

**2. BOARD OF DIRECTORS****Composition of the Board, Directorships and Committee positions held in other listed Companies and Shares held as on 31st March, 2018:**

As on 31st March, 2018, the Company had four Directors. The composition of the Board complies with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015"). Details of composition are as follows:

Directors	Category	No. of other Directorships*	No. of Independent Directorships held in other Listed companies	Outside Committee positions**		Shares held***
				As a Chairman/ Chairperson	As a Member including Chairmanship/ Chairpersonship	
Shri Surendra Kumar Birla - Chairman	Non-Executive Independent	None	None	None	None	23,211
Shri Jayant Sogani	Non-Executive Independent	4	None	None	2	5
Shri Uma Shankar Asopa	Non-Executive Non Independent	9	None	1	1	600
Smt Sarat Priya Patjoshi	Non-Executive Independent	1	1	None	None	Nil

\* Excludes Kesoram Textiles Mills Limited, Private Limited Companies, Foreign Companies and Companies under Section Section 8 of the Companies Act, 2013.

\*\* Only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered for this purpose in terms of Regulation 26 (1) (b) of SEBI (LODR) Regulations, 2015.

\*\*\* No convertible instruments are held by the Directors other than stated above.

**Attendance of Directors at Meetings held during the Financial Year 2017-18**

Five Board Meetings were held during the Financial Year ended 31st March, 2018 - on 25th May, 2017, 8th September, 2017, 17th November, 2017, 28th December, 2017 and 31st January, 2018.

The attendance of each Director at these Meetings and at the Eighteenth Annual General Meeting ("AGM") held on 12th September, 2017 was as follows:

Member	Attendance	
	No. of Board Meetings	AGM
Shri Surendra Kumar Birla	5	Yes
Shri Jayant Sogani	5	Yes
Shri Uma Shankar Asopa	5	Yes
Smt Sarat Priya Patjoshi	2	Yes

No remuneration or commission was payable or paid to any Director during the Financial Year 2017-18 except sitting fees.

### Code of Conduct

The Company has a Code of Conduct applicable to all its Board Members and senior management executives for avoidance of conflict of interest between each of the above individuals and the Company. Each Board Member and senior management executive has to declare his compliance with the Code of Conduct as at the end of each Financial Year. The required declarations in respect of the Financial Year 2017-18 have been received from all Board Members and Key Managerial Personnel (KMPs). No materially significant transactions took place during the Financial Year with Board Members and senior management executives, including their relatives that had or could have a potential conflict of interest with the Company except disclosed otherwise at para 10.2 of this Report.

The Code of Conduct is available on the website of the Company [www.kesoramtextiles.com](http://www.kesoramtextiles.com).

### 3. AUDIT COMMITTEE

#### Terms of Reference

The Audit Committee has been mandated with the terms of reference as specified in Regulation 18 of the SEBI LODR Regulations, 2015. The terms of reference also conform to the requirements of Section 177 of the Act.

#### Composition, Name of Members and Chairman

As on 31st March, 2018, the Audit Committee had four Non-Executive Directors of whom three were Independent Directors. Shri Surendra Kumar Birla, an Independent Director, is the Chairman of the Committee.

Five Meetings were held on 25th May 2017, 8th September 2017, 17th November 2017, 28th December, 2017 and 31st January, 2018 during the Financial Year ended 31st March, 2018.

The composition of the Audit Committee and attendance of each Member at these Meetings are as follows :

Members	No. of Meetings attended
Shri Surendra Kumar Birla, Chairman	5
Shri Jayant Sogani	5
Shri Uma Shankar Asopa	5
Smt. Sarat Priya Patjoshi	2

Shri B. N. Kedia, Secretary of the Company, is the Secretary to the Audit Committee.

#### Invitees : (as and when considered necessary)

- The Statutory Auditors APS Associates, Chartered Accountants.
- Shri Sanjay Kumar Sinha, Manager under the Act and Shri S. K. Choubey, Chief Financial Officer.

Shri Surendra Kumar Birla, Chairman of the Audit Committee, is a veteran of the textile industry with over four decades of rich experience and has expert knowledge in finance and accounting. Shri Jayant Sogani is a qualified engineer and has a Masters in Management Studies. His expertise in finance, accounting and management spans over four decades. Shri Uma Shankar Asopa is a Bachelor of Science and a Member of The Institute of Chartered Accountants of India with over 30 years experience in the field of finance, accounts and control. Smt. Sarat Priya Patjoshi has a Master Degree in English and several years of administrative experience. All Members of the Committee are, therefore, financially literate.

Shri Surendra Kumar Birla, Chairman of the Committee, attended the last Annual General Meeting held on 12th September, 2017.

### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been mandated with the terms of reference as specified in Regulation 19 of the SEBI LODR Regulations, 2015. The terms of reference also conform to the requirements of Section 178 of the Act. As on 31st March, 2018, the 'Nomination & Remuneration Committee of Directors' consisted of three Non-executive Directors of whom, two were Independent Directors. Shri Jayant Sogani is the Chairman of this Committee.

The Committee met two times during the Financial Year 2017-18 on 25th May, 2017 and 31st January, 2018. The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at the said Meeting were as follows:

Members	No. of Meetings attended
Shri Jayant Sogani, Chairman	2
Shri Surendra Kumar Birla	2
Shri Uma Shankar Asopa	2

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The terms of reference of the “Nomination and Remuneration Committee of Directors” cover all the areas mentioned under Section 178 of the Act and Regulation 19 of the SEBI LODR Regulations, 2015.

**Nomination and Remuneration Policy :** The Policy, as recommended by the Nomination and Remuneration Committee of Directors, was accepted and adopted by the Board of Directors on 31st January, 2016. The Nomination and Remuneration Policy is available at the website of the Company at [www.kesoramtextiles.com](http://www.kesoramtextiles.com).

### Details of Remuneration and Sitting Fees paid to Directors during the Financial Year 2017-18 :

Sl.No.	Name of Directors	Sitting Fees paid for	
		Board Meetings (₹)	Committee Meetings* (₹)
1	Shri Surendra Kumar Birla	5,000	6,500
2	Shri Jayant Sogani	5,000	4,000
3	Shri Uma Shankar Asopa	5,000	6,000
4	Smt Sarat Priya Patjoshi	2,000	1,500
	<b>Total</b>	<b>17,000</b>	<b>18,000</b>

\* includes Meeting of Independent Directors.

No remuneration other than sitting fee is payable or paid to the Directors. The Independent Directors were appointed for a period of initial five years. The Non-Independent Director is subject to retire by rotation but being eligible, may be re-appointed accordingly.

**Evaluation of Board's performance:** During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, performance of individual Directors. The Chairman of the Board was also evaluated on parameters such as attendance, contribution to Meetings, and otherwise independent judgment, apart from the parameters mentioned earlier above.

### 5. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the SEBI LODR Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 31st January, 2018 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Before the implementation of the Companies Act, 2013, the Company had two Shareholder related Committees viz “Share Transfer Committee of Directors” and “Shareholders'/Investors' Grievance Committee of Directors”. The Board, re-constituted the “Stakeholders Relationship Committee” in place of the existing aforementioned two shareholder related committees. The terms of reference of this Committee are as envisaged in Section 178 of the Act and Regulation 20 of the SEBI LODR Regulations, 2015.

The Committee met five times during the Financial Year 2017-18 on 25th May, 2017, 25th July, 2017, 8th September, 2017, 17th November, 2017 and 31st January, 2018. Shri Surendra Kumar Birla chaired these Meetings. The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at Meetings were as follows:

Members	No. of Meetings attended
Shri Surendra Kumar Birla	5
Shri Uma Shankar Asopa	5

Shri B. N. Kedia, the Company Secretary, is the Compliance Officer under the SEBI LODR Regulations, 2015.

KESORAM TEXTILE MILLS LIMITED

i) Complaints received from Shareholders and redressed during the Financial Year 2017-18 :

Nature of Grievances	Complaints received from				Total complaints received during 2017-18	Total complaints redressed	No. of grievances pending as on 31.03.2018
	Investors directly	Stock Exchanges	SEBI Scores	ROC			
Non-receipt of Dividend/Interest/ Redemption Warrant(s)	8	Nil	Nil	Nil	8	8	Nil
Non-receipt of Share/Debenture Certificate(s)	1	Nil	1	Nil	2	2	Nil
Non-Receipt of Duplicate Share/ Debenture Certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non-receipt of Annual Report(s)	3	Nil	Nil	Nil	3	3	Nil
Demat related grievance(s)/Others	8	Nil	2	Nil	10	10	Nil
<b>TOTAL</b>	<b>20</b>	<b>Nil</b>	<b>3</b>	<b>Nil</b>	<b>23</b>	<b>23</b>	<b>Nil</b>

ii) Details of outstanding Shares in the Unclaimed Suspense Account as on 31st March, 2018 :

Particulars	Aggregate No. of Shareholders	No. of Outstanding Shares lying in the Unclaimed Suspense Account
a) As on 1st April, 2017	4,810	1,85,855
b) Shareholders approached for transfer/delivery during 2017-18	1	5
c) Shareholders approached for transfer/delivery pending compliance of verification process during 2017-18	Nil	Nil
d) Shares transferred/delivered during the year 2017-18	1	5
e) Balance as on 31st March, 2018 (a-d)	4,809*	1,85,850

\* Pursuant to Clause 5A of SEBI (LODR) Regulations, 2015, the aforesaid shares have been transferred in single folio.

**7. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

This programme has been formulated to make Independent Directors familiar with the Company's corporate operations, the dimension of its business, the industry in which the business operates, the business model and their own roles and responsibilities vis-à-vis the Board and the Company. In familiarising Independent Directors with corporate operations, dimensions of business and their own roles and responsibilities, the Company blends each Director's specific skills, acumen and competencies with the Company's requirements to enable integrated Board functioning. The process is continuous and is made to manifest itself at various Committee Meetings where Key Management Personnel, in the course of presentations, explain business operation and management process. The familiarisation programme is available on the website of the Company under the weblink <https://www.kesoramtextiles.com/policy.html>.

## 8. GENERAL BODY MEETINGS

### (A) Details of previous three Annual General Meetings (AGMs) :

Meetings	Date of the Meeting	Location	Time
AGM (18th)	12th September, 2017	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.
AGM (17th)	8th September, 2016	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.
AGM (16th)	2nd September, 2015	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.

### (B) Special Resolutions passed in the previous three AGMs:

#### Annual General Meeting held on 12.09.2017 -

- (a) Approval to keep the Registers and/ or copies of Returns and other records at a place other than Registered Office.

#### Annual General Meeting held on 08.09.2016 - None

#### Annual General Meeting held on 02.09.2015 -

- (a) Shri Sanjay Kumar Sinha was re-appointed as Manager under the Companies Act, 2013 effective 1st April, 2015 to 31st March, 2018.
- (b) A new set of Articles of Association adopted pursuant to Section 14 and other applicable provisions of the Act and Rules made thereunder.

Except the above, no other Special Resolution has been passed at the last three Annual General Meetings.

**(C) Special Resolution through Postal Ballot passed in FY 2017-18 :** Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, no Resolution was passed through Postal Ballot.

**(D)** No Special Resolution is presently proposed to be conducted through Postal Ballot.

**(E)** The procedure for Postal Ballots as prescribed in Section 110 of the Companies Act, 2013 and Companies (Management & Administration) Rules, 2014 as amended, is followed by the Company.

## 9. DISCLOSURES REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As per requirement of Regulation 36(3) of the SEBI LODR Regulations, 2015, brief profile of Shri Uma Shankar Asopa is as under :

**Shri Uma Shankar Asopa (DIN 00305010)**, aged about 65 years is a Bachelor of Science and a Fellow Member of The Institute of Chartered Accountants of India. His experience in the areas of Accounts & Finance and Control is wide and varied and spans over three decades. He is Director of Kudra Investment & Trading Company Ltd., Vasavadatta Services Ltd., Bizari Veneer & Saw Mills Ltd., Aditya Marketing & Manufacturing Ltd., Jwalamukhi Investment & Trading Company Ltd., SNP Investment & Trading Company Ltd., Panchmukhi Investment & Trading Company Ltd., Vasavadatta Investment & Trading Company Ltd. and Kesoram Insurance Broking Services Ltd. He is a member of Audit Committee, Asset Liability Management Committee, Risk Committee and Nomination & Remuneration Committee of Aditya Marketing & Manufacturing Ltd. He holds 600 shares of the Company and does not receive any remuneration from the Company except sitting fees for attending the Board and Committee Meetings of the Company. He is not related to any Director or Key Managerial Personnel of the Company.

