



ANNUAL REPORT & ACCOUNTS  
2015-16



**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



## 17th ANNUAL REPORT & ACCOUNTS 2015-16

### **Board of Directors**

Shri Surendra Kumar Birla - *Chairman*  
Shri Jayant Sogani  
Shri Uma Shankar Asopa  
Smt. Suparna Hingorani (*till 31st January, 2016*)  
Smt. Sarat Priya Patjoshi (*w.e.f. 4th February, 2016*)

### **Key Managerial Personnel**

Shri Sanjay Kumar Sinha, *Manager*  
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 Seventeenth Annual General Meeting of KESORAM TEXTILE MILLS LIMITED will be held at 11 AM on Thursday, 8th September, 2016 at "Kala-Kunj" (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata -700 017, to transact the following business :

### GENERAL BUSINESS

1. To consider and adopt the audited Financial Statements consisting of the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date, the Report of the Auditors thereon and the Report of the Board of Directors of the Company for the year ended 31st March, 2016.
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 of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 21st Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution** :

**"RESOLVED THAT** pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, APS Associates, Chartered Accountants, having Firm's Registration No: 306015E be and are hereby appointed as the Auditors of the Company ("New Auditors") in place of the retiring Auditors RKDS & Associates, Chartered Accountants, (Firm's Registration No. 309091E), who have completed their maximum permissible statutory term at this meeting, and the New Auditors shall hold office from the conclusion of this 17th Annual General Meeting for a term of consecutive five years till conclusion of the 21st Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorised to fix such remuneration on advice of the Audit Committee in consultation with the New Auditors, in addition to reimbursement of out-of-pocket expenses and taxes, if any, as may be incurred in connection with the audit of the accounts of the Company."

### SPECIAL BUSINESS

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

4. **"RESOLVED THAT** Smt. Sarat Priya Patjoshi (DIN 06620290), 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."

Registered Office :  
42, Garden Reach Road  
Kolkata 700 024  
Dated : 30th May, 2016.

By Order of the Board

**B. N. Kedia**  
Company Secretary

**Notes:**

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

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

2. Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in relation to special business in the Notice of this Annual General Meeting ("AGM") is annexed hereto and forms part of this Notice.
3. The Register of Members shall remain closed from 2nd September, 2016 to 8th September, 2016 (both days inclusive).
4. (i) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date i.e. 1st September, 2016** only shall be entitled to avail the facility of either remote e-Voting or voting at the AGM through Ballot Paper.  
(ii) Persons, who have acquired Shares and become Members of the Company after the despatch of the Notice for the AGM, but before the **cut-off date**, will follow instructions given under Serial No. 18.
5. The Notice of the Meeting will also be available on the Company's website [www.kesoramtextiles.com](http://www.kesoramtextiles.com) and the website of Central Depository Services (India) Limited ("CDSL") at [www.evotingindia.com](http://www.evotingindia.com).
6. **Members holding shares in physical form are requested to notify change of address**, if any, along with address proof i.e. self-attested copy of Voter Identity Card, Electricity/Telephone Bill, Driving License or a copy of the Passport, Aadhar 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.
7. In case the mailing address mentioned on the envelope of this Annual Report is either without Pin Code or with incorrect Pin Code, Members are requested to advise the correct Pin Code to the **Share Department of the Company / Registrar and Share Transfer Agent** or the respective **Depository Participant(s)**, as the case may be, immediately, for speedier delivery of documents in future.
8. (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 2015-16, 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 Agents/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 2015-16, 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 / Registrars and Share Transfer Agents or from the Website of the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).
13. a) **Members desirous of getting any information in relation to the Company's Annual Report 2015-16 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 bonafides. Till such claim, as per Clause 5 All of the Listing Agreement with The Calcutta Stock Exchange Ltd. ("CSE")/Para E in Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on such shares shall remain frozen.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. 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**.

