



KESORAM TEXTILE MILLS LIMITED

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

CIN: L17114WB1999PLC089148

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Website: <http://www.kesoramtextiles.com>; Email: ktmltext@vsnl.net

NOTICE OF POSTAL BALLOT

Dear Shareholder(s),

NOTICE is hereby given in accordance with Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 that the Company proposes to pass the following Resolutions through Postal Ballot :

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as Special Resolutions :

1. **“RESOLVED THAT** in supersession of the Ordinary Resolution passed in this behalf under Section 293(1)(d) of the Companies Act, 1956, and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include a Committee thereof) to borrow such sums in any manner from time to time as may be required for the purpose of the business of the Company, upon such terms and conditions as it may think fit, notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the Company’s paid up share capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board and outstanding at any time shall not exceed a sum of Rs. 500 Crores (Rupees five hundred crore only) over and above the aggregate of the paid-up share capital of the Company and its free reserves.”
2. **“RESOLVED THAT** in supersession of the Ordinary Resolution passed in this behalf under Section 293(1)(a) of the Companies Act, 1956, and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include a Committee thereof) to create such charges and/or mortgage(s) and/or hypothecation(s) in addition to the existing charge, mortgage and hypothecation created by the Company on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company’s movable and immovable properties and assets, present and future, in favour of Lenders to secure the repayment of loans / borrowings sanctioned and/or to be sanctioned by the Lenders from time to time for a sum not exceeding Rs 500 crore (Rupees five hundred crore) over and above the aggregate of the paid-up share capital of the Company and its free reserves apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business as per the approval of the shareholders under Section 180(1)(c) of the Act and inclusive of interest at the respective agreed rates and all other costs, charges and expenses and all monies payable by the Company in respect of such loans / borrowings as may be stipulated in that behalf and agreed to between the Board and the Lenders and the Board be and is hereby authorised to finalise with the Lenders, agreements and other documents, if any, necessary for creating the mortgage(s) and/or charge(s), hypothecation(s) as aforesaid, and to accept any modification(s) to, or modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts, deeds, matters and things and to execute all such documents, deeds and instruments in writing as may be required, incidental to and/or expedient for giving effect to this Resolution and to resolve any question relating thereto, or otherwise considered by the Board to be in the best interest of the Company.”
3. **“RESOLVED THAT** pursuant to Section 186(2)(b) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include a Committee thereof) to give any guarantee or provide any security in connection with a loan to any other body corporate or person or create such charges and/or mortgage(s) and/or hypothecation(s) in addition to the existing charge, mortgage and hypothecation created by the Company, if any, on such terms and conditions and at such time or times and in such form and manner and with such ranking as to priority as it may think fit, on any of the Company’s movable and immovable properties and assets, present and future, not exceeding Rs 500 crores (Rupees five hundred crore) over and above sixty percent of the aggregate of its paid-up share capital and free reserves and security premium account or one hundred percent of its free reserves and securities premium account of the Company, whichever is higher.

By Order of the Board

B. N. Kedia

Company Secretary

Place : Kolkata

Date : 29th May, 2014

NOTES AND INSTRUCTIONS :

1. A Statement, as required under Section 102 the Companies Act, 2013, in respect of the business specified above is annexed.
2. As per Section 110(1) of the Companies Act 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the items of business set out in the attached Notice is proposed to be passed by Postal Ballot. The items of business may be transacted also through electronic voting system and the Company is providing facility for voting by electronic means as specified more fully in clause 15 hereunder.