## 10. DISCLOSURES

- The Board of Directors in its Meeting held on 29th October, 2014 approved the Related Party Transaction Policy as recommended by the Audit Committee and the same has been placed on the website of the Company. The weblink is <https://www.kesoramtextiles.com/policy.html>
- As per requirements of Indian Accounting Standard 24, transactions with Related Parties are disclosed appropriately in Notes to Accounts annexed to the Financial Statements. There are no materially significant transaction(s) with the Related Parties viz. Promoters or Directors or their relatives or Subsidiaries that had potential conflict with the Company's interest. Material transactions [as defined in Regulation 23 of SEBI LODR Regulations, 2015] with Key Managerial Personnel of the Company with regard to their remuneration (as given in Note No. 28 of the Notes to Financial Statement) had no potential conflict with the Company's interest.
- There is no pecuniary relationship or transaction of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

4. No penalties or strictures have been imposed/ passed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
5. The Company has in place a mechanism to inform Board Members about risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. In view of Paragraph 4.1 of SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated 17th April 2014, no Risk Management Committee has been constituted since it is not covered by the requirements of the above-mentioned Paragraph.
6. The Company does not have any subsidiary.
7. Independent Directors have confirmed to the Company that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 and Regulation 16 (b) of the SEBI LODR Regulations, 2015.
8. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have jointly issued a certificate pursuant to the provisions of Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.
9. The Company has adopted Whistle Blower Policy which has been placed on the website of the Company at the weblink <https://www.kesoramtextiles.com/policy.html>. The Policy contains guidelines to be followed by whistle blowers. During the year, no personnel has been denied access to the Audit Committee.
10. The status of compliance with non-mandatory recommendations of the Part E of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with Stock Exchange is provided below :
  - a. Non-Executive Chairman's Office: The office of the Chairman is not maintained by the Company.
  - b. Shareholders' Rights: As the quarterly and half yearly financial performance are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.
  - c. Audit Qualifications: The Company's financial statement for the year 2017-18 contains an audit qualification which is addressed in the Directors' Report and Notes to Financial Statement of the year under reference.
  - d. Separate posts of Chairman and CEO: The Chairman of the Board is a Non-Executive Director and his position is separate from that of the CEO.
  - e. Reporting of Internal Auditor: The Internal Auditor carries out his work under the guidance of the Audit Committee.

#### 11. MEANS OF COMMUNICATION

— Quarterly Results	:	The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved by the Board of Directors of the Company are forwarded to the Calcutta Stock Exchange Ltd.
— Which newspaper(s) normally published	:	Business Standard (English) Dainik Statesman (Bengali)
— Any website where displayed	:	<a href="http://www.kesoramtextiles.com">www.kesoramtextiles.com</a>
— Whether it also displays official news releases	:	Official news releases, if any, are also displayed on the website.
— Whether presentations made to Institutional Investors or to Analyst	:	No presentations were made to Institutional Investors or Analysts during the Financial Year 2017-18.
— Whether Management Discussion and Analysis Report is a part of Annual Report	:	Yes

**12. GENERAL SHAREHOLDER INFORMATION**

- i) **Next Annual General Meeting :**  
 Date : 11th September, 2018 (Tuesday)  
 Time : 11.00 A.M.  
 Venue : "Kala Kunj", 48, Shakespeare Sarani, Kolkata - 700 017
- ii) **Financial year** : The Financial Year of the Company is from 1st April to 31st March.
- iii) **Date of Book Closure** : 5th September, 2018 to 11th September, 2018 (both days inclusive)
- iv) **Dividend Payment Date** : Not Applicable.
- v) **Listing on Stock Exchanges** : The Shares of the Company are listed only on The Calcutta Stock Exchange Ltd., 7, Lyons Range, Kolkata - 700 001.
- vi) **Stock Codes** : Physical - 21378, Demat -10021378  
 The Annual Listing Fee for the year 2018-19 of the Exchange has been paid by the Company.
- vii) **ISIN No. for the Company's Equity Share in Demat Form** : INE880A01017
- viii) **Depository Connectivity** : National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)
- ix) (a) **Stock Market Price Data :**  
 The Company is listed only on the Calcutta Stock Exchange Ltd. There was no trading in the Company's shares during the Financial Year 2017-18.
- (b) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc. :**  
 There being no trading in Company's shares at the Calcutta Stock Exchange Ltd. during the financial year 2017-18, performance in comparison to broad-based indices is not possible.
- x) **Registrar and Share Transfer Agent :**  
 MCS Share Transfer Agent Limited, CIN : U67120WB2011PLC165872 (Unit: Kesoram Textile Mills Ltd.), Regd. Office: 12/1/5, Manoharpukur Road, Kolkata 700 026, Phone Nos.: +91-33-4072 4051 to 4054 Fax No. +91-33-4072 4050, E-mail : mcssta@rediffmail.com
- xi) **Share Transfer System :**  
 Subject to documentation being in order, transfer requests of Equity Shares lodged with the Company/Registrar in physical form are processed not later than 15 days from the date of receipt. Individual share transfer requests in physical form are dealt with and approved at the level of authorised Executives. Thereafter, these are noted at the next Meeting of Stakeholders Relationship Committee. Transferred shares are despatched to the transferees immediately upon approval.
- xii) **Distribution of Shareholding as on 31st March, 2018 :**  
 a) **According to Category of holding :**

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Promoters	18	0.02	1,33,10,956	25.46
Banks / Mutual Funds and Insurance Cos.	69	0.06	84,06,887	16.08
Foreign Institutional Investors	5	0.00	72,01,125	13.77
NRI/OCB's	338	0.31	7,36,893	1.41
Enemy Property	5	0.00	1,942	0.00
Private Bodies Corporate	1,141	1.03	66,98,330	12.81
Individuals	1,09,179	98.58	1,55,01,383	29.65
Unclaimed Suspense Account	1	-	1,85,850	0.36
Shares in Transit	-	-	2,38,539	0.46
<b>Total</b>	<b>1,10,756</b>	<b>100.00</b>	<b>5,22,81,905</b>	<b>100.00</b>



KESORAM TEXTILE MILLS LIMITED

b) According to Number of Equity Shares held :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-100	91,745	82.84	32,46,319	6.21
101-200	10,016	9.04	15,24,243	2.92
201-500	5,501	4.97	19,05,337	3.64
501-1000	1,813	1.64	14,04,864	2.69
1001-5000	1,317	1.19	27,83,293	5.32
5001-10000	171	0.15	12,62,719	2.41
10001 & above	193	0.17	3,99,16,591	76.35
Shares in transit	-	-	2,38,539	0.46
<b>Total</b>	<b>1,10,756</b>	<b>100.00</b>	<b>5,22,81,905</b>	<b>100.00</b>

xiii) **Dematerialisation of Shareholding and liquidity** : Over 89.02% of the Company's Equity Shares are in dematerialised form as on 31st March, 2018.

xiv) **Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity** : Not Applicable

xv) **Insider Trading**  
The Code of Internal Procedure & Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, continues to be effective 15th May, 2015.

xvi) **Plant Locations** : The Company has a Textile Mill located at 42, Garden Reach Road, Kolkata 700 024

xvii) **Address for Correspondence**

a) **For routine matters :**

Any assistance regarding share transfers and transmissions, change of Address, duplicate /missing Share Certificates, dematerialisation and other matters, may be directed to the Share Department of the Company or to the Registrar and Share Transfer Agent at the address given below :

Share Department,  
Kesoram Textile Mills Limited  
9/1, R. N. Mukherjee Road  
Kolkata 700 001

Phone No.: +91-33-2243 7121

Fax No.: +91-33-2210 9455

E-mail : sharedepartment@kesoramtextiles.com

Or MCS Share Transfer Agent Limited  
(Unit: Kesoram Textile Mills Ltd.)  
12/1/5, Manoharpukur Road, Kolkata 700 026  
Phone Nos.: +91-33-4072 4051 to 4054  
Fax No.: +91-33-4072 4050  
E-mail : mcssta@rediffmail.com

b) **For Redressal of Complaints and Grievances :**

The Secretary,  
Kesoram Textile Mills Limited, 9/1, R.N. Mukherjee Road, Kolkata 700 001  
Telephone No.+91-33-2243 5453, 2242 9454; Fax No.+91-33-2210 9455  
E-mail : sharedepartment@kesoramtextiles.com

13. **CERTIFICATE FROM CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

A Certificate each has been issued by the Chief Executive Officer (Manager of the Company) and Chief Financial Officer as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

## KESORAM TEXTILE MILLS LIMITED

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### 14. COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY

The Company has obtained a Certificate from Practising Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Schedule V Para C of the SEBI LODR Regulations, 2015.

	<b>S. K. Sinha</b> <i>Manager (CEO)</i>	<b>Surendra Kumar Birla</b> <i>Chairman</i>	
	<b>S. K. Choubey</b> <i>Chief Financial Officer</i>	<b>Jayant Sogani</b>	<i>Directors</i>
Place : Kolkata	<b>B. N. Kedia</b>	<b>Uma Shankar Asopa</b>	
Dated : 29th May, 2018	<i>Company Secretary</i>	<b>Sarat Priya Patjoshi</b>	

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### DECLARATION

All the Board members and the Senior Management Personnel have affirmed their compliance of the “**Code of Conduct for Members of the Board and Senior Management**” during the period from 1st April, 2017 to 31st March, 2018 in terms of Para D of Schedule V of the SEBI LODR Regulations, 2015.

Place : Kolkata	<b>Sanjay Kumar Sinha</b>
Dated : 29th May, 2018	<i>Chief Executive Officer</i>

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### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

#### To the Members of Kesoram Textile Mills Limited

I have examined all relevant records of **Kesoram Textile Mills Limited** for the purpose of certifying compliance of conditions of Corporate Governance under Para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on 31st March, 2018. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedure and implementation thereof and was carried out in accordance with the guidance note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. It is neither an audit nor an expression of opinion on the financial statement of the company. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the company has complied with all the mandatory conditions of the Para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Kolkata	<b>Salil Banerjee</b>
Dated : 28th May, 2018	FCS 2288, CP 1140

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### MANAGEMENT DISCUSSION AND ANALYSIS

Annexure II

Uncertainty continues to prevail about resumption of work at Mill, which is under “Suspension of Work” since 5th January 1999. Therefore, the Company's immediate outlook is not known and the Board is unable to express any view on the same.

	<b>S. K. Sinha</b> <i>Manager (CEO)</i>	<b>Surendra Kumar Birla</b> <i>Chairman</i>	
	<b>S. K. Choubey</b> <i>Chief Financial Officer</i>	<b>Jayant Sogani</b>	<i>Directors</i>
Place : Kolkata	<b>B. N. Kedia</b>	<b>Uma Shankar Asopa</b>	
Dated : 29th May, 2018	<i>Company Secretary</i>	<b>Sarat Priya Patjoshi</b>	

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**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]**

**TO,  
THE MEMBERS,  
KESORAM TEXTILE MILLS LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KESORAM TEXTILE MILLS LIMITED (CIN: L17114WB1999PLC089148)** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT) and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## KESORAM TEXTILE MILLS LIMITED

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I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditors for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in **Annexure I**.

