



ANNUAL REPORT & ACCOUNTS
2014-15



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



16th ANNUAL REPORT & ACCOUNTS 2014-15

Board of Directors

Shri Surendra Kumar Birla - *Chairman*
Shri Jayant Sogani
Shri Uma Shankar Asopa
Smt Suparna Hingorani (*w.e.f. 29th October, 2014*)

Key Managerial Personnel

Shri Sanjay Kumar Sinha, *Manager-CEO*
Shri B. N. Kedia, *Secretary*
Shri S. K. Choubey, *Chief Financial Officer*

Auditors

Messrs R K D S & 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 Sixteenth Annual General Meeting of KESORAM TEXTILE MILLS LIMITED will be held at 11 AM on Wednesday, 2nd September, 2015 at "Kala-Kunj" (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata -700017, to transact the following business :

GENERAL BUSINESS

1. To consider and adopt the audited Financial Statement for the year ended 31st March, 2015, the Report of the Auditors thereon and the Report of the Board of Directors of the Company for the year ended 31st March, 2015.
2. To appoint Shri Uma Shankar Asopa (DIN: 00305010), as Director who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

4. **"RESOLVED THAT** Smt Suparna Hingorani (DIN 03138350), an existing Additional Independent Director, who is holding office upto this Annual General Meeting, be and is hereby appointed under Section 152(2) of the Act as an Independent Director of the Company for a term up to five consecutive years from the conclusion of this Annual General Meeting."

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

5. **"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 of the Company effective 1st April, 2015 upon the following main terms and conditions :-
 - a) The term of Shri Sinha's office will be with effect from 1st April, 2015 to 31st March, 2018 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; Provided however (ii) & (iii) above can be waived mutually.
 - b) Subject to the 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 Rs. 36,00,000 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 and allowances/ encashment and Gratuity: As per the Rules of the Company;
 - c) Others: As per the Rules of the Company including telephone, furniture, electricity.
 - 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

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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”.

6. **“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013, the Company does hereby approve the draft Regulations contained in the Articles of Association placed before this Meeting as the Company’s Articles of Association in substitution for and to the exclusion of its existing Articles of Association.”

Registered Office :
42, Garden Reach Road
Kolkata 700 024
Dated : 27th May, 2015.

By Order of the Board

B. N. Kedia
Company Secretary

Notes:

- 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 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.
- Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) in relation to special business in the Notice of this Annual General Meeting (“AGM”) is annexed hereto and forms part of this Notice.
- The Register of Members shall remain closed from 27th August, 2015 to 2nd September, 2015 (both days inclusive).
- (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. 26th August 2015** 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.
- 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.
- 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, Electricity/Telephone Bill, Driving License or a copy of the passport, Aadhaar Card and 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**.
- 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.
- (a) Members desirous of receiving Notices and/or documents from the Company through the **electronic** mode are requested to update their email 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.
(b) Email 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 Email addresses for serving Company’s documents/notices. Members intending to refresh/update their email addresses should do so as soon as possible.

- (c) Members who hold shares in electronic form and who have not registered their e-mail addresses so far, are requested to register their email IDs with their Depository Participants. Members who hold shares in physical form are requested to intimate 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 2014-15, 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 & 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 2014-15, 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**.
13. a) **Members desirous of getting any information in relation to the Company's Annual Report 2014-15 are requested to address their query(ies) well in advance, i.e. at least 10 days before the Meeting, to the Company Secretary to enable the Management to keep the information readily available at the Meeting.**
- b) Members holding shares in **Electronic Form**, are requested to bring their **Depository ID Number and Client ID Number** 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 bona fides. Till such claim, as per Clause 5A II of the Listing Agreement with The Calcutta Stock Exchange Limited (CSE), the 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. Thereafter it was 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 PANs 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 Clause 49(VIII)(E)(1) of the Listing Agreement with CSE, 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 Companies (Management and Administration) Amendment Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 effective 19th March, 2015 and Clause 35B of Listing Agreement entered with CSE :
- 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 specified more fully in the instructions hereunder 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.

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- ii) the facility for voting through ballot paper shall also be made available at the 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 e-Voting period begins from **10 AM on Sunday, 30th August 2015** and ends at **5 PM on Tuesday, 1st September 2015**. During this period, Members of the Company, holding Shares either in physical form or in dematerialized form, as on the **cut-off date (“record date”) i.e. 26th August, 2015**, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter. The facility for voting through Ballot Paper shall be made available at the Meeting to the Members, as on the **“cut-off date” i.e. record date** attending the Meeting, who have not cast their vote by remote e-Voting to exercise their right to vote at the Meeting through Ballot Paper.
- (ii) The shareholders should log on to the e-Voting website www.evotingindia.com during the voting period
- (iii) Click on “SHAREHOLDERS” tab.
- (iv) Now Enter your USER ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on LOGIN.
- (vi) 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, your existing password is to be used.
- (vii) If you are a first time user, please follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> 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. 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.
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"> 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).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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

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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.

- (x) For Members holding shares in physical form, the details can be used only for e-Voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN for **KESORAM TEXTILE MILLS LIMITED** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xvii) 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.
- (xviii) Note for Institutional Shareholders:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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 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 shareddepartment@kesoramtextiles.com or salil.banerjee@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

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: shareddepartment@kesoramtextiles.com or at 033-2243 7121.

19. A member may participate in the AGM even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the AGM.
20. 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**.
21. Shri Salil Banerjee, (ICSI CP Registration No 1140), 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.
22. 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.
23. 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 three 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.

24. 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 the declaration of result by the Chairman or the person authorized by him in writing. The results shall also be simultaneously communicated to the Stock Exchange.
25. 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.
26. The Landmark and Route Map of the venue of the AGM is given on the back side of the Attendance Slip in the Annual Report 2014-15.

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

Item Number 4

Smt. Suparna Hingorani (DIN 03138350) aged about 50 years was appointed Additional Independent Director of the Company at Board Meeting held on 29th October, 2014. The appointment was made based upon recommendation from the Board's Nomination and Remuneration Committee to meet the requirement under second proviso to Section 149(1) of the Companies Act, 2013(the Act).

The Board is of the view that Smt. Hingorani is a person of integrity, possesses the relevant expertise and acumen to function as an Independent Director. Moreover, she fulfills the conditions specified in the Act and the Rules made thereunder to act as an Independent Director and that she is independent of the Management.

Smt. Hingorani has furnished the requisite declaration contemplated under Section 149(7) of the Act stating that she is an Independent Director within the meaning of Section 149(6) of the Act as well as Clause 49(II)(B) of the Listing Agreement with Calcutta Stock Exchange Ltd.

Smt. Hingorani, not being a retiring Director, her name has been proposed by a Member along with a deposit of Rs.1 lakh. The deposit shall be refunded should Smt Hingorani be elected a Director or secure more than 25% of the total valid votes cast on such Resolution.

In view of the above, approval of Members is sought, through an Ordinary Resolution, to appoint her as an Independent Director for an initial term of five years from the conclusion of the Company's Sixteenth Annual General Meeting.

The Board is of the opinion that it would be in the interest of the Company to appoint Smt. Hingorani as an Independent Director and the Resolution under Item No. 4 has been proposed to this end. The Board, therefore, commends the Ordinary Resolution to Members for acceptance.

Smt. Hingorani does not hold any share in the Company, her brief particulars and other details are contained in the Report on Corporate Governance which shall be deemed as disclosure under Secretarial Standard - 2 and Clause 49 of the Listing Agreement with Stock Exchange.

Smt. Hingorani as an Independent Director shall abide by the Code for Independent Directors specified in Schedule IV of the Act, and shall be governed and guided in the manner similar to other Independent Directors of the Company. She attended two Board Meetings during the year under reference.

Formal letter of appointment shall be issued to her once her appointment is confirmed at the forthcoming Annual General Meeting. The terms and conditions of her appointment is open for inspection at the Registered Office of the Company by any Member between 3.00 PM and 5.00 PM on any working day.

Smt. Hingorani should be deemed concerned or interested in the Resolution pertaining to her appointment. Neither other Directors or Key Managerial Personnel or any of their relatives have any concern or interest in this Resolution nor Smt. Hingorani has any relationship with any Director, KMP or manager of the Company. The passing of this Resolution does not and will not relate to or affect any other Company.

Item Number 5

The Board of Directors of the Company at its Meeting held on 27th May, 2015 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, 2015 to 31st March, 2018, 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. 5 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.

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Shri Sinha aged about 52 years is a graduate in Science and has Masters Degree in Business Administration and carries rich and vast managerial experience 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 and he is adequately qualified to be 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 Rs 23.74 lakhs in FY 2014-15.

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(KPM) 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.5 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.

The Effective Capital of the Company is negative as on 31st March, 2015. 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.

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	Cotton 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, 2015 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 29 years managerial experience.
2. Past remuneration	His remuneration in respect of the year ended 31st March, 2015 amounted to Rs 23.74 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 Rs. 36 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 problems. |
| 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 |

Item Number 6

The Company's existing Articles of Association is based on the Companies Act, 1956. In view of the implementation of the Companies Act, 2013 ("the new Act"), it was found desirable to remodel the Company's entire Articles of Association to conform to the provisions of the new Act.

Given this position, it is considered expedient to wholly replace the Company's existing Articles of Association by a new set of Articles.

The draft Articles of Association shall remain available for inspection by shareholders from Monday to Friday between 3:00 PM and 5:00 PM upto the date of the Annual General Meeting. A copy thereof will also be hosted on the Company's website.

No Directors or Key Managerial Personnel or any of their relatives have any concern or interest in the Resolution. The passing of this Resolution does not and will not relate to or affect any other Company.

The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

Registered Office :
42, Garden Reach Road
Kolkata 700 024
Dated : 27th May, 2015.