## KESORAM TEXTILE MILLS LIMITED

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16. As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars relating to appointment and reappointment of Directors are given in the Corporate Governance Section of the Annual Report and forms the part of this Notice.
17. As per Section 108 of the Companies Act 2013 read with Companies (Management and Administration) Amendment Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 effective 19th March, 2015 and Regulation 44 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 :
- i) the items of business set out in the attached Notice are to be transacted also through the electronic voting system from a place other than the venue of the Meeting (“remote e-Voting”) under an arrangement with Central Depository Services (India) Limited (“CDSL”), as specified more fully in the instructions under Serial No. 18, provided that once the vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.
  - ii) the facility for voting through ballot paper shall also be made available at the Annual General Meeting and members attending the Meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the Meeting.
  - iii) the members who have cast their vote by remote e-Voting prior to the Meeting may also attend and participate in the Meeting but shall not be entitled to cast their vote again.
18. The instructions for members to vote electronically are as under:-
- (i) The voting period begins from 9.00 AM on **Monday, 5th September, 2016** and ends at 5.00 PM on **Wednesday on 7th September, 2016**. 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”)** 1st September, 2016, 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, shall be able 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
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (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:

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

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



(xix) Note for Institutional Shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI) 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](mailto: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](mailto:helpdesk.evoting@cdslindia.com)** and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- Institutional Shareholders (i.e., other than individual, HUF, NRI) are required also to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote through email at **[sharedepartment@kesoramtextiles.com](mailto:sharedepartment@kesoramtextiles.com)** or **[salil.banerjee@gmail.com](mailto:salil.banerjee@gmail.com)** with a copy marked to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**.

(xx) 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](http://www.evotingindia.com)** under “Help” section or write an email to **[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)**. For any query relating to the Resolutions proposed to be passed at the ensuing Annual General Meeting (AGM), it may be addressed to Shri B N Kedia, Company Secretary at email: **[sharedepartment@kesoramtextiles.com](mailto:sharedepartment@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), a Practising Company Secretary has been appointed as the Scrutinizer for the voting and remote e-Voting process being conducted in a fair and transparent manner.
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 backside of the Attendance Slip in the Annual Report 2015-16.

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

**Item Number 4**

Smt. Sarat Priya Patjoshi (DIN 06620290) aged about 51 years was appointed Additional Independent Director of the Company at Board Meeting held on 4th February, 2016. The appointment was made based upon recommendation by 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. Patjoshi 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. Patjoshi 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 Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Smt. Patjoshi, not being a retiring Director, her name has been proposed by a Member along with a requisite deposit. The deposit shall be refunded should Smt. Patjoshi 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 Seventeenth Annual General Meeting.

The Board is of the opinion that it would be in the interest of the Company to appoint Smt. Patjoshi 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. Patjoshi does not hold any share in the Company, her brief particulars and other details are contained in the Report on Corporate Governance Section which shall be deemed as disclosure under Secretarial Standard - 2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Smt. Patjoshi 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.

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. Patjoshi should be deemed concerned or interested in the Resolution pertaining to her appointment. Neither other Directors nor Key Managerial Personnel 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.

Registered Office :  
42, Garden Reach Road  
Kolkata 700 024  
Dated : 30th May, 2016.

By Order of the Board  
  
**B. N. Kedia**  
*Company Secretary*

## REPORT OF THE DIRECTORS

### For the year ended 31st March, 2016

The Board presents its Seventeenth Annual Report and the Audited Financial Statement of the Company for the year ended 31st March, 2016.