I further report that during the audit period there were no specific events / actions which might have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Kolkata  
Date : 28th May, 2018

**SALIL BANERJEE**  
FCS-2288; CP-1140

This report should be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

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## ANNEXURE I

### **The List of Various Applicable Laws to the Company**

1. Employees' Provident Fund Act, 1952 and Rules,
2. Professional Tax Act, 1975 and Rules,
3. Apprentices Act, 1961,
4. Contract Labour (R &A) act, 1970,
5. Employees State Insurance Act, 1948,
6. Payment Of Wages Act, 1936,
7. Minimum Wages Act, 1948,
8. Payment of Bonus Act, 1965,
9. The Industrial Disputes Act, 1947 and Rules,
10. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013,
11. The West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979 & Rules,

**KESORAM TEXTILE MILLS LIMITED**

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12. West Bengal Shops and Establishments Act and Rules,
  13. West Bengal Value Added Tax Act and Rules, (upto 30th June, 2017)
  14. Central Sales Tax Act, (upto 30th June, 2017)
  15. The West Bengal Tax on Entry of Goods Into Local Areas Act and Rules, (upto 30th June, 2017)
  16. Central Excise Act and Rules including CENVAT Rules, (upto 30th June, 2017)
  17. Finance Act, 1994 and
  18. Goods and Service Tax (effective from 1st July, 2017).
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**ANNEXURE A**

**To,  
The Members  
KESORAM TEXTILE MILLS LIMITED**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata  
Date : 28th May, 2018

**SALIL BANERJEE**  
FCS-2288; CP-1140

Details as required under Sections 134(3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended 31st March, 2018

Sl. No.	Requirement	Details
(i)	The ratio of the remuneration of each Director to the median of remuneration of employees of the Company for the Financial Year.	Shri Surendra Kumar Birla - 0.01:1 Shri Jayant Sogani - 0.01:1 Shri Uma Shankar Asopa - 0.01:1 Smt. Sarat Priya Patjoshi - 0.00:1
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager if any in Financial Year.	<b>Directors :</b> Shri Surendra Kumar Birla - 35.29 Shri Jayant Sogani - 20.00 Shri Uma Shankar Asopa - 22.22 Smt. Sarat Priya Patjoshi - (30.00) <b>Key Managerial Personnel :</b> Shri S K Sinha (CEO) - 5.145 Shri S K Choubey (CFO) - 29.760 Shri B N Kedia (CS) - 00.00
(iii)	The percentage increase in median remuneration of employees in the Financial Year.	103.28 % (Refer Note No. 1)
(iv)	The number of permanent employees on the rolls of Company.	(Refer Note No. 2)
(v)	a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year b) its comparison with the percentile increase in the managerial remuneration. c) justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	a) 11.69% b) 11.66% c) As will be evident from the increase stated above there are no exceptional circumstances in increase of salary of Managerial Personnel.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

Figures shown in brackets represent negative.

Note 1 : Due to suspension of work in the Mill, only limited remuneration disbursement takes place and is restricted to essential staff. In the calculations made above, only said essential staff have been considered and consequently any retirement during the year distorts the "median". The average increase in median remuneration is about 103.28%. However, the increase on "median" comparison as stated above, appears not to be true representative in the instant case and is only based on arithmetical calculation as per Rule.

Note 2 : The Mill has been under suspension of work since January 1999, as a result, remuneration payment is restricted only to essential staff. Under the circumstances, the exact number of permanent employees on the rolls of the company is not readily ascertainable. However, as per the records available at the Mill, there ought to be a total of 343 employees as on 31.03.2018.

Place : Kolkata  
Dated : 29th May, 2018

Surendra Kumar Birla | Chairman  
Jayant Sogani |  
Uma Shankar Asopa | Directors  
Sarat Priya Patjoshi |

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31st March, 2018  
[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**

(i)	CIN	L17114WB1999PLC089148
(ii)	Registration Date	1st April, 1999
(iii)	Name of the Company	KESORAM TEXTILE MILLS LIMITED
(iv)	Category/Sub-Category of the Company	Public Company
(v)	Address of the Registered Office and contact details	42, Garden Reach Road, Kolkata-700 024. Phone: +91-33-2489 3472/2469 7825, Fax: +91-33-2469 6788, E-mail: ktmltext@vsnl.net
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Kolkata-700 026 Phone: +91-33-4072 4051 to 4054 Fax: +91-33-4072 4050; E-mail: mcssta@rediffmail.com

**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

\* The Company was incorporated with the object of operating a textile mill. The textile mill is under suspension of work since 5th January, 1999.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
NOT APPLICABLE					

KESORAM TEXTILE MILLS LIMITED

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held as on 1st April, 2017				No. of Shares held as on 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	112142	Nil	112142	0.21	112142	Nil	112142	0.21	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	13198814	Nil	13198814	25.25	13198814	Nil	13198814	25.25	Nil
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>13310956</b>	<b>Nil</b>	<b>13310956</b>	<b>25.46</b>	<b>13310956</b>	<b>Nil</b>	<b>13310956</b>	<b>25.46</b>	<b>Nil</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIs	-	-	-	-	-	-	-	-	-
e) Any Others...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>13310956</b>	<b>Nil</b>	<b>13310956</b>	<b>25.46</b>	<b>13310956</b>	<b>Nil</b>	<b>13310956</b>	<b>25.46</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a) Mutual Funds	7746	90387	98133	0.19	7746	90387	98133	0.19	Nil
b) Banks/FIs	24007	15181	39188	0.07	1038889	15181	1054070	2.01	(+)1.94
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	7254684	-	7254684	13.88	7254684	-	7254684	13.88	Nil
g) FIs	8156857	59150	8216007	15.71	7141975	59150	7201125	13.77	(-)1.94
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>15443294</b>	<b>164718</b>	<b>15608012</b>	<b>29.85</b>	<b>15443294</b>	<b>164718</b>	<b>15608012</b>	<b>29.85</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	4365189	2261848	6627037	12.68	4350890	2261998	6612888	12.65	(-)0.03
ii) Overseas	474144	90	474234	0.91	474144	90	474234	0.91	Nil
iii) NBFCs Registered with RBI	53186	-	53186	0.10	52186	-	52186	0.10	Nil
b) Individuals									
i) Individuals share-holders holding nominal share capital upto ₹ 1 lakh	9862505	3096924	12959429	24.79	9891965	3069860	12961825	24.79	Nil
ii) Individuals share-holders holding nominal share capital excess of ₹ 1 lakh	2539558	238539	2778097	5.31	2539558	238539	2778097	5.31	Nil



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

**i) Category-wise Share Holding (Contd.)**

Category of Shareholders	No. of Shares held as on 1st April, 2017				No. of Shares held as on 31st March, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) NRI	243928	6027	249955	0.47	256632	6027	262659	0.50	(+)0.03
ii) Enemy Property	1942	-	1942	0.01	1942	-	1942	0.01	Nil
iii) Trust	28853	-	28853	0.05	28907	-	28907	0.05	Nil
iv) Co-operative Societies	4349	-	4349	0.01	4349	-	4349	0.01	Nil
iv) Unclaimed Suspense A/c	185855	-	185855	0.36	185850	-	185850	0.36	Nil
<b>Sub-total (B)(2)</b>	<b>17759509</b>	<b>5603428</b>	<b>23362937</b>	<b>44.69</b>	<b>17786423</b>	<b>5576514</b>	<b>23362937</b>	<b>44.69</b>	<b>Nil</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>33202803</b>	<b>5768146</b>	<b>38970949</b>	<b>74.54</b>	<b>33229717</b>	<b>5741232</b>	<b>38970949</b>	<b>74.54</b>	<b>Nil</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>46513759</b>	<b>5768146</b>	<b>52281905</b>	<b>100</b>	<b>46540673</b>	<b>5741232</b>	<b>52281905</b>	<b>100</b>	<b>Nil</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding as on 1st April, 2017			Shareholding as on 31st March, 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	
1	Shri Basant Kumar Birla	20490	0.039	-	20490	0.039	-	0.00
2	Smt. Rajashree Birla	1250	0.002	-	1250	0.002	-	0.00
3	Shri. Kumar Mangalam Birla	100	0.000	-	100	0.000	-	0.00
4	Smt. Vasavadatta Bajaj	5750	0.011	-	5750	0.011	-	0.00
5	Smt. Jayashree Mohta	27116	0.052	-	27116	0.052	-	0.00
6	Smt. Manjushree Khaitan	49812	0.095	-	49812	0.095	-	0.00
7	Smt. Vidula Jalan	7624	0.015	-	7624	0.015	-	0.00
8	Kesoram Industries Ltd.	4996986	9.558	-	4996986	9.558	-	0.00
9	Manav Investment & Trading Co. Ltd.	2209050	4.225	-	2209050	4.225	-	0.00
10	Aditya Marketing & Manufacturing Ltd.	1223189	2.340	-	1223189	2.340	-	0.00
11	Jayantika Investment & Finance Ltd.	569089	1.089	-	569089	1.089	-	0.00
12	B.K. Birla Foundation	7012	0.013	-	7012	0.013	-	0.00
13	ECE Industries Ltd.	225800	0.432	-	225800	0.432	-	0.00
14	Prakash Educational Society	910922	1.742	-	910922	1.742	-	0.00
15	Birla Educational Institution	362643	0.694	-	362643	0.694	-	0.00
16	Century Textiles & Industries Ltd.	125000	0.239	-	125000	0.239	-	0.00
17	Pilani Investment and Industries Corporation Ltd.	2416350	4.622	-	2416350	4.622	-	0.00
18	Gwalior Finance Corporation Ltd.	152773	0.292	-	152773	0.292	-	0.00
	<b>Total</b>	<b>13310956</b>	<b>25.46</b>	<b>-</b>	<b>13310956</b>	<b>25.46</b>	<b>-</b>	<b>0.00</b>

KESORAM TEXTILE MILLS LIMITED

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Name of the Shareholder	Shareholding as at 1st April, 2017		Shareholding as at 31st March, 2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL					

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

Sl. No.	Name of the Shareholder	Shareholding as at 1st April, 2017		Shareholding as at 31st March, 2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Deutsche Bank Trust Company Americas	7041875	13.47	7041875	13.47
2	Life Insurance Corporation of India	4303715	8.23	4303715	8.23
3	National Insurance Company Ltd.	1470378	2.81	1470378	2.81
4	Peregrine Capital Limited	1266000	2.42	1266000	2.42
5	Damani Estate and Finance Pvt Ltd.	1088665	2.08	1088665	2.08
6	Rakesh Jhunjhunwala	1053835	2.02	1053835	2.02
7	HSBC Global Investment Funds A/C HSBC GI *	1014882	1.94	0	0.00
8	Max Financial Services Ltd. (formerly known as Max India Limited)	827166	1.58	827166	1.58
9	The New India Assurance Company Limited	757386	1.45	757386	1.45
10	Century Enka Limited	584994	1.12	584994	1.12
11	The Hongkong and Shanghai Banking Corpn. Ltd. **	0	0.00	1015782	1.94
	<b>Total</b>	<b>19408896</b>	<b>37.12</b>	<b>19409796</b>	<b>37.13</b>

\* the shareholding had ceased and was not part of top 10 shareholders as on 31/03/2018.

\*\* was a top ten shareholders as on 31/03/2018.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Shareholder	Shareholding as at 1st April, 2017		Shareholding as at 31st March, 2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri S K Birla & family	23,211	0.04	23,211	0.04
2	Shri U S Asopa	600	0.00	600	0.00
3	Shri Jayant Sogani	5	0.00	5	0.00
4	Shri S K Choubey	8	0.00	8	0.00
	<b>Total</b>	<b>23,824</b>	<b>0.04</b>	<b>23,824</b>	<b>0.04</b>

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year (1st April, 2017)</b>				
i) Principal Amount	-	9,55,00,000	1,00,765	9,56,00,765
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>9,55,00,000</b>	<b>1,00,765</b>	<b>9,56,00,765</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	9,050	9,050
<b>Net Change</b>	-	-	<b>9,050</b>	<b>9,050</b>
<b>Indebtedness at the end of the financial year (31st March, 2017)</b>				
i) Principal Amount	-	9,55,00,000	91,715	9,55,91,715
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>9,55,00,000</b>	<b>91,715</b>	<b>9,55,91,715</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:** (Amount in ₹)

Sl. No.	Particulars of Remuneration	Manager	Total Amount
		S. K. Sinha	(₹)
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	23,78,953	23,78,953
	(b) Value of perquisites u/s 17(2) of the Income-tax Act 1961	1,37,849	1,37,849
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit		
	- others	Nil	Nil
5.	Others		
	- Provident Fund	2,18,880	2,18,880
	- Gratuity	3,18,627	3,18,627
	<b>Total (A)</b>	<b>30,54,309</b>	<b>30,54,309</b>
	Ceiling as per Act	Remuneration is within limit of provisions of law.	