KESORAM TEXTILE MILLS LIMITED

3. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically on the resolutions mentioned in the notice of Postal Ballot dated 29th May 2014.
4. Shareholders can exercise their voting rights either by using the attached Postal Ballot Form or through electronic means. No other form or photocopy of the attached Form will be permitted. The physical Postal Ballot Form, duly completed, signed and sealed, should be returned in the enclosed self-addressed, postage paid envelope to the Scrutinizer so as to reach him before 6 p.m. on 16th September, 2014. Response received from any Shareholder after 6 p.m. on 16th September, 2014 shall be treated as if no response has been received. Therefore, shareholders are requested to send the duly completed Postal Ballot Forms well before this date allowing sufficient time for postal transit.
5. Envelopes containing the Postal Ballot Form(s) will also be accepted if physical copy thereof duly sealed inside the attached postage pre-paid envelopes is sent by any other mode at the expense of the Shareholder.
6. The attached self-addressed envelope bears the name and address of the Scrutiniser appointed by the Board and the Postal Ballot after casting of vote should be put inside the same and the envelope duly sealed.
7. The Notice for the Postal Ballot will also be available on the Company's website <http://www.kesoramtextiles.com> and the website of Central Depository Services (India) Limited ("CDSL") at [http:// www.evotingindia.com](http://www.evotingindia.com)
8. The physical Postal Ballot Form should be signed by the Shareholder as per the specimen signature registered with the Company. In case shares are jointly held, this Form should be completed and signed by the first named Shareholder and in his/her absence, by the next named Shareholder. Holders of Power of Attorney (PoA) on behalf of a Shareholder may vote on the Postal Ballot mentioning the Registration No. of the PoA registered with the Company or attach notarially attested copy of the PoA. Unsigned Postal Ballot Forms will be rejected.
9. Shareholders holding shares in dematerialised form are advised, in their own interest, to get their signatures verified by their Bankers/Depository Participants ("DPs"). The signature should be verified by their Bankers/ DPs by affixing seal mentioning name and address of the Banker/ DPs and name, stamp and signature of the Authorised Signatory.
10. Voting shall be reckoned in relation to a Shareholder's holding of the Paid-up Equity Share Capital of the Company as at close of business on **1st August 2014**.
11. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a Certified Copy of Board Resolution/ Authority and, preferably, with the attested specimen signature(s) of the duly Authorised Signatory(ies) giving the requisite authority to the person voting on the Postal Ballot Form.
12. Shareholders are requested not to send any document (other than the Resolution/ Authority as mentioned in Item No. 8 and 11 above) along with the completed Postal Ballot Form inside the enclosed self-addressed pre paid envelope, as all such envelopes without opening will be sent to the Scrutiniser. Should any extraneous matter be found in any such envelope, the same will not be considered and would be destroyed by the Scrutinizer.
13. There will be only one Postal Ballot Form for each Folio/ Client Id. Exercise of vote through Postal Ballot is not permitted through proxy.
14. Incomplete, improperly or incorrectly tick marked Postal Ballot Form will be rejected.
15. **The instructions for members to vote electronically are as under:-**
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab
 - (iii) Now, select "**KESORAM TEXTILE MILLS LIMITED**" from the drop down menu and click on submit.
 - (iv) Now, enter your User ID: For CDSL- 16 digit beneficiary ID, For NSDL- 8 Characters DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha as displayed and click on Login.
 - (v) If you are holding shares in Demat Form and had logged on to www.e-votingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user then fill up the following details in the appropriate boxes and follow the steps given below (applicable for both Demat and Physical Shareholders) :

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name followed by your client id in the PAN field. Members holding share in physical form are requested to use first two letters of their name followed by folio number. In case the FOLIO number as above in 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 FOLIO number 1, then enter RA00000001 in the PAN field.
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KESORAM TEXTILE MILLS LIMITED

DOB#	Enter the Date of Birth as recorded in you demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. Use default DOB 01/04/1999, if your DOB is not updated.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said Demat Account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id/ folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly to the Company selection section. 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 person and take utmost care to keep your password confidential.
- (viii) For members holding shares in Physical Form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN relevant for the 'KESORAM TEXTILE MILLS LIMITED' on which you choose to vote.
- (x) Click on "RESOLUTION FILE LINK" if you wish to view the Resolutions.
- (xi) On the voting page also, you will see Resolution Description and against the same, the option "YES/NO" for voting will be there. 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.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote further.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xv) If Demat Account holder has forgotten the changed password then Enter the User ID and Image Verification and click on Forgot Password & enter the details as prompted by the system.
- (xvi)
 - a. Institutional Shareholders (i.e. other than individuals, HUF, and NRIs etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate. The scanned copy of the Registration Form bearing the stamp and signature of the entity is required to be submitted to helpdesk.evoting@cdslindia.com.
 - b. After receiving the login details they have to create a user in order to able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they will be able to cast their vote.
 - c. A scanned copy of the Board Resolution and Power of Attorney (POA) is required to be uploaded which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvii) Institutional Shareholders (i.e., other than individual, HUF, NRI etc.) 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 ktmltext@vsnl.net or salil.banerjee@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
- (xviii) In case you have queries or issues regarding e-voting, please contact the Company or Registrar & Share Transfer Agents or send mail to B. N. Kedia, Company Secretary at his e-mail: bnkedia@rediffmail.com. You may also send mail to helpdesk.evoting@cdslindia.com or refer to the "Frequently Asked Questions" ("FAQs") and e-voting manual available at www.evotingindia.com.
- (xix) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- (xx) E-voting period will commence from **10:00 am on Monday, 18th August, 2014 and will end on Tuesday, 16th September, 2014 at 6:00 pm.**
- 16. In case a shareholder votes through e-voting and also by way of physical postal ballot form, voting through electronic means will be taken on record and voting through postal ballot will be ignored.
- 17. The Board has appointed Mr. Salil Banerjee (ICSI CP Registration No 1140), Practising Company Secretary, as the Scrutiniser for conducting the Postal Ballot voting process (including e-voting) in accordance with law in a fair and transparent manner and his e-mail address is salil.banerjee@gmail.com.
- 18. The Scrutinizer shall, no later than three (3) working days from the conclusion of the e-voting period, unblock the votes and submit his Report on the voting pattern in accordance with the procedure set out in Companies (Management & Administration) Rules, 2014.
- 19. The resolutions, where assented to by the requisite majority of the shareholders by means of postal ballot (which shall also include the results of e-Voting), shall be deemed to have been duly passed at a general meeting convened