By Order of the Board

B. N. Kedia
Company Secretary

REPORT OF THE DIRECTORS**For the year ended 31st March, 2015**

The Board presents its Sixteenth Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS

<u>Particulars</u>	<u>31st March, 2015</u>	<u>31st March, 2014</u>
	(₹)	(₹)
Other Income	<u>1,38,93,178</u>	<u>1,17,07,103</u>
Profit before Depreciation	<u>43,24,425</u>	30,08,517
Depreciation	<u>(2,55,826)</u>	<u>(3,70,126)</u>
Profit for the year	<u>40,68,599</u>	26,38,391
Less :		
Loss brought forward from Last Account	<u>22,00,34,966</u>	22,26,73,357
Depreciation for earlier years	<u>6,50,740</u>	—
Loss Carried to Balance Sheet	<u>21,66,17,107</u>	<u>22,00,34,966</u>

DIVIDEND

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

SHARE CAPITAL

The Paid-up Equity Capital as on 31st March 2015 was about Rs. 10.46 crores. 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.

GENERAL REVIEW

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

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.

REFERENCE TO BIFR

The Board for Industrial & Financial Reconstruction (BIFR) has taken the view 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. This position remains unchanged.

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, state that :

- (a) in the preparation of the Annual Accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (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 2015 and profit of the Company for that period;
- (c) proper and sufficient care was 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; and
- (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 that;
- (f) Proper system had been devised to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

AUDITORS' REPORT

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 are not yet concluded.

Regarding 'Emphasis of Matter' in the Auditor's Report, Note No. 2.1 to the Notes to Financial Statements is self explanatory and needs no further explanation in this regard.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

A Report on Corporate Governance together with a Certificate from the Statutory Auditor on compliance thereof and a Certificate from the Manager (CEO) under Clause 49(II)(E)(2) of Listing Agreement 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 the Clause 49 of the Listing Agreement with Calcutta Stock Exchange (CSE). Smt. Suparna Hingorani (DIN : 03138350) was appointed Additional Independent Director during the year under report. Smt. Hingorani is being proposed for appointment as an Independent Woman Director at the forthcoming Annual General Meeting for a period of five years from the conclusion of the Sixteenth Annual General Meeting as per the provisions of Section 149 of the Act.

All Independent Directors have given the Company the requisite declarations that they meet the independent Directors criteria as laid down under Section 149(6) of the Act and the Listing Agreement.

Shri Uma Shankar Asopa (DIN: 00305010), retires by rotation and being eligible offers himself for re-appointment. An appropriate Resolution has also been included as part of the Notice convening the forthcoming Annual General Meeting.

Brief profiles of Directors being appointed /re-appointed are given in the Report on Corporate Governance.

In compliance with Section 203 of the Act, Shri S K Sinha as Chief Executive Officer, Shri S K Choubey as Chief Financial Officer and Shri B N Kedia as Company Secretary were appointed as Key Managerial Personnel during the year under reference.

EVALUATION OF PERFORMANCE OF BOARD AND ITS COMMITTEES

In compliance with the provisions of the Act and Clause 49 of the Listing Agreement with CSE, 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 2014-15. Details of Meetings and the attendance of each Director is provided in the Report on Corporate Governance.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

The Company has in place a formal Nomination and Remuneration Policy formulated as per the provisions of Section 178(3) of the Act. As required by Section 178(4) read with Section 134(3)(e) of the Act, the text of the Policy is attached as **Annexure III** of this Report.

AUDIT COMMITTEE

The Board's Audit Committee comprises of Shri S K Birla, Shri J Sogani and Shri U S Asopa. 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

All 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. Hence, the disclosure in Form AOC-2 is not required to be given.

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 KMPs as disclosed in Item No 22 of Notes to Financial Statement.

As required under Clause 49 of the Listing Agreement, related party transactions are 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 become a subject of review 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 <http://www.kesoramtextiles.com/COMPANY/policy.html>.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under report, the Company had given guarantee by way of mortgaging Company's land situated at 42, Garden Reach Road, Kolkata 700 024 to a Bank for a credit facility of Rs. 500 Crores availed by Kesoram Industries Limited, a promoter Company, from such Bank, upon obtaining approvals, as were necessary. The Company has given no other loan or guarantee or made any investment covered under Section 186 of the Act during the year under report.

FIXED DEPOSIT

The Company has not accepted any fixed deposits during the Financial Year 2014-15.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

WHISTLE BLOWER POLICY

In compliance with the provisions of Section 177(9) of the Act and Clause 49 of Listing Agreement with CSE, the Company has a codified Whistle Blower Policy which is hosted on its website.

AUDITORS

R K D S & Associates (Firm Regn. No. 309091E), Chartered Accountants, the Auditors of the Company, retire at the forthcoming Annual General Meeting. They offer themselves for re-appointment from the conclusion of the Sixteenth Annual General Meeting till the conclusion of the next Annual General Meeting as per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

R K D S & Associates have confirmed to the Company that their appointment satisfies the criteria prescribed in Section 141 of the Act and are not disqualified to be re-appointed.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 2014-15.

The Report of the Secretarial Auditor is attached in **Annexure IV** to this Report. The Board has noted the Secretarial Auditor's observation relating to effecting amendments to the Company's Memorandum and Articles of Association as per the provisions in the Act. Given that the Company's Mill operations are under suspension of work for a considerable length of time, the Board does not think amendments to the Memorandum and Articles of Association of the Company are a pre-requisite to run the day to day business affairs of the Company. Nonetheless, in deference to the Auditor's observation, the Board proposes to recast the Company's Articles of Association in line with that of the Act by proposing a Special Resolution in the attached Notice. However, no alteration in the Company's Memorandum of Association are contemplated for the moment as the prescribed alterations under the Act does not impact on present state of the Company's affairs.

COST AUDITOR

The manufacturing activities of the Company are under suspension since 5th January, 1999 and as permitted by the Assistant Director (Costs), Ministry of Corporate Affairs, Government of India vide letter dated 12th December, 2011 the Company is not required to comply with the Cost Audit Orders issued by the Department earlier relating to maintenance of Cost Records till their further orders and as such no Cost Auditor under Section 148 of the Act was appointed.

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. Since 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.

KESORAM TEXTILE MILLS LIMITED

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.

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

Since Mill operations have been under suspension of work for a considerable length of time, 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. There were no foreign exchange earnings or outgo during the year under review.

DETAILS OF REMUNERATION

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 Rule 5(2) aforesaid.

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

DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

Following implementation of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, a summary of complaints received or disposed off during the Financial Year 2014-15 have been provided as under :-

No. of complaints received	Nil
No. of complaints disposed off	Nil

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 VI** 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) under Clause 49(II)(E)(2) of Listing Agreement.
II	Management Discussion & Analysis
III	Nomination & Remuneration Policy
IV	Secretarial Audit Report
V	Details under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
VI	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.

Kolkata
Dated : 27th May, 2015

Surendra Kumar Birla *Chairman*

Jayant Sogani
Uma Shankar Asopa
Suparna Hingorani *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 predicated 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, 2015:**

As on 31st March 2015, the Company had four Directors. The composition of the Board complies with the provisions of the Companies Act, 2013 ("the Act") and the Listing Agreement. 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	2	None	None	2	5
Shri Uma Shankar Asopa	Non-Executive Non Independent	10	None	1	1	600
Smt Suparna Hingorani**	Non-Executive Independent	0	None	None	None	Nil

* Excludes private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 & Section 8 of the Companies Act, 2013.

** Appointed as Additional Independent Director by the Board on 29th October 2014.

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

Only two Committees viz. Audit Committee and Stakeholders Relationship Committee have been considered for this purpose in terms of Explanation (ii) to Clause 49(II)(D)(2) of the Listing Agreement with The Calcutta Stock Exchange Limited.

Shri Sanjay Kumar Sinha is the Manager of the Company as per the provisions of Section 296 of the Companies Act, 1956 upto 31st March 2015. He has been re-appointed Manager for a period of three years, subject to approval of Shareholders, under Section 196 of the Act.

Attendance of Directors at Meetings held during the Financial Year 2014-15 :

Five Board Meetings were held during the Financial Year ended 31st March, 2015 - on 29th May 2014, 2nd August 2014, 29th October 2014, 31st January 2015 and 11th February 2015.

The attendance of each Director at these Meetings and at the Fifteenth Annual General Meeting ("AGM") held on 20th September, 2014 was as follows :

Member	Attendance	
	No. of Board Meetings	AGM
Shri Surendra Kumar Birla	5	No
Shri Jayant Sogani	5	Yes
Shri Uma Shankar Asopa	5	Yes
Smt Suparna Hingorani	2	N.A.

No remuneration or commission was payable or paid to any Director during the Financial Year 2014-15 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 2014-15 have been received from all Board Members and Key Managerial Personnel (KMPs). There was no materially significant transaction during the Financial Year with Board Members and senior management executives, including their relatives that had or could have had 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.

3. AUDIT COMMITTEE

Terms of Reference

The Audit Committee has been mandated with the terms of reference as specified in the Clause 49 of the Listing Agreement with The Calcutta Stock Exchange Limited. 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, 2015, the Audit Committee had three Non-Executive Directors of whom two were Independent Directors. Shri Surendra Kumar Birla, an Independent Director, is the Chairman of the Committee.

Four Meetings were held on 29th May 2014, 2nd August 2014, 29th October 2014 and 31st January 2015 during the Financial Year ended 31st March, 2015.

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	4
Shri Jayant Sogani	4
Shri Uma Shankar Asopa	4

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

Invitees : (as and when considered necessary)

- a) The Statutory Auditors R K D S & Associates, Chartered Accountants.
- b) 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 spanning several decades is considerable. 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 and control. All Members of the Committee are, therefore, financially literate.

Shri Surendra Kumar Birla, Chairman of the Committee, was unable to attend the last Annual General Meeting held on 20th September 2014 due to being unwell.