**B. Remuneration to other Directors:**

**I. Independent Directors**

(Amount in ₹)

Particulars of Remuneration	Name of Directors			Total Amount
	S K Birla	Jayant Sogani	S P Patjoshi	(₹)
Fees for attending Board & Committee Meetings	11,500	9,000	3,500	24,000
Commission	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil
<b>Total (I)</b>	<b>11,500</b>	<b>9,000</b>	<b>3,500</b>	<b>24,000</b>

KESORAM TEXTILE MILLS LIMITED

**II. Other Non-Executive Directors** (Amount in ₹)

Particulars of Remuneration	Name of Director	Total Amount
	U S Asopa	(₹)
Fees for attending Board & Committee Meetings	11,000	11,000
Commission	Nil	Nil
Others	Nil	Nil
<b>Total (II)</b>	<b>11,000</b>	<b>11,000</b>
<b>Total B = (I)+(II)</b>		<b>35,000</b>
Ceiling as per Act	Payment is within limit of provisions of law.	

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD** (Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (B N Kedia)	Chief Financial Officer (S K Choubey)	Total Amount (₹)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	Nil	13,18,440	13,18,440
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	Nil	46,518	46,518
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit			
	- others	Nil	Nil	Nil
5.	Others			
	- Provident Fund	Nil	Nil	Nil
	- Gratuity	Nil	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>13,64,958</b>	<b>13,64,958</b>

**VII. Penalties / Punishment / Compounding of Offences:** (Amount in ₹)

Type	Section of Companies Act	Brief Description	Details of Penalty Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					

**Surendra Kumar Birla** *Chairman*

**Jayant Sogani**

**Uma Shankar Asopa**

**Sarat Priya Patjoshi**

*Directors*

Place : Kolkata

Dated : 29th May, 2018

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KESORAM TEXTILE MILLS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of KESORAM TEXTILE MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standard (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India. This responsibility also includes 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 are 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**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. 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 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 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.

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

### **Basis for Qualified Opinion**

The Company has not provided interest on loan from Kesoram Industries Limited ever since the amount was borrowed. The interest on loan payable for the year ended 31st March 2018 amounting to ₹ 3,62,04,048/- (March 31, 2017 ₹ 3,29,12,771/-, April 1, 2016 ₹ 2,99,20,701/-) has not been provided in these accounts. The aggregate interest on loan not provided till date is ₹ 30,27,44,528/- (March 31, 2017 ₹ 26,65,40,480/-, April 1, 2016 ₹ 23,36,27,709/-) including interest not provided during the current year. If interest on this loan had been provided during the year, there would be a loss of ₹ 3,24,41,729/- as against profit of ₹ 37,62,319/- shown in these financial statements. If interest on loan were provided every year, the debit balance of Profit & Loss in the Balance Sheet as on 31st March 2018 shown under the head "Reserve and Surplus" would be ₹ 50,97,54,982/- (March 31, 2017 ₹ 47,73,13,253/-, April 1, 2016 ₹ 44,79,26,699/-) as against the ₹ 20,70,10,454/- (March 31, 2017 ₹ 21,07,72,773/-, April 1, 2016 ₹ 21,42,98,990/-) disclosed in these financial statements. Interest accrued on Unsecured Loan (Loan was secured as on April 1, 2016) would amount to ₹ 30,27,44,528/- (March 31, 2017 ₹ 26,65,40,480/-, April 1, 2016 ₹ 23,36,27,709/-) as against "Nil" (March 31, 2017 "Nil", April 1, 2016 "Nil") disclosed in these financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matters described in the Basis for Qualified Opinion paragraph**, the aforesaid 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 31st March, 2018 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to the note 2.1 in the financial statements regarding the preparation of the accounts on 'Going Concern' basis. In view of its accumulated losses, the net worth of the Company has been fully eroded and the Company's current liabilities have exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a Going Concern. However, the financial statements of the Company have been prepared on a Going Concern basis for the reasons stated in the said Note.

### Other Matter

The Financial information of the company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS Financial Statements, are based on previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us and the predecessor auditor respectively, on which we expressed a modified opinion dated May 25, 2017 and the predecessor auditor whose report dated May 30, 2016 respectively. The Adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity 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.
  - e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) We give in the Annexure a report on the internal financial control in the Company.
  - 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 information and according to the explanations given to us :
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 21 to the financial statements not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India, Ministry of Corporate Affairs, in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of  
**APS ASSOCIATES**  
Chartered Accountants  
Registration No. 306015E

**SUBIR KUMAR**  
Partner  
Membership No.300073

Kolkata  
29th May, 2018

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KESORAM TEXTILE MILLS LIMITED**

**Statement under Companies (Auditor's Report) Order, 2016**

- I. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets are physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c) The title of land being 11,17,620 sq ft have been verified by us and it is held in the name of Kesoram Cotton Mills Ltd.
- II. The Company's manufacturing activities are under suspension since 5th January 1999, and it does not hold any inventory. In our opinion the requirement of clause 'II' are not applicable to the Company.
- III. According to the information and explanations given to us and as certified by the management, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- IV. The Company has granted a Guarantee for ₹ 250 Crores on behalf of Cygnet Industries Ltd by giving its land of 11,17,620 sq ft which is valued at ₹ 7,48,000/- in the financial statements. The provisions of Section 186 of the Companies Act, 2013 has been duly complied with.
- V. The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the rules framed there under.
- VI. Manufacturing activities of the Company are under suspension since 5th January 1999. The Company has not maintained Cost Records in terms of section 148(1) of the Companies Act 2013 as it has been permitted by the Assistant Directors (Cost), Govt of India, Ministry of Corporate Affairs, Cost Audit Branch Vide letter dated 12.12.2011 not to comply with the Cost Audit order issued by the department earlier relating to maintenance of Cost Records, till their further orders.
- VII. a) According to the records of Company, undisputed statutory dues including provident fund, employee's state insurance, income tax and service tax have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, following are the particulars of disputed dues on account of income tax, excise duty, service tax and sales tax matters which have not been deposited by the Company :-

Name of the Statute	Nature of dues	Amount (₹)	Period to which amount relates (A.Y.)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	14,19,420	-	Kolkata High Court
Central Excise Act, 1944	Excise Duty	3,51,206	-	Addl. Secretary (R.A) Govt of India
Central Excise Act, 1944	Excise Duty	29,36,767	-	Asst. Commissioner of Central Excise
Central Excise Act, 1944	Excise Duty	1,066	-	Superintendent of Central Excise
Central Excise Act, 1944	Excise Duty	11,71,182	-	Central Excise and Sevice Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4,06,870	-	Asst. Commissioner of Central Excise
Employee's State Insurance Regulation Act, 1950	ESI Contribution	11,98,269	-	Dy. Director ESI

## KESORAM TEXTILE MILLS LIMITED

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- VIII. According to the records of the Company and the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or financial institutions.
- IX. During the year the Company has not raised any money through public offer.
- X. According to the information and explanations given to us and as certified by the management no fraud on or by the Company was reported during the year.
- XI. The Company has paid / provided for Managerial Remuneration in accordance with the requisite approvals mandate by the provisions of Section 97 read with Schedule V of the Act.
- XII. The Company is not a Nidhi Company.
- XIII. According to the information and explanations given to us all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- XIV. The Company has not made any preferential allotment or private placement of securities during the year.
- XV. As certified by the management, the Company has not entered into any non-cash transaction with its directors or persons related to any of them.
- XVI. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Kolkata  
29th May, 2018

For and on behalf of  
**APS ASSOCIATES**  
*Chartered Accountants*  
Registration No. 306015E  
**SUBIR KUMAR**  
*Partner*  
Membership No.300073

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## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KESORAM TEXTILE MILLS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of KESORAM TEXTILE MILLS LIMITED ("the Company") as of March 31st, 2018 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**

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. 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 Companies Act, 2013.



### **Auditors' Responsibility**

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 reporting was established and maintained and if such controls operated effectively in all material respects.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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**

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 transactions 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 accepted 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 unauthorised 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**

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**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 and on behalf of  
**APS ASSOCIATES**  
*Chartered Accountants*  
Registration No. 306015E

**SUBIR KUMAR**  
*Partner*  
Membership No.300073

Kolkata  
29th May, 2018

**BALANCE SHEET AS AT 31ST MARCH, 2018**

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	31 March 2018	31 March 2017	01 April 2016
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	3	54.59	55.48	58.08
(b) Financial assets				
(i) Other financial assets	4	40.67	40.72	40.55
(c) Other non-current assets	5	0.02	0.02	0.02
<b>Total non-current assets</b>		<b>95.28</b>	<b>96.22</b>	<b>98.65</b>
<b>(2) Current assets</b>				
(a) Financial assets				
(i) Cash and cash equivalents	6	0.91	0.27	0.45
(ii) Other bank balances	7	145.42	126.19	129.14
(iii) Other financial assets	4	43.69	43.15	4.49
(b) Other current assets	5	9.30	11.87	10.47
<b>Total current assets</b>		<b>199.32</b>	<b>181.48</b>	<b>144.55</b>
<b>Total assets</b>		<b>294.60</b>	<b>277.70</b>	<b>243.20</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	8 (a)	1,045.64	1,045.64	1,045.64
(b) Other equity	8 (b)	(2,070.11)	(2,107.73)	(2,142.99)
<b>Total equity</b>		<b>(1,024.47)</b>	<b>(1,062.09)</b>	<b>(1,097.35)</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Provisions	9	197.72	232.52	244.33
(b) Deferred tax liabilities (net)	10	-	-	-
<b>Total non-current liabilities</b>		<b>197.72</b>	<b>232.52</b>	<b>244.33</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	11	955.00	957.19	955.47
(ii) Trade payable	12	0.39	0.83	1.04
(iii) Other financial liabilities	13	83.60	75.94	67.55
(b) Other current liabilities	14	31.38	24.51	13.57
(c) Provisions	9	50.98	48.80	58.59
<b>Total current liabilities</b>		<b>1,121.35</b>	<b>1,107.27</b>	<b>1,096.22</b>
<b>Total liabilities</b>		<b>1,319.07</b>	<b>1,339.79</b>	<b>1,340.55</b>
<b>Total equity and liabilities</b>		<b>294.60</b>	<b>277.70</b>	<b>243.20</b>
<b>Notes forming part of the financial statements</b>	1-29			

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

This is the Balance Sheet referred in our report of even date.

**For APS ASSOCIATES**

Firm Registration No. 306015E

Chartered Accountants

**Subir Kumar**

(Partner)

Membership No. 300073

Kolkata, 29th May, 2018

**S. K. Sinha**  
Manager (CEO)**S. K. Choubey**  
Chief Financial Officer**B. N. Kedia**  
Company SecretaryFor and on behalf of Board of Directors  
of Kesoram Textile Mills Limited**Surendra Kumar Birla**

Chairman

**Jayant Sogani****Uma Shankar Asopa****Sarat Priya Patjoshi**

Directors

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	2017-2018	2016-2017
I Other income	15	121.29	119.42
<b>II Total income</b>		<b>121.29</b>	<b>119.42</b>
<b>III Expenses :</b>			
(a) Employee benefit expenses	16	75.18	75.50
(b) Depreciation and amortisation expense	17	1.69	2.56
(c) Finance costs	18	0.07	0.02
(d) Other expenses	19	58.19	55.69
<b>Total expenses</b>		<b>135.13</b>	<b>133.77</b>
<b>IV (Loss) before tax (II - III)</b>		<b>(13.84)</b>	<b>(14.35)</b>
<b>V Tax expense :</b>	22		
(1) Current tax charge / (credit)		-	-
(2) Deferred tax / (credit)		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>VI Profit / (Loss) for the year (IV - V)</b>		<b>(13.84)</b>	<b>(14.35)</b>
<b>VII Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss :</b>			
Remeasurement of post-employment benefit obligations		51.46	49.61
Fair value changes of investments in equity shares		-	-
<b>Total other comprehensive income / (loss)</b>		<b>51.46</b>	<b>49.61</b>
<b>VIII Total comprehensive income / (loss) for the year (VI + VII)</b>		<b>37.62</b>	<b>35.26</b>
<b>IX Earnings per share</b>	20		
Basic (Rs.)		(0.03)	(0.03)
Diluted (Rs.)		(0.03)	(0.03)

**X Notes forming part of the financial statements** 1 - 29

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

This is the Statement of Profit and Loss referred to in our report of even date.