KESORAM TEXTILE MILLS LIMITED

in that behalf on the date of the announcement of the result as aforesaid on **Monday, 22nd September 2014**. The Scrutinizer's decision on the validity of a completed Postal Ballot Form shall be final.

20. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kesoramtextiles.com and on the website of CDSL and also communicated to Calcutta Stock Exchange.

Statement pursuant to Section 102 of the Companies Act, 2013

Item No.1 & 2

By reason of the continued suspension of work, it has become necessary for your Company to consider various options including, if necessary, restructuring the Company and its business. For this purpose, it is necessary to increase the Company's aggregate borrowings to finance restructuring and to revamp its activities in the years to come. The Board, therefore, through an enabling Resolution, proposes to enhance the Company's borrowing limits under Section 180(1)(c) of the Act by a Special Resolution.

The Special Resolution proposed under Item 2 of the attached Notice is also an enabling one and is intended to obtain the consent of Shareholders under Section 180(1)(a) of the Act to charge all or any of the properties of the Company, present and future, and/or on the whole or part of the undertaking of the Company by way of pledge, hypothecation, mortgage, creation of lien or otherwise encumbering the same, in addition to any charge already created/to be created by the Company, Such consent is sought from Shareholders within the limits of the ceiling indicated in the Resolution.

The Board accordingly wishes, to recommend to Shareholders for approval, through Postal Ballot, the Special Resolutions as set out under Items 1 and 2 of the attached Notice.

No Director or Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed Resolutions. As per the Proviso to Section 102(2) of the Act, it is clarified that the proposed Special Resolutions do not relate to or affect any other Company.

Item No. 3

As per the provisions of Section 186(2)(b) of the Act, the Board of Directors of a Company can give guarantee or provide any security beyond the prescribed ceilings specified in the Section provided this is authorised by a special resolution passed at a general meeting.

The Company has an existing Secured Loan from Kesoram Industries Limited (KIL) against its immoveable fixed assets including land located at 42, Garden Reach Road, Kolkata 700 024 which is presently charged in favour of KIL. IndusInd Bank ("The Bank") has agreed in principle to give a short term loan facility of Rs. 400 crore to KIL subject to inter-alia mortgage of the Land of the Company in favour of the Bank as additional Security by way of deposit of the title deeds of the aforesaid land and at the request of the KIL, the Company agreed to provide the said security subject to prior approval by means of a special resolution passed at a general meeting. Full particulars of the security to be provided by the Company and the purpose for which the security is proposed to be utilized by KIL shall be disclosed in the financial statement of the Company. Since the resolution relates, inter-alia, to providing security in connection with loan to be obtained by KIL, the extent of shareholding interest in KIL in excess of 2% therein of every Promoter of the Company is disclosed herein below :-

<u>Name of the Promoter</u>	<u>No. of shares held</u>	<u>Shareholding %</u>
(i) Pilani Investment & Industries Corp. Ltd.	273,38,750 shares	24.906 %
(ii) Manav Investment & Trading Co Ltd.	98,87,525 shares	9.008 %
(iii) Century Textiles & Industries Ltd.	51,16,800 shares	4.661 %
(iv) Aditya Marketing & Manufacturing Ltd.	24,49,111 shares	2.231 %

As a measure of making available greater financial flexibility to the Company to give guarantee and provide security in connection with loan to any other body corporate including any group Company or person in future and to enable it to meet the commitment made to the Bank as stated above, permission by proposed Special Resolution under item 3 is sought pursuant to the provisions of Section 186(3) of the Act, to give power to the Board of Directors or any duly constituted committee thereof, to give guarantee and/or to provide security in connection with the above for an amount not exceeding Rs 500 crore over and above the sixty percent of the aggregate of the paid-up share capital and its free reserves and security premium account or one hundred percent of its free reserves and securities premium account, whichever is higher. The guarantee given and/or security provided will be in accordance with the applicable provisions of the Act and relevant rules made there under.

The Board wishes to recommend to Shareholders for approval, through Postal Ballot, the Special Resolutions as set out under Item 3 of the attached Notice.

No Director or Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed Resolutions.

By Order of the Board

Place : Kolkata

B. N. Kedia

Date : 29th May, 2014

Company Secretary