4. NOMINATION AND REMUNERATION COMMITTEE

The name of the existing Remuneration Committee was changed to 'Nomination and Remuneration Committee of Directors' on reconstitution at the Board Meeting held on 29th May 2014 in terms of the provisions of Section 178 of the Act and Clause 49(IV) of the Listing Agreement. As on 31st March, 2015, the Nomination & Remuneration Committee consisted of three Non-executive Independent Directors of whom two were Independent Directors. Shri Jayant Sogani is the Chairman of this Committee.

The Committee met twice during the Financial Year 2014-15 on 2nd August, 2014 and 11th February, 2015.

The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at the said Meeting was as follows:

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

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The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Section 178 of the Act and Clause 49(IV) of the revised Listing Agreement with The Calcutta Stock Exchange Limited.

Nomination and Remuneration Policy : This Policy, as recommended by the Nomination and Remuneration Committee, has been accepted and adopted by the Board of Directors on 31st January 2015. The Nomination and Remuneration Policy is given as an annexure to the Report of the Directors.

Details of Remuneration and Meeting Fees paid to Directors during the Financial Year 2014-15 :

Sl.No.	Name of Directors	Sitting Fees paid for	
		Board Meetings (₹)	Committee Meetings* (₹)
1	Shri Surendra Kumar Birla	5,000	4,500
2	Shri Jayant Sogani	5,000	3,000
3	Shri Uma Shankar Asopa	5,000	4,000
4	Smt Suparna Hingorani **	2,000	—
	Total	17,000	11,500

* includes Meeting of Independent Directors

**Appointed as Additional Independent Director by the Board on 29th October 2014.

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 on 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, etc.

5. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate Meeting of the Independent Directors of the Company was held on 14th March 2015 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 in its Meeting held on 29th May 2014, re-constituted the "Stakeholders Relationship Committee" in place of the existing afore-mentioned two shareholder related committees. The terms of reference of this Committee are as envisaged in Section 178 of the Act as well as Clause 49 of the Listing Agreement. The Committee met three times during the Financial Year 2014-15 on 25th July 2014, 29th October 2014 and 31st January 2015. 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	3
Shri Uma Shankar Asopa	3

Shri B. N. Kedia, the Company Secretary, is the Compliance Officer under the Listing Agreement.

i) Shareholder complaints received and redressed during the Financial Year 2014-15

Nature of Grievances	Complaints received from				Total complaints received during 2014-15	Total complaints redressed	No. of grievances pending as on 31.03.2015
	Investors directly	Stock Exchanges	SEBI Scores	ROC			
Non-receipt of Dividend/Interest/ Redemption Warrant(s)	1	Nil	4	Nil	5	5	Nil
Non-receipt of Share/Debenture Certificate(s)	3	Nil	Nil	Nil	3	3	Nil
Non-Receipt of Duplicate Share/ Debenture Certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Demat related grievance(s)	10	Nil	2	Nil	12	12	Nil
Non-receipt of Annual Report(s)	9	Nil	2	Nil	11	11	Nil
TOTAL	23	Nil	8	Nil	31	31	Nil

Details of outstanding Shares in the Unclaimed Suspense Account as on 31st March, 2015 :

Particulars	Aggregate No. of Shareholders	No. of Outstanding Shares lying in the Unclaimed Suspense Account
As on 1st April, 2014	4,814	1,85,890
Shareholders approached for transfer/delivery during 2014-15	2	30
Shareholders approached for transfer/delivery pending compliance of verification process during 2014-15	2	30
Shares transferred/delivered during the year 2014-15	2	20
Balance as on 31st March, 2015	4,812	1,85,870

7. FAMILIARISATION PROGRAM 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 <http://www.kesoramtextiles.com/COMPANY/policy.html>

8. GENERAL BODY MEETINGS

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

Meetings	Date of the Meeting	Location	Time
AGM (15th)	20th September, 2014	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.
AGM (14th)	26th July, 2013	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.
AGM (13th)	27th July, 2012	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	2.00 P.M.

(B) Special Resolutions passed in the previous three AGMs

Shri Sanjay Kumar Sinha was re-appointed Manager under the Companies Act, 2013, effective 3rd April, 2012 to 31st March, 2015. This was approved through a Special Resolution at the Annual General Meeting held on 27th July, 2012. Except the above, no other Special Resolution was passed at the last three Annual General Meetings.

(C) Special Resolution through Postal Ballot passed last year : Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, three Special Resolutions were passed during 2014-15, details of voting pattern of which is given below. Shri Salil Banerjee was the Scrutiniser for the same.

Resolution No. as given in the Postal Ballot Notice dated 29th May 2014	Particulars of the Votes Cast			Result
		No of votes	%	
Resolution No. 1 as a Special Resolution	Votes Cast in favour	1,44,08,886	99.86	Approved by requisite majority
	Votes Cast against	20,183	0.14	
	Invalid votes	14,656	0.10*	
Resolution No. 2 as a Special Resolution	Votes Cast in favour	1,44,07,283	99.85	Approved by requisite majority
	Votes Cast against	21,786	0.15	
	Invalid votes	14,656	0.10*	
Resolution No. 3 as a Special Resolution	Votes Cast in favour	1,44,06,428	99.84	Approved by requisite majority
	Votes Cast against	22,641	0.16	
	Invalid votes	14,656	0.10*	

* Percentage of invalid votes calculated on total number of votes cast by the shareholders.

(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 Clause 49(VIII)(E)(1) of the Listing Agreement, brief profiles of Shri Uma Shankar Asopa and Smt Suparna Hingorani are as under:

- i) **Shri Uma Shankar Asopa (DIN 00305010)**, aged about 62 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., Chintpurni 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 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.
- ii) **Smt Suparna Hingorani (DIN 03138350)**, aged about 50 years has a Masters Degree in English. She has over 20 years of experience in education and administrative affairs. She is a Director of Ajita Tea Products and Services Private Limited and is associated with the Ashok Hall Group of Schools. She is not a Member of any Committee. She has no shareholding in the Company and does not receive any remuneration from the Company except sitting fees for attending the Board Meetings of the Company. She is not related to any Director or Key Managerial Personnel of the Company.

10. DISCLOSURES

1. 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 <http://www.kesoramtextiles.com/COMPANY/policy.html>.

2. Transactions with Related Parties, as per requirements of Accounting Standard 18, 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 Clause 49 of the Listing Agreement) with Key Managerial Personnel of the Company with regard to their remuneration (as given in Item 22 of the Notes to Financial Statement) had no potential conflict with the Company's interest.
3. 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 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 Clause 49 of the Listing Agreement.
8. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued a certificate pursuant to the provisions of Clause 49IX of the Listing Agreement 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 <http://www.kesoramtextiles.com/COMPANY/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 Clause 49 of the Listing Agreement with Stock Exchanges 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 2014-15 contains audit qualifications which are 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. |
| — Which newspaper(s) normally published | : | Business Standard (English)
Dainik Statesman (Bengali) |
| — Any website where displayed | : | www.kesoramtextiles.com |
| — 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 2014-15. |
| — Whether Management Discussion and Analysis Report is a part of Annual Report | : | Yes |

12. GENERAL SHAREHOLDER INFORMATION

- i) **Next Annual General Meeting :**
 Date : 2nd September, 2015 (Wednesday)
 Time : 11.00 A.M.
 Venue : "Kala Kunj", 48, Shakespeare Sarani, Kolkata - 700 017
- ii) **Financial year** : The Financial Year of the Company covers 1st April to 31st March period.
- iii) **Date of Book Closure** : 27th August 2015 to 2nd September, 2015 (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 2015-16 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. There were no trading in the Company's shares during the Financial Year 2014-15.
- (b) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc. :**
 In view of no trading in Company's shares at the Calcutta Stock Exchange during the financial year 2014-15, performance in comparison to broad-based indices is not possible.
- x) **Registrar and Share Transfer Agent :**
 MCS Share Transfer Agent Limited (Unit: Kesoram Textile Mills Ltd.), CIN : U67120WB2011PLC165872
 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/Registrars in physical form are processed no 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, 2015 :**

a) **According to Category of holding :**

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Promoters	21	0.02	1,33,28,564	25.49
Banks/ Mutual Funds and Insurance Cos.	69	0.06	73,92,005	14.14
Foreign Institutional Investors	6	0.01	82,16,007	15.71
NRI/OCB's	243	0.22	7,08,743	1.36
Enemy Property	5	-	1,942	-
Private Bodies Corporate	1,187	1.06	67,16,724	12.85
Individuals	1,09,984	98.63	1,54,93,511	29.63
Unclaimed Suspense Account	1	-	1,85,870	0.36
Shares in Transit	-	-	2,38,539	0.46
Total	1,11,516	100.00	5,22,81,905	100.00

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	92,570	83.01	32,79,385	6.27
101-200	10,002	8.97	15,22,229	2.91
201-500	5,467	4.90	18,98,758	3.63
501-1000	1,794	1.61	13,97,597	2.67
1001-5000	1,321	1.19	27,97,663	5.35
5001-10000	171	0.15	12,74,164	2.44
10001 & above	191	0.17	3,98,73,570	76.27
Shares in transit	-	-	2,38,539	0.46
Total	1,11,516	100.00	5,22,81,905	100.00

- xiii) **Dematerialisation of Shareholding and liquidity** : Over 89.35% of the Company's Equity Shares are dematerialised as on 31st March, 2015.
- 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, has become effective 15th May 2015 and the Company has implemented the same.
- 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 Registrar and Share Transfer Agent at the address given below :
- | | | |
|--|----|---|
| Share Department,
Kesoram Textile Mills Ltd.
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 Ltd., 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

	S. K. Sinha Manager (CEO)	Surendra Kumar Birla	<i>Chairman</i>
	S. K. Choubey Chief Financial Officer	Jayant Sogani	<i>Directors</i>
Kolkata Dated : 27th May, 2015	B. N. Kedia Company Secretary	Uma Shankar Asopa Suparna Hingorani	

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, 2014 to 31st March, 2015 in terms of Clause 49(II)(E)((2) of the Listing Agreement with The Calcutta Stock Exchange Association Limited.