**For APS ASSOCIATES**Firm Registration No. 306015E  
Chartered Accountants**Subir Kumar**

(Partner)

Membership No. 300073

Kolkata, 29th May, 2018

**S. K. Sinha**  
Manager (CEO)**S. K. Choubey**  
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of Kesoram Textile Mills Limited**Surendra Kumar Birla**

Chairman

**Jayant Sogani****Uma Shankar Asopa****Sarat Priya Patjoshi**

Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>A. Cash flow from Operating Activities</b>		
Net Profit / (Loss) before tax	(13.84)	(14.35)
Adjustments for :		
Depreciation and amortisation	1.69	2.56
Deposits / Advances written off	0.21	-
Finance costs	0.07	0.02
Loss / (gain) on sale of property, plant and equipment (net)	(0.02)	(0.12)
Liabilities / Provision no longer required written back (net)	(0.42)	(0.12)
Interest income	(9.87)	(9.22)
<b>Operating profit / (loss) before working capital changes</b>	<b>(22.18)</b>	<b>(21.23)</b>
<b>Changes in Working Capital :</b>		
Increase / (decrease) in financial and other liabilities / provisions	33.35	47.25
(Increase) / decrease in financial and other assets	(16.42)	(37.05)
(Increase) / decrease in inventories	-	-
<b>Cash Generated from Operations</b>		
Taxes paid (net of refunds)	-	-
<b>Net cash generated / (used) in operating activities</b>	<b>(5.25)</b>	<b>(11.03)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of fixed assets	(0.80)	-
Proceeds from sale of property, plant and equipment	0.02	0.16
Interest received	8.93	8.99
<b>Net cash generated / (used) in investing activities</b>	<b>8.15</b>	<b>9.15</b>
<b>C. Cash flow from Financing Activities</b>		
Finance cost paid	(0.07)	(0.02)
<b>Net cash generated from financing activities</b>	<b>(0.07)</b>	<b>(0.02)</b>
Net (decrease) / increase in cash and cash equivalents	2.83	(1.90)
Cash and cash equivalents at the beginning of the year	0.27	0.45
Less : Cash credits at the beginning of the year	(2.19)	(0.47)
<b>Adjusted cash &amp; cash equivalents at the beginning of the year</b>	<b>(1.92)</b>	<b>(0.02)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>0.91</b>	<b>(1.92)</b>
	<b>31 March 2018</b>	<b>31 March 2017</b>
<b>Cash and Cash Equivalents comprise :</b>		
Cash on hand	0.08	0.14
Cheques on hand	0.30	-
Balances with banks on current account	0.53	0.13
Cash credits at the end of the year	-	(2.19)
	<b>0.91</b>	<b>(1.92)</b>

*Figures in bracket represents outflows.*

Notes:

1) The above cashflow statement has been prepared under the Indirect Method as set out in IND AS-7 "Statement of Cash Flows".

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of Board of Directors  
of Kesoram Textile Mills Limited

**For APS ASSOCIATES**

Firm Registration No. 306015E  
Chartered Accountants

**S. K. Sinha**  
Manager (CEO)

**Surendra Kumar Birla**

Chairman

**Subir Kumar**  
(Partner)

**S. K. Choubey**  
Chief Financial Officer

**Jayant Sogani**

Directors

Membership No. 300073

**B. N. Kedia**  
Company Secretary

**Uma Shankar Asopa**

Kolkata, 29th May, 2018

**Sarat Priya Patjoshi**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts in Rupees Lakhs, unless otherwise stated)

**A. Equity share capital**

Description	Notes	Amount
<b>As at 01 April 2016</b>		1,045.64
Changes in equity share capital	8(a)	-
<b>As at 31 March 2017</b>		<b>1,045.64</b>
Changes in equity share capital	8(a)	-
<b>As at 31 March 2018</b>		<b>1,045.64</b>

**B. Other equity**

Particulars	Capital Reserve	Retained earnings	Total other equity
<b>Balance at 01 April 2017</b>	7.31	(2,115.04)	(2,107.73)
Addition			
Profit / (Loss) for the year		(13.84)	(13.84)
Other comprehensive income / (expense)	-	51.46	51.46
<b>Total comprehensive income for the year</b>	-	<b>37.62</b>	<b>37.62</b>
Transfer in equity	-	-	-
<b>Balance as at 31 March 2018</b>	<b>7.31</b>	<b>(2,077.42)</b>	<b>(2,070.11)</b>

Particulars	Capital Reserve	Retained earnings	Total other equity
<b>Balance at 01 April 2016</b>	7.31	(2,150.30)	(2,142.99)
Addition	-	-	-
Profit / (Loss) for the year	-	(14.35)	(14.35)
Other comprehensive income / (expense)	-	49.61	49.61
<b>Total comprehensive income for the year</b>	-	<b>35.26</b>	<b>35.26</b>
Transfer in equity	-	-	-
<b>Balance as at 31 March 2017</b>	<b>7.31</b>	<b>(2,115.04)</b>	<b>(2,107.73)</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**For APS ASSOCIATES**

Firm Registration No. 306015E  
Chartered Accountants

**Subir Kumar**

(Partner)

Membership No. 300073

Kolkata, 29th May, 2018

**S. K. Sinha**  
Manager (CEO)

**S. K. Choubey**  
Chief Financial Officer

**B. N. Kedia**  
Company Secretary

For and on behalf of Board of Directors  
of Kesoram Textile Mills Limited

**Surendra Kumar Birla**

Chairman

**Jayant Sogani**

**Uma Shankar Asopa**

**Sarat Priya Patjoshi**

Directors

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1. COMPANY INFORMATION

Kesoram Textile Mills Limited was incorporated with the object of running a Textile Mill. The Textile Mill is under suspension of work and is not in operation at present. The Company is a public limited company and is listed in the Calcutta Stock Exchange (CSE).

The financial statements as at 31 March 2018 present the financial position of the Company.

The financial statements for the year ended 31 March 2018 were approved by the Board of Directors and authorised for issue on 29th May 2018.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

##### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1 April 2017.

Up to the year ended 31 March 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the first financial statements of the Company under Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and Cash Flows is given in Note 29 (First-time Adoption).

These accounts have been prepared on a "Going Concern" basis as the Board for Industrial and Financial Reconstruction vide its order dated 19.09.2006 held that the Company is not a Sick Industrial Company within the meaning of section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

The Company's textile mill is under suspension of work since 5th January, 1999 and thus there is no acquisition of assets for processing and consequently their realization in cash and cash equivalents. However, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

##### (ii) Historical cost convention

The financial statements have been prepared under the historical cost convention except for the following:

a) Defined Benefit plans-plan assets measured at fair value

##### (iii) Use of estimate

As required under the provision of Ind AS for preparation of financial statements in conformity thereof, the management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### 2.2 Property, plant and equipment

a) Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses and treated as deemed cost. The cost comprises of purchase cost, borrowing costs if capitalization criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

b) Subsequent expenditure related to an item of fixed asset is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

c) Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of profit and loss.

d) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

Class of assets	Estimated useful life (in years)
Buildings	58 Years
Plant and Equipment	20 Years
Furniture and Fixtures	Nil
Office Equipment	Nil
Computer	3 Years
Tube Wells	Nil

### **2.3 Impairment**

Cash generating units are assessed for possible impairment at Balance Sheet date based on external and internal sources of information. Impairment losses, if any, are recognized as an expenses in Statement of Profit and Loss.

### **2.4 Borrowing costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### **2.5 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Statement of Profit and Loss.

#### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### **(a) Financial assets**

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, cheque in hand demand and term deposits with banks.

##### **Financial assets at amortized cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets measured at fair value**

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

##### **Impairment of financial assets**

The Company assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Company recognizes loss allowance for expected credit losses on financial asset.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### **De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership

of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **(b) Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### **Financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

##### **De-recognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

##### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## **2.6 Employee benefits**

### **Defined contribution plans**

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

### **Defined benefit plans**

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

### **Compensated absences**

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have a unconditional right to defer its settlement for twelve months after the reporting date.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.



## 2.7 Provision and contingent liabilities

**Provisions :** Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent liabilities :** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## 2.8 Current tax and deferred tax

No provisions have been made in these financial statements for Income Tax in view of the brought forward losses eligible for set off against current year's income. No provision has been made for Minimum Alternative Tax as lower of Loss or Unabsorbed Depreciation brought forward is greater than book profits as envisaged in Section 115JB of Income Tax Act, 1961.

By way of prudent accounting principles deferred tax assets has not been recognized as there is reasonable uncertainty of sufficient future taxable income which may be available for its realization.

## 2.9 Other income

- i. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.
- ii. Dividend income from investments is recognised when the right to receive dividend is established.
- iii. Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.
- iv. Custodial Charges and all other incomes are recognized on accrual basis.

## 2.10 Foreign currency transactions and translations

Functional and presentation currency

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

## 2.11 Earnings per share

- (i) Basic earnings per share  
Basic earnings per share are calculated by dividing :
  - the profit attributable to owners of the Company
  - by the weighted average number of equity shares outstanding during the financial year
- (ii) Diluted earnings per share  
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account :
  - the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
  - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

## 2.12 Segment reporting

The Company's Chief Operating decision makers viz. Board of Directors examine the Company's performance as a single segment.

## 2.13 Recent accounting pronouncements

### Ind AS 115:- Revenue from contracts with customers

The Company is in the process of assessing the detailed impact of Ind AS 115. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the Company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

## 2.14 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**3 PROPERTY, PLANT AND EQUIPMENT**

Particulars	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK		
	As at 01 April 2017	Additions during the Year	Adjustments/ Sold during the Year	As at 31 March 2018	Upto 01 April 2017	Provided during the Year	Adjustments during the Year	Upto 31 March 2018	As at 31 March 2018
<b>I. Tangible Assets:</b>									
Land :									
- Freehold #	7.48	-	-	7.48	-	-	-	-	7.48
- Leasehold	-	-	-	-	-	-	-	-	-
Buildings	36.33	-	-	36.33	0.79	0.79	-	1.58	34.75
Plant and Equipment	13.66	-	-	13.66	1.77	0.65	-	2.42	11.24
Furniture and Fixtures	0.02	-	-	0.02	-	-	-	-	0.02
Office Equipment	0.07	-	-	0.07	-	-	-	-	0.07
Computer	-	0.80	-	0.80	-	0.25	-	0.25	0.55
Tube Wells	0.48	-	-	0.48	-	-	-	-	0.48
	<b>58.04</b>	<b>0.80</b>	-	<b>58.84</b>	<b>2.56</b>	<b>1.69</b>	-	<b>4.25</b>	<b>54.59</b>

# Company is taking steps with the appropriate authority to obtain registration of land in its name acquired consequent upon the scheme of arrangement.

Particulars	GROSS BLOCK - AT COST			DEPRECIATION			NET BLOCK		
	As at 01 April 2016	Additions during the Year	Adjustments/ Sold during the Year	As at 31 March 2017	Upto 01 April 2016	Provided during the Year	Adjustments during the Year	Upto 31 March 2017	As at 31 March 2017
<b>I. Tangible Assets:</b>									
Land :									
- Freehold #	7.48	-	-	7.48	-	-	-	-	7.48
- Leasehold	-	-	-	-	-	-	-	-	-
Buildings	36.33	-	-	36.33	-	0.79	-	0.79	35.54
Plant and Equipment	13.66	-	-	13.66	-	1.77	-	1.77	11.89
Furniture and Fixtures	0.06	-	0.04	0.02	-	-	-	-	0.02
Office Equipment	0.07	-	-	0.07	-	-	-	-	0.07
Tube Wells	0.48	-	-	0.48	-	-	-	-	0.48
	<b>58.08</b>	-	<b>0.04</b>	<b>58.04</b>	-	<b>2.56</b>	-	<b>2.56</b>	<b>55.48</b>

# Company is taking steps with the appropriate authority to obtain registration of land in its name acquired consequent upon the scheme of arrangement.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**4 OTHER FINANCIAL ASSET**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
<b>Non-current</b>			
Security Deposits (Unsecured-Considered Good)	<u>40.67</u>	<u>40.72</u>	<u>40.55</u>
	<b>40.67</b>	<b>40.72</b>	<b>40.55</b>
<b>Current</b>			
Other receivables	<u>40.60</u>	<u>40.99</u>	<u>2.57</u>
Interest accrued on deposits	<u>3.09</u>	<u>2.16</u>	<u>1.92</u>
	<b>43.69</b>	<b>43.15</b>	<b>4.49</b>

**5 OTHER ASSETS**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
<b>Non-current</b>			
Balance with statutory/Government Authorities	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>
	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>
<b>Current</b>			
Advance recoverable in cash or kind	<u>1.28</u>	<u>1.37</u>	<u>1.42</u>
Balances with statutory/Government Authorities	<u>8.02</u>	<u>10.50</u>	<u>9.05</u>
	<b>9.30</b>	<b>11.87</b>	<b>10.47</b>

**6 CASH AND CASH EQUIVALENTS**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
<b>Cash and cash equivalents</b>			
Cash on hand	<u>0.08</u>	<u>0.14</u>	<u>0.08</u>
Cheque on hand	<u>0.30</u>	<u>-</u>	<u>0.23</u>
<b>Balances with bank</b>			
On Current accounts	<u>0.53</u>	<u>0.13</u>	<u>0.14</u>
	<b>0.91</b>	<b>0.27</b>	<b>0.45</b>

**7 OTHER BANK BALANCES**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
Deposit with original maturity for more than three months but less than twelve months	<u>145.42</u>	<u>126.19</u>	<u>129.14</u>
	<b>145.42</b>	<b>126.19</b>	<b>129.14</b>

Deposit more than 3 Months includes Rs 5.42 lacs (31 March, 2017: Rs. 5.42 lacs and 1 April, 2016: Rs 5.42 lacs) pledged as Term Deposit against Overdraft account with Allahabad Bank.

**8 EQUITY SHARE CAPITAL AND OTHER EQUITY****8 (a): Equity share capital**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
<b>Authorised equity share capital</b>			
7,50,00,000 Equity Shares of Rs 2/- each	<u>1,500.00</u>	<u>1,500.00</u>	<u>1,500.00</u>
	<b>1,500.00</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, subscribed and paid-up equity share capital</b>			
5,22,81,905 Equity Shares of Rs 2/- each fully paid up	<u>1,045.64</u>	<u>1,045.64</u>	<u>1,045.64</u>
	<b>1,045.64</b>	<b>1,045.64</b>	<b>1,045.64</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**8 EQUITY SHARE CAPITAL AND OTHER EQUITY (Contd.)****8 (a): Equity share capital (Contd.)**(i) *Movement in equity share capital*

Particulars	31 March 2018	31 March 2017	01 April 2016
Number of shares outstanding at the beginning of the period	5,22,81,905	5,22,81,905	5,22,81,905
<b>Number of shares outstanding at the end of the period</b>	<b>5,22,81,905</b>	<b>5,22,81,905</b>	<b>5,22,81,905</b>

**Terms and rights attached to equity shares**

Equity Shares : The company has one class of Equity Shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding after distribution of all preferential amounts.

(ii) *Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company*

Name of the shareholders	31 March 2018		31 March 2017		01 April 2016	
	Number of Shares	% holding	Number of Shares	% holding	Number of Shares	% holding
Kesoram Industries Ltd.	49,96,986	9.56	49,96,986	9.56	49,96,986	9.56
Deutchse Bank Trust Company Americas	70,41,875	13.47	70,41,875	13.47	70,41,875	13.47
Life Insurance Corporation of India	43,03,715	8.23	43,03,715	8.23	43,03,715	8.23
	<b>1,63,42,576</b>	<b>31.26</b>	<b>1,63,42,576</b>	<b>31.26</b>	<b>1,63,42,576</b>	<b>31.26</b>

**8 (b): Other equity**

Particulars	31 March 2018	31 March 2017	01 April 2016
(i) Capital Reserve	7.31	7.31	7.31
(ii) Retained Earnings	(2,077.42)	(2,115.04)	(2,150.30)
<b>Total reserves and surplus</b>	<b>(2,070.11)</b>	<b>(2,107.73)</b>	<b>(2,142.99)</b>

**(i) Capital reserve**

Particulars	31 March 2018	31 March 2017
Opening balance	7.31	7.31
Increase / (decrease) during the year	-	-
<b>Closing balance</b>	<b>7.31</b>	<b>7.31</b>

**(ii) Retained earning**

Particulars	31 March 2018	31 March 2017
Opening balance	(2,115.04)	(2,150.30)
Net profit / (loss) for the period	(13.84)	(14.35)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	51.46	49.61
<b>Closing balance</b>	<b>(2,077.42)</b>	<b>(2,115.04)</b>

**Nature and purpose of other reserves***Capital reserve*

The reserve was created due to certain restructuring activities carried out earlier.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**9 PROVISIONS**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
<b>Non-current</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	<b>181.19</b>	212.74	226.86
Provision for leave encashment (unfunded)	<b>16.53</b>	19.78	17.47
	<u><b>197.72</b></u>	<u><b>232.52</b></u>	<u><b>244.33</b></u>
<b>Current</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	<b>45.11</b>	47.26	54.75
Provision for leave encashment (unfunded)	<b>5.87</b>	1.54	3.84
	<u><b>50.98</b></u>	<u><b>48.80</b></u>	<u><b>58.59</b></u>

Refer to Note 16 for disclosure on employee benefits.

**10 DEFERRED TAX LIABILITIES****The balance comprises temporary differences attributable to :**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
<b>Deferred tax liabilities</b>			
Timing difference w.r.t. property, plant and equipment	<b>2.53</b>	1.95	1.81
<b>Gross deferred tax liability</b>	<u><b>2.53</b></u>	<u><b>1.95</b></u>	<u><b>1.81</b></u>
<b>Deferred tax assets</b>			
Others	<b>2.53</b>	1.95	1.81
<b>Gross deferred tax asset</b>	<u><b>2.53</b></u>	<u><b>1.95</b></u>	<u><b>1.81</b></u>
<b>Net deferred tax liability</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

**11 BORROWINGS (MEASURED AT AMORTISED COST)**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
<b>Current</b>			
<b>(a) Secured</b>			
Overdraft / Cash credit	-	2.19	0.47
<b>(b) Unsecured</b>			
Borrowings from other party	<b>955.00</b>	955.00	955.00
	<u><b>955.00</b></u>	<u><b>957.19</b></u>	<u><b>955.47</b></u>

The Company has not been providing for interest on loan borrowed from Kesoram Industries Ltd as the company is negotiating the revised terms relating to interest on the said loan. The aggregate amount of interest not provided upto 31st March 2018 is Rs. 3027.45 lakhs (31 March, 2017: Rs. 2665.40 lakhs and 1 April, 2016: Rs. 2336.28 lakhs)

**12 TRADE PAYABLE**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
<b>Current</b>			
Employee benefits payable	<b>0.39</b>	0.83	1.04
	<u><b>0.39</b></u>	<u><b>0.83</b></u>	<u><b>1.04</b></u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**13 OTHER FINANCIAL LIABILITIES**

Particulars	<u>31 March 2018</u>	31 March 2017	01 April 2016
<b>Current</b>			
Security deposits	<b>0.92</b>	1.01	1.05
Other payables	<b>82.68</b>	74.93	66.50
	<b><u>83.60</u></b>	<b><u>75.94</u></b>	<b><u>67.55</u></b>

**14 OTHER LIABILITIES**

Particulars	<u>31 March 2018</u>	31 March 2017	01 April 2016
<b>Current</b>			
Statutory dues	<b>9.86</b>	7.18	0.45
Advance from others	<b>21.30</b>	17.33	13.12
Other payables	<b>0.22</b>	-	-
	<b><u>31.38</u></b>	<b><u>24.51</u></b>	<b><u>13.57</u></b>

(a) There are no amount due and outstanding to be credited to Investor Education and Protection Fund as at Balance Sheet Date.

**15 OTHER INCOME**

Particulars	<u>31 March 2018</u>	31 March 2017
(a) Custody charges received	<b>66.00</b>	66.00
(b) Guarantee commission	<b>35.80</b>	36.84
(c) Rental income	<b>4.16</b>	4.09
(d) Interest income		
- on financial instruments at amortised cost	<b>9.43</b>	8.95
- on income tax refund	<b>0.44</b>	0.27
(e) Profit on sale of assets	<b>0.02</b>	0.12
(f) Miscellaneous income	<b>5.03</b>	3.03
(g) Liability no longer required written back	<b>0.41</b>	0.12
	<b><u>121.29</u></b>	<b><u>119.42</u></b>

**16 EMPLOYEE BENEFIT EXPENSES**

Particulars	<u>31 March 2018</u>	31 March 2017
Salaries, wages, bonus etc.	<b>45.84</b>	38.12
Contribution to provident fund	<b>4.27</b>	3.88
Contribution to gratuity fund (Refer detail below)	<b>20.36</b>	29.34
Contribution under Employees State Insurance Scheme	<b>0.32</b>	0.29
Workmen and staff welfare	<b>4.39</b>	3.87
<b>Total Employee benefit expenses</b>	<b><u>75.18</u></b>	<b><u>75.50</u></b>

During the year, the Company recognised an amount of Rs. 44.19 lakhs (2016-17: Rs. 39.57 lakhs) as remuneration to key managerial personnel.

The details of such remuneration is as below:

Particulars	<u>31 March 2018</u>	31 March 2017
Short term employee benefits	<b>39.91</b>	33.92
Post employment benefits	<b>4.28</b>	5.65
<b>Total Employee benefit expenses</b>	<b><u>44.19</u></b>	<b><u>39.57</u></b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**16 EMPLOYEE BENEFIT EXPENSES (Contd.)****(i) Compensated absences**

Compensated absences cover the Company's liability for sick and earned leave. As the Company does not have an unconditional right to defer the payment beyond 12 months the entire amount has been treated as current.

**(ii) Defined benefit plan****a) Gratuity**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary last drawn and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses / gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**b) Provident fund**

Contributions towards Provident Funds are recognized as expense. Provident Fund contributions are made to trusts administered by the company; the interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall if any, is made good by the Company.