Place : Kolkata
Dated : 27th May, 2015

Sanjay Kumar Sinha
Chief Executive Officer

AUDITORS’ COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Kesoram Textile Mills Limited

We have examined the compliance of conditions of Corporate Governance by **KESORAM TEXTILE MILLS LIMITED** for the year ended on 31st March, 2015, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Kolkata
27th May, 2015

For **R K D S & Associates**
Firm Registration No. 309091E
Chartered Accountants
R. K. Duggar
Partner
Membership No. 016384

Annexure II

MANAGEMENT DISCUSSION AND ANALYSIS

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.

	S. K. Sinha <i>Manager (CEO)</i>	Surendra Kumar Birla <i>Chairman</i>	
	S. K. Choubey <i>Chief Financial Officer</i>	Jayant Sogani	 <i>Directors</i>
	B. N. Kedia <i>Company Secretary</i>	Uma Shankar Asopa	
Kolkata Dated : 27th May, 2015		Suparna Hingorani	

NOMINATION AND REMUNERATION POLICY

The Board of Directors of Kesoram Textile Mills Limited (“the Company”) constituted a Nomination and Remuneration Committee” at the Meeting held on May 29, 2014 consisting of three (3) Non-Executive Directors of whom two are Independent Directors.

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy will be in compliance with Section 178 of the Companies Act, 2013 together with the applicable rules thereto and Clause 49 of the Listing Agreement.

The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and other Senior Management Personnel one level below the Board.
- 1.2. To evaluate the performance of Board Members on the criteria decided.
- 1.3. To recommend to the Board on remuneration payable to Directors, Key Managerial Personnel and Senior Management.
- 1.4. To ensure that Key Managerial Personnel and Senior Management Personnel one level below the KMPs are remunerated based upon their efforts, performance, dedication and achievement relating to the Company’s operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons.
- 1.6. To devise a policy on Board diversity.
- 1.7. To evolve an evaluation process and develop a succession plan for the Board.

2. DEFINITIONS

2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2. **Board** means the Board of Directors of the Company.

2.3. **Directors** mean Directors constituting the Board of the Company.

2.4. **Key Managerial Personnel (KMPs)**

2.4.1. Chief Executive Officer or the Managing Director or the Manager under the Act.

2.4.2. Whole-time Director;

2.4.3. Chief Financial Officer;

2.4.4. Company Secretary; and

2.4.5. Such other officer as may be prescribed by law.

2.5. **Senior Management Personnel** means personnel only those who are members of its core management team placed one level below the KMPs.

3. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- 3.1 To formulate a criteria for determining qualifications, positive attributes and independence of a Director;
- 3.2 To recommend to the Board the appointment and removal of Key Managerial Personnel and other Members of the Senior Management one level below the KMPs;
- 3.3 To carry out evaluation of Director’s performance and recommend to the Board his/her re-appointment/removal based on his/her performance;
- 3.4 To formulate, if so required, a policy relating to remuneration of Directors, Key Managerial Personnel and other Senior Management one level below the KMPs;
- 3.5 To ensure that the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 3.6 To devise a policy on Board diversity;
- 3.7 To develop a succession plan for the Board.

4. MEMBERSHIP

4.1 The Committee shall consist of at least three Directors, two of whom should be Independent Directors.

4.2 Minimum two (2) members shall constitute a quorum for a Committee Meeting. However, Meetings can be conducted by circulation as well as through tele-conferencing. Meeting can be held as and when necessary.

4.3 Committee Members will continue in office at the discretion of the Board.

5. CHAIRMAN

5.1 The Chairman of the Committee shall be an Independent Director appointed by the Board.

5.2 In the absence of the Chairman, Members of the Committee present at a Meeting shall choose one amongst them to act as Chairman.

6. COMMITTEE MEMBERS’ INTEREST

6.1 A Member of the Committee is not entitled to be present when his or her own remuneration is discussed or when his or her performance is being evaluated.

6.2 The Committee may invite such Executives, as it considers appropriate, to be present at meetings of the Committee.

7. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

8. VOTING

8.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

8.2 In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

9. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters will include:

9.1 Ensuring that there is an appropriate induction in place for new Directors, Key Managerial Personnel and other Members of Senior Management one level below the KMPs ;

9.2 Ensuring that on appointment to the Board, Non-Executive Independent Directors receive a formal letter of appointment in accordance with the Act;

9.3 Determining an appropriate size, diversity and composition of the Board;

9.4 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

9.5 Developing a succession plan for the Board, Key Managerial Personnel and other Members of Senior Management one level below the KMPs. ;

9.6 Evaluating the performance of Board Members, Key Managerial Personnel and other Senior Management Members one level below the KMPs in the context of the Company's performance;

9.7 Delegating any of its powers to one or more of its members or to the Secretary of the Committee;

9.8 Recommend any necessary changes to the Board; and

9.9 Considering any other matter that may be referred to it by the Board.

10. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters will include:

10.1 To consider and determine a rational Remuneration Policy, based on performance and bearing in mind the fact that remuneration should be reasonable and sufficient to attract, retain and motivate Members of the Board as well as those constituting the Senior Management and such other factors as the Committee may deem appropriate.

10.2 To approve the remuneration of Directors, Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. The remuneration of other Senior Management Personnel one level below the KMPs would be decided by the Key Managerial Personnel team.

10.3 To ensure that the Company has in place a professional indemnity and liability insurance for Directors and Key Managerial Personnel.

11. CRITERIA FOR APPOINTMENT AND QUALIFICATIONS

11.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

11.2 A person should possess adequate qualification, expertise and experience for the position before he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

11.3 The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

12. EVALUATION CRITERIA

12.1 The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

12.2 The Committee shall evaluate the performance of Non-Executive / Independent Directors through a peer evaluation process every year. Every board member evaluates each external board member based on the performance indicators. On the basis of the performance the decision will be taken whether to continue or extend the terms of appointment of an Independent Directors.

12.3 Independent Directors have three key roles, namely governance, control and guidance. Some of the performance indicators are based on which the independent directors are evaluated are:

- Ability to contribute to and monitor our corporate governance practices.
- Ability to contribute by introducing international best practices to address top Management issues.
- Active participation in long term strategic planning.
- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities this include participation and attendance.

12.4 The evaluation process also considers the time spent by each of the board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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**. 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 **KESORAM TEXTILE MILLS LIMITED** 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, 2015** 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 **KESORAM TEXTILE MILLS LIMITED** for the financial year ended on **31ST MARCH, 2015** 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 there under 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') :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (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) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT).

KESORAM TEXTILE MILLS LIMITED

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (NOT APPLICABLE DURING THE PERIOD UNDER AUDIT);
- (ii) The Listing Agreement entered into by the Company with CALCUTTA STOCK EXCHANGE.

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

- The Company has not adopted new sets of Memorandum and Articles of Association as per Table A and Table F of the Act.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 further report that during the audit period the company has pursuant to Section 180(1)(c) of the Companies Act, 2013 accorded its consent to the Board of Directors to borrow such sums from time to time provided that the total amount so borrowed and outstanding at any time shall not exceed a sum of Rs. 500 Crores over and above the aggregate of the paid-up share capital and free reserves.

The Company has pursuant to Section 180(1)(a) of the Companies Act, 2013 accorded its consent to the Board of Directors to create charges and/or mortgages and/or hypothecation in addition to the existing charge, mortgage and hypothecation created by the Company 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 over and above the aggregate of the paid-up share capital and free reserves.

Place : Kolkata

Date : 27th April, 2015

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 for the year ended 31st March, 2015.

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 - 0.03:1 Shri Jayant Sogani - 0.02:1 Shri Uma Shankar Asopa - 0.03:1 Smt. Suparna Hingorani - 0.01:1
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager if any in Financial Year.	Directors : Shri Surendra Kumar Birla - 11.77 Shri Jayant Sogani - 33.33 Shri Uma Shankar Asopa - 5.88 Smt. Suparna Hingorani [#] - 0.00 <i>#appointed during the year.</i> Key Managerial Personnel : Shri S K Sinha (CEO) - 16.18 Shri S K Choubey (CFO) - 10.95
(iii)	The percentage increase in median remuneration of employees in the Financial Year	231% (Refer Note 1)
(iv)	The number of permanent employees on the rolls of Company	Refer Note 2
(v)	The explanation on the relationship between average increase in remuneration and Company performance.	Average increase in remuneration of employees is about 12% for FY 2014-15 keeping in line with general increase in cost of living. The Company continued to be in loss due to its mill operation being under suspension since 1999.
(vi)	Comparison of the remuneration of KMP against the performance of the Company.	Though the Company had marginal profits due to the Mill not being operational, the CEO and CFO were paid reasonable remuneration for the role played by them to oversee administration.
(vii)	Variations in a) the market capitalisation of the Company. b) price earnings ratio, as at the closing date of the current Financial Year and previous Financial Year. c) percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with last public offer.	N.A. (Refer Note 3)

KESORAM TEXTILE MILLS LIMITED

Sl. No.	Requirement	Details
(viii)	<p>a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year</p> <p>b) its comparison with the percentile increase in the managerial remuneration.</p> <p>c) justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</p>	<p>a) 8.79%</p> <p>b) 14.62%</p> <p>c) There are no exceptional circumstances in increase of salary of Managerial Personnel.</p>
(ix)	Comparison of the each remuneration of the KMP against the performance of the Company.	same as in (vi) above.
(x)	The key parameters for any variable component of remuneration availed by the Directors.	None
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	0.0040:1.00 (<i>Refer Note 4</i>)
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes.

Note 1 : Due to suspension of work in the Mill, only limited remuneration disbursement takes place and is restricted to essential staff. Consequently any retirement during the year distorts the 'median'. The average increase in remuneration is about 12%. 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 the Rule.

Note 2 : The Mill has been under suspension of work since January 1999, as a result, remuneration payment is restricted 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 506 employees as on 31/03/2015.

Note 3 : Since there was no trading in shares during financial years 2013-14 & 2014-15 at Calcutta Stock Exchange Ltd. where the shares are listed, no share price is available as a result the required information is not possible.

Note 4 : Other than sitting fee, no other remuneration is paid to Directors.

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2015
[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 700024. Phone: (033)2489 3472/2469 7825, Fax: (033) 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 700026 Phone: (033)4072 4051 to 4054, Fax: (033)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				

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, 2014				No. of Shares held as on 31st March, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	130235	Nil	130235	0.25	129750	Nil	129750	0.25	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	13198814	Nil	13198814	25.24	13198814	Nil	13198814	25.24	Nil
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	13329049	Nil	13329049	25.49	13328564	Nil	13328564	25.49	Nil
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIs	-	-	-	-	-	-	-	-	-
e) Any Others...	-	-	-	-	-	-	-	-	-
Sub-total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	13329049	Nil	13329049	25.49	13328564	Nil	13328564	25.49	Nil
B. Public Shareholding									
1. Institution									
a) Mutual Funds	3346	90387	93733	0.18	7746	90387	98133	0.19	(+) 0.01
b) Banks/FIs	24007	15181	39188	0.07	24007	15181	39188	0.07	Nil
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	8156857	59150	8216007	15.71	Nil
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	15438894	164718	15603612	29.84	15443294	164718	15608012	29.85	(+) 0.01
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4494585	2218111	6712696	12.84	4426200	2262348	6688548	12.79	(-) 0.05
ii) Overseas	475644	90	475734	0.91	475644	90	475734	0.91	0.00
b) Individuals									
i) Individuals shareholders holding nominal share capital upto ₹ 1 lakh	10034275	3141216	13175491	25.20	9821179	3132774	12953953	24.78	(-) 0.42
ii) Individuals shareholders holding nominal share capital excess of ₹ 1 lakh	2539558	-	2539558	4.86	2539558	238539	2778097	5.31	(+) 0.45

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, 2014				No. of Shares held as on 31st March, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) NRI	222838	6027	228865	0.44	226982	6027	233009	0.45	(+)0.01
ii) Enemy Property	-	1942	1942	-	-	1942	1942	0.01	(+)0.01
iii) Trust	29068	-	29068	0.06	28176	-	28176	0.05	(-)0.01
iv) Unclaimed Suspense A/c	185890	-	185890	0.36	185870	-	185870	0.36	0.00
Sub-total (B)(2)	17981858	5367386	23349244	44.67	17703609	5641720	23345329	44.66	(-)0.01
Total Public Shareholding (B) = (B)(1)+(B)(2)	33420752	5532104	38952856	74.51	33146903	5806438	38953341	74.51	0.00
C. shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	46749801	5532104	52281905	100%	46475467	5806438	52281905	100%	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding as on 1st April, 2014			Shareholding as on 31st March, 2015			% 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	17140	0.033	-	17140	0.033	-	0.00
2	Smt. Sarala Devi Birla*	3350	0.006	-	3350	0.006	-	0.00
3	Smt. Rajashree Birla	1250	0.002	-	1250	0.002	-	0.00
4	Shri. Kumar Mangalam Birla	100	0.000	-	100	0.000	-	0.00
5	Smt. Vasavadatta Bajaj	5750	0.011	-	5750	0.011	-	0.00
6	Smt. Jayashree Mohta	27116	0.052	-	27116	0.052	-	0.00
7	Smt. Manjushree Khaitan	49812	0.095	-	49812	0.095	-	0.00
8	Smt. Vidula Jalan	7624	0.015	-	7624	0.015	-	0.00
9	Kesoram Industries Ltd.	4996986	9.558	-	4996986	9.558	-	0.00
10	Manav Investment & Trading Co. Ltd.	2209050	4.225	-	2209050	4.225	-	0.00
11	Aditya Marketing & Mfg. Ltd.	1223189	2.340	-	1223189	2.340	-	0.00
12	Parvati Tea Company Pvt. Ltd.	569089	1.089	-	569089	1.089	-	0.00
13	B.K. Birla Foundation	7012	0.013	-	7012	0.013	-	0.00
14	ECE Industries Ltd.	225800	0.432	-	225800	0.432	-	0.00
15	Prakash Educational Society	910922	1.742	-	910922	1.742	-	0.00
16	Birla Educational Institution	362643	0.694	-	362643	0.694	-	0.00
17	Century Textiles & Inds.Ltd.	125000	0.239	-	125000	0.239	-	0.00
18	Pilani Investment And Industries Corpn. Ltd.	2416350	4.622	-	2416350	4.622	-	0.00
19	Shri. Avani Birla	9111	0.017	-	9111	0.017	-	0.00
20	Smt. Avanti Birla	8497	0.016	-	8497	0.016	-	0.00
21	Gwalior Finance Corporation Ltd.	152773	0.292	-	152773	0.292	-	0.00
22	Shri. K G Maheswari**	485	0.000	-	0	0.000	-	0.00
	Total	13329049	25.494		13328564	25.494		0.00

* deceased on 28/03/2015; Shares will be transmitted within promoter group.

** deceased on 05/12/2014

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, 2014		Shareholding as at 31st March, 2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri K. G. Maheshwari*	485	0.000	0	0

* deceased on 05/12/2014

(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, 2014		Shareholding as at 31st March, 2015	
		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 Jhunjunwala	1053835	2.02	1053835	2.02
7	HSBC Global Investment Funds A/C HSBC GI	1014882	1.94	1014882	1.94
8	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
	Total	19408896	37.124	19408896	37.124

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding as at 1st April, 2014		Shareholding as at 31st March, 2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri S K Birla & family	23211	0.004	23211	0.004
2	Shri U S Asopa	600	0.000	600	0.000
3	Shri Jayant Sogani	5	0.000	5	0.000
4	Smt Suparna Hingorani	0	0.000	0	0.000
5	Shri S K Sinha	0	0.000	0	0.000
6	Shri B N Kedia	0	0.000	0	0.000
7	Shri S K Choubey	8	0.000	8	0.000
	Total	23824	0.0004	23824	0.0004

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
Indebtedness at the beginning of the financial year (1st April 2014)				
i) Principal Amount	9,55,00,000	-	1,18,690	9,56,18,690
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,55,00,000	-	1,18,690	9,56,18,690
Change in Indebtedness during the financial year				
Addition	-	-	900	900
Reduction	9,55,00,000*	-	6,825	6,825
Net Change	-	-	(5,925)	(5,925)
Indebtedness at the end of the financial year				
i) Principal Amount	-	9,55,00,000*	1,12,765	9,56,12,765
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	9,55,00,000	1,12,765	9,56,12,765

* Now it is unsecured loan and shown accordingly.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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	16,91,406	16,91,406
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	95,792	95,792
	(c) Profits in lieu of salary under section 17(3) 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	1,51,589	15,1,589
	- Gratuity	4,35,447	4,35,447
	Total (A)	23,74,234	23,74,234
	Ceiling as per Act	Remuneration is within limits of provisions of law.	

B. Remuneration to other Directors:

I. Independent Directors

Particulars of Remuneration	Name of Directors		Total Amount
	S K Birla	Jayant Sogani	(₹)
Fees for attending Board & Committee Meetings	9,500	8,000	17,500
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total (I)	9,500	8,000	17,500

II. Other Non-Executive Directors

Particulars of Remuneration	Name of Directors		Total Amount
	U S Asopa	S Hingorani	(₹)
Fees for attending Board & Committee Meetings	9,000	2,000	11,000
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total (II)	9,000	2,000	11,000
Total B = (I)+(II)			28,500
Ceiling as per Act	Payment is within limits of provisions of law.		

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

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	7,76,213	7,76,213
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	26,006	26,006
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit	Nil	Nil	Nil
	- others			
5.	Others			
	- Provident Fund	Nil	40,894	40,894
	- Gratuity		1,19,648	1,19,648
	Total		9,62,761	9,62,761

VII. Penalties / Punishment / Compounding of Offences:

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

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

Report on the Financial Statement

We have audited the accompanying financial statements of Kesoram Textile Mills Limited (the Company), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's 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 thereunder.

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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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, 2015 amounting to ₹ 2,72,00,637/- (Previous year- ₹ 2,47,27,852/-) has not been provided in these accounts. The aggregate interest on loan not provided till date is ₹ 20,37,07,008/- (Previous year - ₹ 17,65,06,371/-) 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 ₹ 2,31,32,038/- as against the profit of ₹ 40,68,599/- shown in these financial statements. If interest on loan were provided every year, the debit balance of Profit & Loss Account in the Balance Sheet as on 31st March, 2015 shown under the head "Reserves and Surplus" would be ₹ 42,03,24,115/-(Previous year - ₹ 39,65,41,337/-) as against ₹ 21,66,17,107/- (Previous year- ₹ 22,00,34,966/-) disclosed in these financial statements. Interest accrued on Secured Loan would amount to ₹ 20,37,07,008/- (Previous year- ₹ 17,65,06,371/-) as against "Nil" (Previous year - "Nil") disclosed in these financial statements.

Qualified 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 2015 and its profit and its cash flows 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) 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 15 to the financial statements;
 - ii. The Company did not have any long-term contracts 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.