**(iii) Balance sheet recognition****a) Gratuity**

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

<u>Particulars</u>	<u>Present value of obligation</u>	<u>Fair value of plan assets</u>	<u>Net amount</u>
<b>01 April 2017</b>	260.00	-	260.00
Current service cost	1.37	-	1.37
Interest expense / (income)	18.99	-	18.99
<b>Total amount recognised in profit or loss</b>	<b>20.36</b>	<b>-</b>	<b>20.36</b>
<i>Remeasurement</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss from change in financial assumptions	(18.83)	-	(18.83)
Actuarial (gain) / loss from unexpected experience	(32.63)	-	(32.63)
<b>Total amount recognised in other comprehensive income</b>	<b>(51.46)</b>	<b>-</b>	<b>(51.46)</b>
Employer contributions / premium paid			
Benefit payments	2.60	-	2.60
<b>31 March 2018</b>	<b>226.30</b>	<b>-</b>	<b>226.30</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rupees Lakhs, unless otherwise stated)

## 16 EMPLOYEE BENEFIT EXPENSES (Contd.)

## (iii) Balance sheet recognition (Contd.)

## a) Gratuity (Contd.)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>01 April 2016</b>	281.61	-	281.61
Current service cost	9.29	-	9.29
Acquisition Adjustment	-	-	-
Interest expense / (income)	20.05	-	20.05
<b>Total amount recognised in profit or loss</b>	<b>29.34</b>	-	<b>29.34</b>
<i>Remeasurement</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss from change on plan assets	-	-	-
Actuarial (gain) / loss from change in financial assumptions	6.36	-	6.36
Actuarial (gain) / loss from obligations	(55.97)	-	(55.97)
<b>Total amount recognised in other comprehensive income</b>	<b>(49.61)</b>	-	<b>261.34</b>
Employer contributions / premium paid	-	-	-
Benefit payments	1.34	-	1.34
<b>31 March 2017</b>	<b>260.00</b>	-	<b>260.00</b>

## (iv) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows :

Particulars	31 March 2018	31 March 2017	01 April 2016
Discount rate	7.75%	7.50%	8.00%
Expected return on plan asset	0.00%	0.00%	0.00%
Salary growth rate	5.00%	5.00%	5.00%
Attrition rate	10 per thousand	10 per thousand	10 per thousand
Mortality rate	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE	IALM (2006-2008) ULTIMATE

## (v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is :  
Impact on defined benefit obligation

Particulars	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	206.84	218.59	239.91	252.99
% change compared to base due to sensitivity	-2.69%	2.84%	-2.58%	2.73%
Salary growth rate (-/+ 0.5%)	218.76	206.63	253.08	239.77
% change compared to base due to sensitivity	2.92%	-2.79%	2.76%	-2.64%
Attrition rate (-/+ 0.5%)	212.76	212.37	247.26	245.29
% change compared to base due to sensitivity	0.09%	-0.09%	0.40%	-0.40%
Life expectancy/mortality rate (-/+ 10%)	213.52	211.61	247.88	244.67
% change compared to base due to sensitivity	0.45%	-0.45%	0.65%	-0.65%



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**16 EMPLOYEE BENEFIT EXPENSES (Contd.)**

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(vi) The major categories of plans assets**

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

**(vii) Risk exposure**

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

**Investment risk :**

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk :**

A decrease in the interest rate on plan assets will increase the plan liability.

**Life expectancy :**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

**Salary growth risk :**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**(ix) Defined benefit liability and employer contributions**

Expected contributions to post-employment benefits plans for the year ending 31 March 2018 is Rs. NIL.

The weighted average duration of the defined benefit obligation is 12 years (31 March 2017 – 13 years).

**17 DEPRECIATION AND AMORTISATION EXPENSE**

<u>Particulars</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Depreciation on tangible assets	<u>1.69</u>	<u>2.56</u>
	<u>1.69</u>	<u>2.56</u>

**18 FINANCE COST**

<u>Particulars</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Interest expense	<u>0.07</u>	<u>0.02</u>
	<u>0.07</u>	<u>0.02</u>

Note : Interest on Loan taken from Kesoram Industries Ltd.

The Company has not provided for interest of Rs.362.04 lakhs for the year ended 31 March, 2018 on loan taken from Kesoram Industries Limited (Previous year Rs. 329.13 lakhs). The above interest has been calculated @10% p.a. cumulative as the revised terms of interest on loan are under negotiation.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**19 OTHER EXPENSES**

<u>Particulars</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
Repairs and Maintenance		
Building	-	0.01
Others	<b>0.83</b>	1.27
Insurance	<b>0.98</b>	1.17
Director's Fees	<b>0.35</b>	0.30
Legal and Professional Expenses	<b>17.50</b>	14.10
AGM & Annual Reports Expense	<b>15.18</b>	16.37
Rates and Taxes	<b>8.59</b>	8.45
Payment to Auditor [Refer note (a) below]	<b>1.34</b>	1.02
Miscellaneous Expenses [Refer note (b) below]	<b>13.42</b>	13.00
	<b>58.19</b>	<b>55.69</b>

(a) Details of auditors' remuneration and out-of-pocket expenses are as below :

**As Auditors :**

Audit Fees	<b>0.70</b>	0.65
Tax Audit Fees	<b>0.13</b>	0.13
Fees for issuing various certificates (including Limited Reviews)	<b>0.51</b>	0.24
	<b>1.34</b>	1.02

(b) Miscellaneous expenses include the following :

Custodial Fees	<b>6.15</b>	6.23
Fees to Registrar & Transfer Agent	<b>1.50</b>	1.50
Charges General	<b>1.94</b>	1.77

**20 EARNINGS PER SHARE**

<u>Particulars</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
<b>(i) Basic</b>		
Number of equity shares at the beginning of the year	<b>5,22,81,905</b>	5,22,81,905
Number of equity shares at the end of the year	<b>5,22,81,905</b>	5,22,81,905
Weighted average number of equity shares outstanding during the year	<b>5,22,81,905</b>	5,22,81,905
Nominal value of each equity share (Rs.)	<b>2.00</b>	2.00
Profit / (Loss) for the year (Rs. in lakhs)	<b>(13.84)</b>	(14.35)
Earnings per share (Basic) (Rs.)	<b>(0.03)</b>	(0.03)
<b>(ii) Diluted</b>		
Weighted average number of equity shares outstanding during the year	<b>5,22,81,905</b>	5,22,81,905
Earnings per share (Diluted) (Rs.)	<b>(0.03)</b>	(0.03)

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**21 CONTINGENT LIABILITIES**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
(a) <b>Guarantees given :</b>			
The Company has provided guarantee securing borrowing obtained by Cygnet Industries Ltd. by mortgage of Company's land at 42, Garden Reach Road, Kolkata.	<b>25,000</b>	-	-
The Company has provided guarantee securing NCDs obtained by Camden Industries Ltd. to Debenture Trustees by mortgage of Company's land at 42, Garden Reach Road, Kolkata.	-	44,000	43,000
(b) <b>Claims from workers have not been acknowledged as debts and not provided for as it is not possible to estimate such claims.</b>	-	-	-
(c) <b>Claims against the Company (in respect of which the Company's objection has either not been responded to or is under consideration of the concerned authorities) not acknowledged as debts and not provided for :</b>			
Relating to Central Excise Demands	<b>62.87</b>	62.87	62.87
Pertaining to Employees State Insurance	<b>11.98</b>	11.98	11.98
Pertaining to Building Contractor	<b>12.54</b>	12.54	12.54

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

**22 INCOME TAX EXPENSE**

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

**(a) Income tax expense**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>
Current Tax	-	-
Current tax on profits for the year	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
Deferred tax		
Decrease (increase) in deferred tax assets	<b>(0.58)</b>	(0.15)
(Decrease) increase in deferred tax liabilities	<b>0.58</b>	0.15
<b>Total deferred tax expense / (benefit)</b>	<b>-</b>	<b>-</b>
Income tax expense	<b>-</b>	<b>-</b>

**(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate :**

Particulars	<u>31 March 2018</u>	<u>31 March 2017</u>
Profit before tax	<b>(13.84)</b>	(14.35)
<b>Tax at the rate of 25.75% (2016-17 – 29.87%)</b>	<b>(3.56)</b>	(4.29)
Reason for differences to be documented below		
Tax losses for which no deferred tax was recognised	<b>(7.51)</b>	(39.90)
Tax on permanent differences	-	0.01
Impact on account of changes / difference in tax rates	<b>11.07</b>	44.18
<b>Total income tax expense / (credit)</b>	<b>-</b>	<b>-</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**22 INCOME TAX EXPENSE (Contd.)****(c) Tax losses**

<u>Particulars</u>	<u>31 March 2018</u>	<u>31 March 2017</u>	<u>01 April 2016</u>
Unused tax losses for which no deferred tax has been recognised :			
Tax losses	-	-	-
Unabsorbed tax depreciation	<b>377.53</b>	388.56	416.07
Potential tax benefit @ 26.00% (FY 2016-17 @25.75%)	<b>98.16</b>	<b>100.05</b>	-

(a) Unabsorbed depreciation does not have any expiry period.

(b) Business losses have an expiry ranging from 6 to 8 years as at the reporting date.

**23 CAPITAL MANAGEMENT****(a) Risk management**

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

**24 FAIR VALUE MEASUREMENTS**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

**Financial instruments by category**

<u>Particulars</u>	<u>31 March 2018</u>			<u>Total Carrying Value</u>	<u>Total Fair Value</u>
	<u>FVPL</u>	<u>FVOCI</u>	<u>Amortised cost</u>		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	0.91	0.91	0.91
Other bank balances	-	-	145.42	145.42	145.42
Other financial assets	-	-	84.36	84.36	84.36
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>230.69</b>	<b>230.69</b>	<b>230.69</b>
<b>Financial liabilities</b>					
Borrowings	-	-	955.00	955.00	955.00
Trade and other payables	-	-	0.39	0.39	0.39
Other financial liabilities	-	-	83.60	83.60	83.60
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,038.99</b>	<b>1,038.99</b>	<b>1,038.99</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**24 FAIR VALUE MEASUREMENTS (Contd.)****Financial instruments by category (Contd.)**

Particulars	31 March 2017			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
<b>Financial assets</b>					
Cash and cash equivalents	-	-	0.27	0.27	0.27
Other bank balances	-	-	126.19	126.19	126.19
Other financial assets	-	-	83.87	83.87	83.87
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>210.33</b>	<b>210.33</b>	<b>210.33</b>
<b>Financial liabilities</b>					
Borrowings	-	-	957.19	957.19	957.19
Trade and other payables	-	-	0.83	0.83	0.83
Other financial liabilities	-	-	75.94	75.94	75.94
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,033.96</b>	<b>1,033.96</b>	<b>1,033.96</b>
<b>01 April 2016</b>					
Particulars	FVPL	FVOCI	Amortised cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>					
Cash and cash equivalents	-	-	0.45	0.45	0.45
Other bank balances	-	-	129.14	129.14	129.14
Other financial assets	-	-	45.04	45.04	45.04
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>174.63</b>	<b>174.63</b>	<b>174.63</b>
<b>Financial liabilities</b>					
Borrowings	-	-	955.47	955.47	955.47
Trade and other payables	-	-	1.04	1.04	1.04
Other financial liabilities	-	-	67.55	67.55	67.55
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,024.06</b>	<b>1,024.06</b>	<b>1,024.06</b>

**25 FINANCIAL RISK MANAGEMENT**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to :

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

**(A) Credit risk**

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below :

Particulars	31 March 2018	31 March 2017	01 April 2016
Other financial assets	84.36	83.87	45.04
<b>Total</b>	<b>84.36</b>	<b>83.87</b>	<b>45.04</b>

Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**26 LIQUIDITY RISK**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from othersources. The Company invests its surplus funds in bank fixed deposit and in equity shares, which carry no or low market risk.