For **R K D S & Associates**
Firm Registration No. 309091E
Chartered Accountants
R. K. Duggar
Partner
Membership No. 016384

Kolkata, 27th May, 2015

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 1 of our report of even date)

Re : KESORAM TEXTILE MILLS LIMITED

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that :

1. In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified periodically by the management in a phased manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) The fixed assets disposed off during the year, in our opinion; do not constitute substantial part of the fixed asset of the Company.
2. The Company's manufacturing activities are under suspension since 5th January 1999. It does not hold any physical inventory. Thus, paragraph 3(ii) of the Order is not applicable.
3. The Company has not granted loans to any company, firm or party covered in the registered maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard

KESORAM TEXTILE MILLS LIMITED

to purchases of fixed assets and with regard to the sale of goods and services. The current activity of the Company does not involve purchase of inventory. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

5. The Company has not accepted any deposits from the public.
6. 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 Director (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.
7. (a) The Company is regular in depositing undisputed statutory dues including on account of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Cess and other statutory dues with the appropriate authorities, wherever applicable.

No undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Cess and other statutory dues were in arrears as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues outstanding other than the following in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Cess and other statutory dues on account of any dispute :

Act	Nature of Dues	Forum where dispute is pending	Amount (₹)
Central Excise Act, 1944	Excise duty	Kolkata High Court	14,19,420/-
Central Excise Act, 1944	Excise duty	Addl. Secretary (R.A) Govt. of India	3,51,206/-
Central Excise Act, 1944	Excise duty	Assistant Commissioner of Central Excise	29,36,767/-
Central Excise Act, 1944	Excise duty	Superintendent of Central Excise	1,066/-
Central Excise Act, 1944	Excise duty	Central Excise and Service Tax Appellate Tribunal	11,71,182/-
Central Excise Act, 1944	Modvat Credit	Assistant Commissioner of Central Excise	4,06,870/-
Employee's State Insurance Regulation Act, 1950	ESI Contribution	Dy. Director, E.S.I.	11,98,269/-

Further, the Company is not liable to pay Wealth Tax and Custom Duty.

8. Accumulated losses of the Company has exceeded fifty percent of its net worth at 31st March, 2015. The Company has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
9. The Company did not have any outstanding dues to financial institutions, banks or debentures holders during the year.
10. The Company has given guarantee for the loan taken by a body corporate from a bank. The terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
11. The Company did not have any term loan outstanding during the year.
12. During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the management.

For R K D S & Associates
 Firm Registration No. 309091E
Chartered Accountants
R. K. Duggar
Partner
 Membership No. 016384

Kolkata, 27th May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at	As at
		31st March, 2015	31st March, 2014
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	10,45,63,810	10,45,63,810
Reserves and Surplus	4	(21,58,86,029)	(21,93,03,888)
Non-current Liabilities			
Long-term Provisions	5	3,07,75,639	3,22,54,577
Current Liabilities			
Short-term Borrowings	6	9,56,12,765	9,56,18,690
Other Current Liabilities	7	71,72,901	57,23,938
Short-term Provisions	8	20,32,966	29,84,692
Total		2,42,72,052	2,18,41,819
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible Assets	9	60,65,164	69,79,468
Long-term Loans and Advances	10	40,20,236	39,95,088
Current Assets			
Current Investments	11	—	15,08,485
Cash and Bank Balances	12	1,31,97,254	81,29,716
Short-term Loans and Advances	13	7,37,497	10,04,350
Other Current Assets	14	2,51,901	2,24,712
Total		2,42,72,052	2,18,41,819

Significant Accounting Policies and

Notes to Accounts 1 to 22

The Notes are an integral part of the Financial Statements.

As per our Report of even date.

For R K D S & ASSOCIATES
Firm Registration No. 309091E
Chartered Accountants

R. K. Duggar
(Partner)
Membership No. 016384
Kolkata, 27th May, 2015

S. K. Sinha
Manager (CEO)
S. K. Choubey
Chief Financial Officer
B. N. Kedia
Company Secretary

Surendra Kumar Birla
Jayant Sogani
Uma Shankar Asopa
Suparna Hingorani

Chairman

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

<u>Particulars</u>	<u>Note No.</u>	<u>Year ended</u> <u>31st March, 2015</u>	<u>Year ended</u> <u>31st March, 2014</u>
		₹	₹
INCOME			
Other Income	16	<u>1,38,93,178</u>	<u>1,17,07,103</u>
Total Revenue		<u>1,38,93,178</u>	<u>1,17,07,103</u>
EXPENSES			
Employee Benefits Expense	17	<u>23,52,092</u>	49,85,304
Finance Costs	18	<u>1,117</u>	2,649
Depreciation and Amortization Expense	9	<u>2,55,826</u>	3,70,126
Other Expenses	19	<u>72,15,544</u>	<u>37,10,633</u>
Total Expenses		<u>98,24,579</u>	<u>90,68,712</u>
Profit/(Loss) before tax		<u>40,68,599</u>	26,38,391
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	—
Profit/(Loss) for the period		<u>40,68,599</u>	<u>26,38,391</u>
Earnings per equity share	20		
(Nominal Value per Share ₹ 2/-)			
Basic		<u>0.078</u>	0.050
Diluted		<u>0.078</u>	0.050

Significant Accounting Policies and

Notes to Accounts 1 to 22

The Notes are an integral part of the Financial Statements.

As per our Report of even date.

For R K D S & ASSOCIATES
Firm Registration No. 309091E
Chartered Accountants

R. K. Duggar
(Partner)
Membership No. 016384
Kolkata, 27th May, 2015

S. K. Sinha
Manager (CEO)
S. K. Choubey
Chief Financial Officer
B. N. Kedia
Company Secretary

Surendra Kumar Birla Chairman
Jayant Sogani
Uma Shankar Asopa
Suparna Hingorani Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax & extraordinary items	40,68,599	26,38,391
Adjustments for :		
Depreciation	2,55,826	3,70,126
Profit on Sale of Tangible Assets	(47,424)	(47,599)
Interest Paid	1,117	2,649
Interest Income	(8,25,126)	(4,87,013)
Dividend Income	(46,175)	(1,33,838)
Operating Profit before Working Capital Changes	34,06,817	23,42,716
Adjustments for :		
Changes in Receivables	2,14,516	(2,66,601)
Changes in Payables	(9,87,626)	18,17,634
Cash generated from Operations	26,33,707	38,93,749
Fringe Benefit Tax Paid (Net)	—	—
Net Cash from (used in) Operating Activities	26,33,707	38,93,749
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Tangible Assets	55,162	80,103
Purchase/Sale of Investment	15,08,485	(1,33,838)
Interest Income	8,25,126	4,87,013
Dividend Income	46,175	1,33,838
Net Cash from (used in) Investing Activities	24,34,948	5,67,116
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(1,117)	(2,649)
Net Cash from (used in) Financing Activities	(1,117)	(2,649)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	50,67,538	44,58,216
Cash & Cash Equivalents at the beginning of the year	81,29,716	36,71,500
Cash & Cash Equivalents at the end of the year	1,31,97,254	81,29,716
Cash and Cash Equivalents include :		
Cash in Hand	4,862	7,304
With Scheduled Banks in -		
Current Accounts	69,776	42,188
S.B.I. A/C KCMP School	1,543	5,621
Short Term Deposit	1,31,21,073	80,74,603
Bank Overdraft	—	—
	1,31,97,254	81,29,716

As per our Report of even date.

For R K D S & ASSOCIATES
Firm Registration No. 309091E
Chartered Accountants

R. K. Duggar
(Partner)
Membership No. 016384
Kolkata, 27th May, 2015

S. K. Sinha
Manager (CEO)
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B. N. Kedia
Company Secretary

Surendra Kumar Birla *Chairman*
Jayant Sogani
Uma Shankar Asopa
Suparna Hingorani *Directors*

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL 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).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of preparation :

- i) 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.
- ii) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis and have been prepared to comply with the accounting standards notified under the relevant provisions of the Companies Act, 2013.
- iii) 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.
- iv) The previous year's figures have been regrouped or reclassified wherever necessary to conform to the current year's presentation.

2.2 Tangible Assets :

- i) Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.
- ii) Subsequent expenditures related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss in the year of retirement or disposal.

2.3 Depreciation :

Depreciation on Fixed Assets is provided on the basis of useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

2.4 Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Statement of Profit & Loss Account.

2.5 Investments :

Investments that are readily realizable and are intended to be held for not more than one year from date, on which such investments are made, are classified as current investments and are carried at cost or fair value, whichever is lower.

2.6 Other Income :

- i) **Interest** : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- ii) **Dividend** : Dividend income is recognized when the right to receive dividend is established.
- iii) Custodial Charges and all other incomes are recognized on accrual basis.

2.7 Employee Benefits :

i) Short Term Employee Benefits :

Short Term Employee Benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

ii) Provident Fund :

Contributions towards Provident Funds are recognized as expense. Provident Fund contributions in respect of certain employees 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 to be made good by the Company.

The remaining Provident Fund contributions (for employees other than stated above) are made to government administered Provident Fund towards which the company has no further obligations beyond its monthly contributions.

iii) **Employees State Insurance :**

Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees are recognized as charge.

iv) **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 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.

v) **Leave Salary :**

Leave Salary, which are expected to be availed or encashed beyond 12 months from the end of the year 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 losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

2.8 **Current and Deferred Tax :**

No provisions have been made in these accounts 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 Alternate 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 recognised as there is reasonable uncertainty of sufficient future taxable income which may be available for its realisation.

2.9 **Provisions and Contingent Liabilities :**

i) **Provisions :**

Provisions are recognized when there is a present obligation as a result of a past event, 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 best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

ii) **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, is termed as a contingent liability.

2.10 **Cash and Cash Equivalents :**

In the cash flow statement, cash and cash equivalents include cash in hand, demand and term deposit with banks.

2.11 **Earnings Per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the, period after deducting any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.12 **Segment Reporting :**

In terms of Accounting Standard-17 pertaining to "Segment Reporting" segment information has not been given as the Company's activity falls within a single business segment.

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
3. SHARE CAPITAL		
Authorised :		
7,50,00,000 Equity Shares of ₹ 2/- each	15,00,00,000	15,00,00,000
Issued, Subscribed and Paid up :		
5,22,81,905 Equity Shares of ₹ 2/- each	10,45,63,810	10,45,63,810
Total	10,45,63,810	10,45,63,810

3.1 Reconciliation of number of shares

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Balance at the beginning of the year	5,22,81,905	10,45,63,810	5,22,81,905	10,45,63,810
Balance at the end of the year	5,22,81,905	10,45,63,810	5,22,81,905	10,45,63,810

3.2 Rights, Preferences and Restrictions attached to shares

Equity Shares : The Company has one class of equity shares having a par value of ₹ 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.

3.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Nos.	%	Nos.	%
Equity Shares :				
Kesoram Industries Ltd.	49,96,986	9.56	49,96,986	9.56
Deutsche Bank Trust Company Americas	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

3.4 Shares allotted as fully paid up pursuant to contract without payment being received in cash.

3.4.1 Out of Subscribed Capital, 5,22,81,870 shares have been allotted as fully paid up equity shares for consideration other than cash pursuant to Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court.

3.4.2 No Equity shares have been issued in the last 5 years under the Employee Stock Option Plan as consideration for services rendered by employees.

KESORAM TEXTILE MILLS LIMITED

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
4 RESERVES AND SURPLUS		
4.1 Capital Reserve		
Balance at the beginning of the year	7,31,078	7,31,078
Balance at the end of the year [a]	<u>7,31,078</u>	<u>7,31,078</u>
4.2 Profit and Loss Account		
Balance at the beginning of the year	(22,00,34,966)	(22,26,73,357)
Add : Profit/(Loss) for the year	40,68,599	26,38,391
Less: Short provision for depreciation relating to earlier years written-off	(6,50,740)	—
Balance at the end of the year [b]	<u>(21,66,17,107)</u>	<u>(22,00,34,966)</u>
Total [a+b]	<u>(21,58,86,029)</u>	<u>(21,93,03,888)</u>
5 LONG-TERM PROVISIONS		
Provision for Employee Benefits :		
Gratuity	2,91,43,724	3,04,97,206
Leave Salary	16,31,915	17,57,371
Total	<u>3,07,75,639</u>	<u>3,22,54,577</u>
6 SHORT-TERM BORROWINGS		
Secured :		
From others parties	—	9,55,00,000
From Bank	—	—
Unsecured		
From other parties	9,55,00,000	—
Deposit	1,12,765	1,18,690
Total	<u>9,56,12,765</u>	<u>9,56,18,690</u>
6.1 Nature of Security and terms of repayment for secured borrowings		
During the year Kesoram Industries Limited (KIL) has returned back the title deeds of land of an area 11,17,620 sq. ft at 42, Garden Reach Road, Kolkata 700024. Therefore henceforth the loan of ₹ 9,55,00,000 availed from KIL is unsecured.		
7 OTHER CURRENT LIABILITIES		
Other Payables	71,72,901	57,23,938
Total	<u>71,72,901</u>	<u>57,23,938</u>
7.1 Non-provision of Interest on Loan		
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 2015 is ₹ 20,37,07,008/- (Previous year ₹ 17,65,06,371/-)		
8. SHORT TERM PROVISIONS		
Gratuity	18,47,729	25,15,197
Leave Salary	1,64,097	4,48,355
Provision for Fringe Benefit Tax	21,140	21,140
Total	<u>20,32,966</u>	<u>29,84,692</u>

9 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	As at 31.03.2014	Additions during the year	Other Adjustments	Deletions/ Adjustments	As at 31.03.2014	For the year	On Deletions during the year	On Adjustments during the year	As at 31.03.2015	As at 31.03.2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
I. Tangible Assets:										
Land:										
- Freehold	9,25,417	—	—	—	1,77,417	—	—	—	1,77,417	7,48,000
- Leasehold	—	—	—	—	—	—	—	—	—	—
Buildings	1,98,87,228	—	—	—	1,59,89,793	79,009	1,06,914	—	1,61,75,716	38,97,435
Plant and Equipments	24,42,04,105	—	—	—	24,23,94,325	1,76,817	89,943	—	24,26,61,085	18,09,780
Furniture and Fixtures	23,47,418	—	—	1,54,754	23,16,983	—	1,47,016	14,427	21,84,394	30,435
Office Equipments	3,83,072	—	—	—	3,58,979	—	17,286	—	3,76,265	24,093
Others:										
Tube Wells	9,06,567	—	—	—	4,36,842	—	4,22,170	—	8,59,012	4,69,725
Total	26,86,53,807	—	—	1,54,754	26,16,74,339	2,55,826	1,47,016	6,50,740	26,24,33,889	60,65,164
Previous Year	26,93,03,951	—	—	6,50,144	26,19,21,853	3,70,126	6,17,640	—	26,16,74,339	73,82,098

NOTE :

1. Company is taking steps with the appropriate authority to obtain registration of land in its name acquired consequent upon the scheme of arrangement.
2. Pursuant to the enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated/ amortised over the revised/ remaining useful lives. The written down value of fixed assets whose lives have expired as at 1st April, 2014 have been adjusted from the retained earnings.

KESORAM TEXTILE MILLS LIMITED

Particulars	As at 31st March, 2015 ₹	As at 31st March, 2014 ₹
10 LONG-TERM LOANS & ADVANCES		
Unsecured, considered good		
a) Security Deposits	40,17,879	39,92,731
b) Other Loans and Advances Balance with Excise, Port Trust & Customs Authorities	<u>2,357</u>	<u>2,357</u>
Total	<u>40,20,236</u>	<u>39,95,088</u>
11 CURRENT INVESTMENTS		
[At cost or fair value whichever is less]		
UTI Liquid Fund (Quoted)	—	15,08,485
Total	—	<u>15,08,485</u>
Aggregate market value of quoted investment	—	<u>15,08,485</u>
12 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	4,862	7,304
Bank Balances		
In Current Accounts	69,776	42,188
Demand Deposits (less than 3 months maturity)		
Fixed Deposit with Allahabad Bank	—	—
Fixed Deposit with S.B.I. - KCMP School	—	—
Other Bank Balances		
State Bank of India A/c KCMP School	1,543	5,621
Long Term Deposits with maturity more than 3 months but less than 12 months		
Fixed Deposit with Allahabad Bank	1,17,80,484	70,68,520
Fixed Deposit with S.B.I. - KCMP School	7,98,909	4,64,403
Term Deposit Account (Pledged with Allahabad Bank)	<u>5,41,680</u>	<u>5,41,680</u>
Total	<u>1,31,97,254</u>	<u>81,29,716</u>
13 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Other Loans & Advances		
Advances	67,573	66,112
Advance Payment of FBT	19,310	19,310
Tax Deducted at Source	2,84,545	5,60,425
CENVAT & Service Tax Receivable	<u>3,66,069</u>	<u>3,58,503</u>
Total	<u>7,37,497</u>	<u>10,04,350</u>
14 OTHER CURRENT ASSETS		
Accrued Interest on Deposits	2,50,801	2,23,612
Rent Receivable	<u>1,100</u>	<u>1,100</u>
Total	<u>2,51,901</u>	<u>2,24,712</u>
15 CONTINGENT LIABILITIES		
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 :		
Relating to Central Excise demands	62,86,510	62,86,510
Pertaining to Employees State Insurance	11,98,269	11,98,269
Pertaining to Building Contractor	12,54,000	12,54,000
Guarantee: The Company has provided guarantee securing loan obtained by Kesoram Industries Ltd. to IndusInd Bank by mortgage of Company's land at 42, Garden Reach Road, Kolkata.	500,00,00,000	—
Claims from workers have not been acknowledged as debts and not provided for as it is not possible to estimate such claims.		

KESORAM TEXTILE MILLS LIMITED

Particulars	Year ended	Year ended
	31st March, 2015	31st March, 2014
	₹	₹
16 OTHER INCOME		
Custody Charges Received	66,00,000	66,00,000
Rent Received	3,53,419	2,95,205
Interest Income :		
- On Bank & Other Deposits	8,25,126	4,87,013
Dividend Income	46,175	1,33,838
Liabilities no longer required written back	8,700	—
Income from Sale of Scrap	58,06,877	37,31,282
Miscellaneous Income	2,05,457	4,12,166
Profit on Sale of Fixed Assets (Net)	47,424	47,599
Total	1,38,93,178	1,17,07,103
17 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	30,49,033	33,53,076
Contribution to Provident and Other Funds [Refer Note (a) below]	3,50,124	3,26,220
Gratuity [Refer Note (b) below]	(16,42,863)	7,60,420
Contribution under E.S.I. Scheme	19,316	21,983
Staff Welfare Expenses	5,76,482	5,23,605
Total	23,52,092	49,85,304
a. Defined Contribution Plans		
Amount recognised in the Statement of Profit and Loss		
Contribution to Provident Fund	3,40,863	3,19,864
Contribution to W.B. Labour Welfare Fund	60	72
Contribution to D.L.I.	9,201	6,284
Contribution to E.S.I.	19,316	21,983
Total	3,69,440	3,48,203
b. Defined Benefit Plan		

Gratuity : The Company operates a gratuity plan in the form of an unfunded scheme. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, which ever is earlier. The benefits vest after five years of continuous service.

Leave Salary : The leave salary encashment provisions is unfunded. Leave accruing to an employees during the year is credited to the employee's benefit account and accumulated as per the rules of the Company. It becomes payable upon retirement of the employee or separation from the Company whichever is earlier.