**(i) Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for :

- all financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>Contractual maturities of financial liabilities - 31 March 2018</b>	<b>Less than 1 year</b>	<b>1 - 3 years</b>	<b>3 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	955.00	-	-	-	955.00
Trade payables	0.39	-	-	-	0.39
Other financial liabilities	83.60	-	-	-	83.60
<b>Total financial liabilities</b>	<b>1,038.99</b>	-	-	-	<b>1,038.99</b>
<b>Contractual maturities of financial liabilities - 31 March 2017</b>	<b>Less than 1 year</b>	<b>1 - 3 years</b>	<b>3 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Non-derivatives</b>					
Borrowings	957.19	-	-	-	957.19
Trade payables	0.83	-	-	-	0.83
Other financial liabilities	75.94	-	-	-	75.94
<b>Total financial liabilities</b>	<b>1,033.96</b>	-	-	-	<b>1,033.96</b>
<b>Contractual maturities of financial liabilities - 01 April 2016</b>	<b>Less than 1 year</b>	<b>1 - 3 years</b>	<b>3 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>Non-derivatives</b>					
Borrowings	955.47	-	-	-	955.47
Trade payables	1.04	-	-	-	1.04
Other financial liabilities	67.55	-	-	-	67.55
<b>Total financial liabilities</b>	<b>1,024.06</b>	-	-	-	<b>1,024.06</b>

**27 INTEREST RATE RISK**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**27 INTEREST RATE RISK (Contd.)****(a) Interest rate risk exposure****On Financial Liabilities:**

The exposure of the Company's financial liabilities to interest rate risk is as follows :

Particulars	31 March 2018	31 March 2017	01 April 2016
Variable rate borrowings	-	-	-
Fixed rate borrowings	955.00	957.19	955.47
<b>Total borrowings</b>	<b>955.00</b>	<b>957.19</b>	<b>955.47</b>

**28 RELATED PARTY TRANSACTIONS**

	Related Party	Relation-ship	Outstanding as at 31st March 2018	Outstanding as at 31st March 2017	Outstanding as at 1st April 2016	Payable/ Receivable/ Others	Nature of Transaction	2017-2018	2016-2017
1	Sanjay Kumar Sinha	I(iii)	-	-	-	-	Expenditure - Remuneration	30.54	29.05
2	S K Choubey	I(iii)	-	-	-	-	Expenditure - Reimbursement	0.17	0.17
			-	-	-	-	Expenditure - Remuneration	13.65	10.52
3	Surendra Kumar Birla	I(iii)	-	-	-	-	Sitting Fees	0.12	0.09
4	Jayant Sogani	I(iii)	-	-	-	-	Sitting Fees	0.09	0.07
5	Uma Shankar Asopa	I(iii)	-	-	-	-	Sitting Fees	0.11	0.09
6	Sarat Priya Patjoshi	I(iii)	-	-	-	-	Sitting Fees	0.03	0.05
7	Kesoram Mills Workers' Provident Fund Institution	II(v)	1.09	0.92	0.79	Payable	Provident Fund Contribution	11.89	11.71

- I (a) a person or a close member of that person's family is related if that person:
- has control or joint control over the reporting entity
  - has significant influence over the reporting entity
  - is a KMP of KTML
- II (b) an entity is related to a reporting entity if:
- the entity and the reporting entity are members of the same group (each parent, subsidiary and fellow subsidiary)
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a group of which the other entity is a member)
  - both entities are joint ventures of the same third party
  - one entity is a joint venture of a third entity and the other entity is an associate of the third party
  - the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - the entity is controlled or jointly controlled by a person identified in (a).
  - a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - an entity, or any member of a group of which is a part, provides KMP services to the reporting entity or to the parent of the reporting entity.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**29 FIRST TIME ADOPTION OF IND-AS****Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2, have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set below are the applicable Ind AS optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A.1 Ind AS optional exemptions****A.1.1 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has measured its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**A.1.2 Past business combinations**

Ind AS 101 permits a first-time adopter, not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind ASs).

Accordingly, the Company has opted to apply this exemption for past business combinations.

**A.2 Ind AS mandatory exceptions****A.2.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

**A.2.2 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the fact and circumstances that exists at the date of transition to Ind AS.

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**(1) Reconciliation of total equity**

<u>Particulars</u>	<u>Notes</u>	<u>Amount as at 31 March 2017</u>	<u>Amount as at 01 April 2016</u>
<b>Equity as per previous GAAP</b>		(1,062.09)	(1,097.35)
Re-measurements on transition to Ind AS		-	-
Deferred tax	4	-	-
<b>Balance of Equity as per Ind AS</b>		<b>(1,062.09)</b>	<b>(1,097.35)</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(All amounts in Rupees Lakhs, unless otherwise stated)

**29 FIRST TIME ADOPTION OF IND-AS (Contd.)****(2) Reconciliation of total comprehensive income**

Particulars	Notes	Year ended 31 March 2017
<b>Net Profit as per previous GAAP</b>		35.26
<b>Re-measurements on transition to Ind AS</b>		-
Employee benefits	3	(49.61)
Deferred tax	4	-
<b>Net Profit as per Ind AS</b>		<b>(14.35)</b>
Other comprehensive income / (loss)	5	49.61
<b>Total comprehensive income / (loss) as per Ind AS</b>		<b>35.26</b>

**(3) Reconciliation of statement of cash flows**

Particulars	Notes	Amount as per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from / (used in) operating activities	1 & 2	(12.49)	1.46	(11.03)
Net cash generated from / (used in) investing activities	-	9.38	(0.23)	9.15
Net cash generated from / (used in) financing activities	1 & 2B	(0.02)	-	(0.02)
<b>Net increase / (decrease) in cash and cash equivalents</b>	-	<b>(3.13)</b>	<b>1.23</b>	<b>(1.90)</b>
Cash and cash equivalents as at 1 April 2016	2	129.59	(129.61)	(0.02)
Cash and cash equivalents as at 31 March 2017	2	126.46	(128.38)	(1.92)

**Notes to reconciliation of total equity and total comprehensive income****1. Reclassification of financial liability**

Under IGAAP the Company had certain deposits from sales promoters, agent, brokers etc. as borrowings, however the same have been considered as 'other financial liabilities' as per Ind AS 109, hence the movement for the same have been reclassified from cash flow from financing activities to operating activities. Certain other financing arrangements earlier treated as trade payables have been reclassified to short term borrowings.

**2. Other bank balances and bank overdraft**

- (a) Other bank balances comprising, deposit with original maturity for more than 3 months but less than 12 months and unpaid dividends were considered as part of cash and cash equivalents under IGAAP, however under Ind AS, the same have been excluded and are being considered for determining cash flow from operating activities.
- (b) In accordance with Ind AS 7, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents, under IGAAP the same were treated as borrowings.

**3. Employee benefits**

- (a) In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous GAAP.
- (b) Interest expense / income on the net defined benefit liability / asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the Previous GAAP.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(All amounts in Rupees Lakhs, unless otherwise stated)

### 29 FIRST TIME ADOPTION OF IND-AS (Contd.)

#### Notes to reconciliation of total equity and total comprehensive income (Contd.)

##### 4. Deferred taxes

In accordance with Ind AS 12, "Income Taxes", the Company on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences, i.e. profit and loss approach. The tax impacts as above primarily represent deferred tax consequences arising out of Ind AS re-measurement changes. As the Company has carry forward business losses and unabsorbed depreciation against which the Company will be able to set-off the related deferred tax liabilities which have arisen on such re-measurement, the Company has hence recognised deferred tax assets to the extent of the said liabilities.

##### 5. Other comprehensive income

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in the statement of profit and loss and other comprehensive income include re-measurement gains or losses on defined benefit plans. The concept of other comprehensive income did not exist under the previous GAAP.

#### For APS ASSOCIATES

Firm Registration No. 306015E  
Chartered Accountants

**Subir Kumar**  
(Partner)

Membership No. 300073  
Kolkata, 29th May, 2018

**S. K. Sinha**  
Manager (CEO)

**S. K. Choubey**  
Chief Financial Officer

**B. N. Kedia**  
Company Secretary

For and on behalf of Board of Directors  
of Kesoram Textile Mills Limited

**Surendra Kumar Birla**

*Chairman*

**Jayant Sogani**

**Uma Shankar Asopa**

**Sarat Priya Patjoshi**

*Directors*

## KESORAM TEXTILE MILLS LIMITED

CIN : L17114WB1999PLC089148

Registered Office & Factory: 42, Garden Reach Road, Kolkata 700 024

Phone: +91 33 2489 3472, 2469 7825; Fax : +91 33 2469 6788; E-mail : shareddepartment@kesoramtextiles.com

Website : http://www.kesoramtextiles.com

City Office & Share Department : 9/1, R. N. Mukherjee Road, Kolkata 700 001

Phone : +91 33 2243 5453/ 2242 9454; Fax : +91 33 2210 9455

### ATTENDANCE SLIP

19TH ANNUAL GENERAL MEETING ON 11TH SEPTEMBER, 2018

Name of the Member(s)	
Registered Address	
E-mail ID	
Registered Folio/ DP ID & Client ID	
No. of Share(s) held	

I/We hereby record my/our presence at the 19th Annual General Meeting of the Company held on Tuesday, 11th September, 2018 at 11:00 A.M. at 'Kala-Kunj', 48, Shakespeare Sarani, Kolkata-700 017.

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

Note: Please complete the Name, Address and Folio/ DP ID & Client ID No., sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.

----- Please cut here and bring the above attendance slip to the meeting hall -----

## KESORAM TEXTILE MILLS LIMITED

CIN : L17114WB1999PLC089148

Registered Office & Factory: 42, Garden Reach Road, Kolkata 700 024

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Phone : +91 33 2243 5453/ 2242 9454; Fax : +91 33 2210 9455

### PROXY FORM (Form No. MGT-11)

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

19TH ANNUAL GENERAL MEETING ON 11TH SEPTEMBER, 2018

Name of the Member(s)	
Registered Address	
E-mail ID	
Registered Folio/ DP ID & Client ID	
No. of Share(s) held	

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

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him

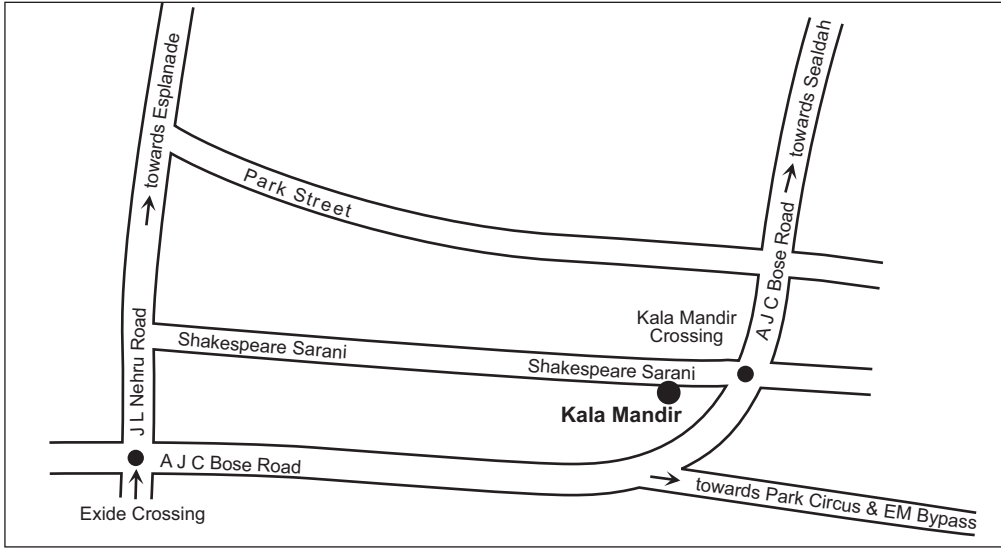
(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Tuesday, 11th day of September, 2018 at 11:00 A.M. at 'Kala-Kunj', 48, Shakespeare Sarani, Kolkata-700 017 and at any adjournment thereof in respect of such resolutions as is indicated overleaf:

### Route Map of AGM Venue

'Kala-Kunj', 48, Shakespeare Sarani, Kolkata-700 017



Resolution No.	Resolution Proposed	Please tick (✓)
1	Adoption of Annual Financial Statements and Reports of Auditors & Directors thereon for the year ended 31st March, 2018.	
2	Approval to the re-appointment of Shri Uma Shankar Asopa, (DIN : 00305010) Director retiring by rotation.	
3	Approval to the re-appointment and remuneration to Shri Sanjay Kumar Sinha, Manager & CEO.	

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Folio/ DP ID & Client ID..... Signature of Shareholder:.....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

**Note : 1. This form of proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office/Share Department of the Company, not less than 48 hours before the commencement of the Meeting.**

**A person can act as a Proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate shares not more than 10% of the total share capital of the Company. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person to act as proxy and such person shall not act as proxy for any other person or shareholder.**

2. For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the 19th Annual General Meeting dated 29th May, 2018.

## **Go Green...**

**Many Shareholders have already asked for a paperless Annual Report. Join them and save paper. Just drop us an e-mail.**

The Companies Act, 2013, as a part of **Green Initiative**, allow companies to go for paperless compliances by sending Notice, Annual Report and other related documents by e-mail to its Shareholders.

Many of the Shareholders have registered their e-mail address and we thank them for the same. Those Shareholders, who have not yet registered their e-mail address, may, as a support to this initiative, register their e-mail address by sending an e-mail to **sharedepartment@kesoramtextiles.com** quoting their Name, Folio No., DP ID / Client ID and e-mail address to be registered with us for enabling us to send documents in electronic form.