NOTE 17 (Contd.)

i. Present Value of Defined Benefit Obligation

Particulars	Gratuity		Leave Salary	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	₹	₹	₹	₹
i. Present Value of Obligation at the beginning of the year	3,30,12,403	3,22,77,188	22,05,726	18,94,846
Current Service Cost	11,79,998	12,84,236	28,556	5,037
Interest Cost	25,55,441	27,10,649	1,69,049	1,66,615
(Benefits Paid)	(3,78,087)	(25,205)	(2,62,140)	(3,250)
Actuarial (Gain) / Loss	(53,78,302)	(32,34,465)	(3,45,179)	1,42,478
Present Value of obligation at the end of the year	3,09,91,453	3,30,12,403	17,96,012	22,05,726
ii. Fair Value of Plan Asset				
Balance at the beginning of the year	—	—	—	—
Benefits Paid	—	—	—	—
Actuarial (Gain) / Loss	—	—	—	—
Balance at the end of the year	—	—	—	—
iii. Assets and Liabilities recognised in the Balance Sheet				
Present Value of Defined Benefit Obligation	3,09,91,453	3,30,12,403	17,96,012	22,05,726
Less : Fair Value of Plan Assets	—	—	—	—
Amount recognised as Liability	3,09,91,453	3,30,12,403	17,96,012	22,05,726
Recognised under:				
Long Term Provisions [Refer Note 5]	2,91,43,724	3,04,97,206	16,31,915	17,57,371
Short Term Provisions [Refer Note 8]	18,47,729	25,15,197	1,64,097	4,48,355
iv. Expense recognised in the Statement of Profit and Loss				
Current Service Cost	11,79,998	12,84,236	28,556	5,037
Interest Cost	25,55,441	27,10,649	1,69,049	1,66,615
Expected return on Plan Assets	—	—	—	—
Actuarial Gains/(Losses)	(53,78,302)	(32,34,465)	(3,45,179)	1,42,478
Total Expense	(16,42,863)	7,60,420	(1,47,574)	3,14,130
v. Actuarial Assumptions				
Mortality Table	IALM (2006-08)	LICI 1994-96	IALM (2006-08)	LICI 1994-96
	ULT.		ULT.	
Superannuation Age	58	58	58	58
Attrition Rate	10 per thousand	10 per thousand	10 per thousand	10 per thousand
	p.a. 6 above	p.a. 6 above	p.a. 6 above	p.a. 6 above
	age 45	age 45	age 45	age 45
	3 between 29	3 between 29	3 between 29	3 between 29
	and 45	and 45	and 45	and 45
	1 below	1 below	1 below	1 below
	age 29	age 29	age 29	age 29
Discount Rate (per annum)	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Return on Assets	—	—	—	—
Inflation Rate	6.00% p.a.	6.00% p.a.	6.00% p.a.	6.00% p.a.
Remaining Working Life	9 Year	10 Year	9 Year	10 Year

The estimates of future salary increases considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

KESORAM TEXTILE MILLS LIMITED

NOTE 17 (Contd.)

vi. Amount recognised in the current year and previous four years

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012
	₹	₹	₹	₹
Gratuity				
Defined Benefit Obligation	3,09,91,453	3,30,12,403	3,22,77,188	3,22,80,614
Plan Assets	—	—	—	—
Surplus/Deficit	3,09,91,453	3,30,12,403	3,22,77,188	3,22,80,614
Leave Salary				
Defined Benefit Obligation	17,96,012	22,05,726	18,94,846	18,44,878
Plan Assets	—	—	—	—
Surplus/Deficit	17,96,012	22,05,726	18,94,846	18,44,878

	Year ended 31st March, 2015	Year ended 31st March, 2014
	₹	₹
18 FINANCE COSTS		
Interest on Overdraft	1,117	2,649
Total	1,117	2,649

18.1 Interest on Loan taken from Kesoram Industries Ltd.

The Company has not provided for interest of ₹ 2,72,00,637/- for the year ended 31st March, 2015 on loan taken from Kesoram Industries Limited (Previous year ₹ 2,47,27,852/-). The above interest has been calculated @ 10% p.a. as the revised terms of interest on loan are under negotiation.

	Year ended 31st March, 2015	Year ended 31st March, 2014
	₹	₹
19 OTHER EXPENSES		
Repairs		
– Building	1,93,467	5,09,234
– Others	45,918	60,884
Insurance	51,451	39,566
Rates and Taxes	8,42,476	8,43,045
Directors Fees	28,500	23,000
AGM & Annual Report Expenses	42,69,074	9,19,968
Payment to Auditors		
– As Auditor	54,500	49,700
– Tax Audit Fee	11,000	10,000
– Other Services	53,700	50,100
Miscellaneous Expenses	16,65,458	12,05,136
Total	72,15,544	37,10,633

KESORAM TEXTILE MILLS LIMITED

Particulars	Year ended 31st March, 2015 ₹	Year ended 31st March, 2014 ₹
19.1 Payment to Auditors as :		
Auditor		
– Statutory Audit Fees	54,500	49,700
– Tax Audit Fee	11,000	10,000
– Other Services	53,700	50,100
Total	1,19,200	1,09,800

20 EARNINGS PER SHARE

Basic & Diluted EPS

Profit after Tax	40,68,599	26,38,391
Weighted average number of shares outstanding	5,22,81,905	5,22,81,905
Basic & Diluted EPS	0.078	0.050
Face Value per Share	2	2

21 LEASES

As a Lessee :

The Company has taken Plant and Machineries on lease valuing ₹ 132.40 Lacs (Previous Year: ₹ 132.40 lacs) on the basis of fixed non cancellable period of sixty months from the date of commencement of the lease with an option for yearly renewal for a further period of five years after the expiry of fixed non-cancellable period. Lease for Plant and Machineries valuing ₹ 132.40 Lacs (Previous Year : ₹ 132.40 lacs) are yet to be renewed after the expiry of fixed non-cancellable period.

22 RELATED PARTY DISCLOSURES

Related Party	Relationship	Transactions
Shri S. K. Sinha	Manager (CEO)	Remuneration (including contribution to Provident Fund, perquisites etc.) paid ₹ 23,74,234/- (₹ 20,43,565/-)
Shri S. K. Choubey	Chief Financial Officer	Remuneration (including contribution to Provident Fund, perquisites etc.) paid ₹ 9,62,761/- (₹ 8,67,739/-)

The Notes are an integral part of the Financial Statements.

As per Report of even date.

For R K D S & ASSOCIATES

Firm Registration No. 309091E
Chartered Accountants

R. K. Duggar
(Partner)

Membership No. 016384
Kolkata, 27th May, 2015

S. K. Sinha
Manager (CEO)
S. K. Choubey
Chief Financial Officer
B. N. Kedia
Company Secretary

Surendra Kumar Birla Chairman
Jayant Sogani
Uma Shankar Asopa
Suparna Hingorani 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 : sharedepartment@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

16th ANNUAL GENERAL MEETING ON 2ND SEPTEMBER 2015

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

I/We hereby record my/our presence at the 16th Annual General Meeting of the Company held on Wednesday, 2nd September, 2015 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

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

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

PROXY FORM

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

16th ANNUAL GENERAL MEETING ON 2ND SEPTEMBER 2015

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

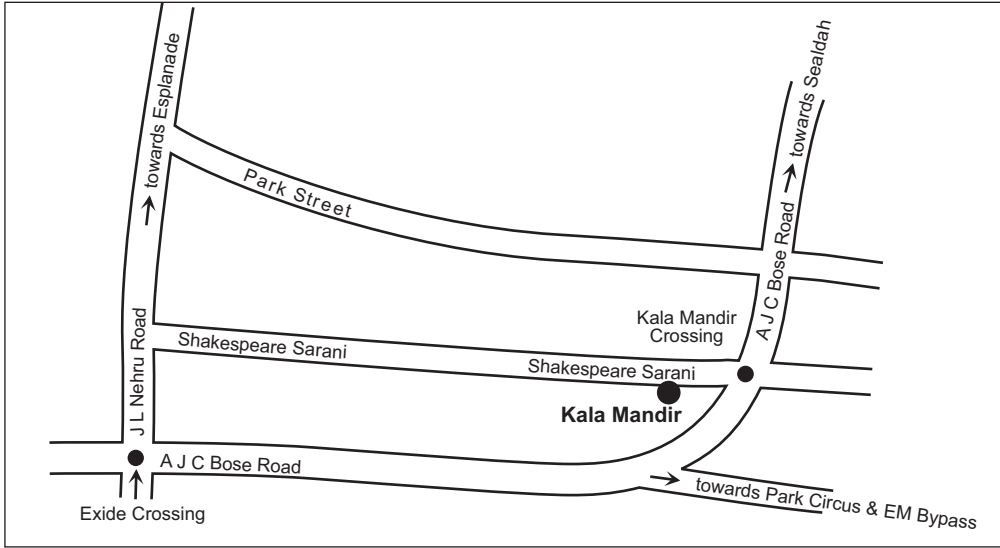
I/We being the member(s) of _____ shares of the above named Company, hereby appoint :

- (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 16th Annual General Meeting of the Company, to be held on Wednesday, 2nd day of September, 2015 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 below:

Route Map of AGM Venue

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



Resolution No.	Resolution Proposed	Please tick (✓)
1	Adoption of Annual Financial Statement for the year ended 31st March 2015.	
2	Approval to the re-appointment of Shri Uma Shankar Asopa, Director retiring by rotation.	
3	Approval to the appointment of Statutory Auditors.	
4	Approval to the appointment of Smt Suparna Hingorani as Independent Director.	
5	Approval to the re-appointment of Shri S K Sinha as Manager.	
6	Approval to new set of Articles of Association.	

Signed this _____ day of _____ 2015.

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.

2. For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the 16th Annual General Meeting dated 27th May, 2015.

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.