#### FINANCIAL RESULTS

<u>Particulars</u>	<u>31st March, 2016</u>	<u>31st March, 2015</u>
	(₹)	(₹)
Other Income	<u>87,62,334</u>	<u>1,38,93,178</u>
Profit before Depreciation	<u>18,42,869</u>	<u>43,24,425</u>
Depreciation	<u>(2,55,830)</u>	<u>(2,55,826)</u>
Profit for the year	<u>15,87,039</u>	<u>40,68,599</u>
Less :		
Loss brought forward from Last Account	<u>21,66,17,107</u>	<u>22,00,34,966</u>
Depreciation for earlier years written off	<u>—</u>	<u>6,50,740</u>
Loss Carried to Balance Sheet	<u>21,50,30,068</u>	<u>21,66,17,107</u>

#### DIVIDEND

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

#### SHARE CAPITAL

The Paid-up Equity Capital as on 31st March, 2016 was 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 because of 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 continue. 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 have 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, 2016 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;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) Proper 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(i) to the Notes to Financial Statement is self explanatory and needs no further explanation in this regard.

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

Corporate Governance Report 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 the Listing Agreement with CSE and Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached as **Annexure I** of this Report.

The Management Discussion & Analysis is attached as **Annexure II** to this 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 CSE and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Smt. Sarat Priya Patjoshi (DIN 06620290) was appointed Additional Independent Director during the year under report. Smt. Patjoshi 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 Seventeenth Annual General Meeting as per the provisions of Section 149 of the Act.

All Independent Directors have given the requisite declarations that they meet the Independent Director's criteria as laid down under Section 149(6) of the Act and the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

In compliance with Section 203 of the Act, the Company has Shri S K Sinha as Chief Executive Officer, Shri S K Choubey as Chief Financial Officer and Shri B N Kedia as Company Secretary.

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

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

The Board met four times during the Financial Year 2015-16. 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 134(3)(e) of the Act, the text of the Policy is attached as **Annexure III** to this Report.

#### **AUDIT COMMITTEE**

The Board's Audit Committee comprises 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 fees to Directors and remuneration to Key Managerial Personnel as disclosed in Item No. 21 of Notes to Financial Statements.

As required under Clause 49 of the Listing Agreement with CSE and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 favouring Axis Trustee Services Ltd., trustee for various holders of Non-Convertible Debentures of ₹ 430 Crores issued by Camden Industries Limited, an unlisted Company, upon obtaining approvals, as were necessary. Except the above, the Company has not given any 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 2015-16.

#### **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 the Listing Agreement with CSE and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a codified Whistle Blower Policy which is hosted on its website ([www.kesoramtextiles.com](http://www.kesoramtextiles.com)).

#### **AUDITORS**

R K D S & Associates (Firm Regn. No. 309091E), Chartered Accountants, the Auditors of the Company, retire at the forthcoming Annual General Meeting. As they have completed the maximum permissible term of ten years as prescribed under Section 139 of the Act read with Rule 6 of the Companies (Audit & Auditors) Rules, 2014, they have shown unwillingness to continue as the Statutory Auditors of the Company. The Board recommends APS Associates, Chartered Accountants (Firm Regn. No. 306015E) to be appointed as Statutory Auditors on recommendation of Audit Committee for a period of 5 years in the forthcoming Annual General Meeting in place of R K D S & Associates.

#### **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 2015-16.

The Report of the Secretarial Auditor is attached in **Annexure IV** to this Report.

#### **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 because of 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

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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 of during the Financial Year 2015-16 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	Corporate Governance Report together with Certificate from Statutory Auditor on Compliance thereof and Certificate from Manager (CEO) under Clause 49(II)(E)(2) of the Listing Agreement with CSE.
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 : 30th May, 2016

**Surendra Kumar Birla** *Chairman*

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



**CORPORATE GOVERNANCE REPORT**

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, 2016:**

As on 31st March, 2016, 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/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of composition are as follows:

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

\*\* 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 and Regulation 26 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

# Resigned on 31st January, 2016.

## Appointed as Additional Independent Director by the Board on 4th February, 2016.

**Attendance of Directors at Meetings held during the Financial Year 2015-16:**

Four Board Meetings were held during the Financial Year ended 31st March, 2016 - on 27th May, 2015, 29th July, 2015, 6th November, 2015 and 4th February, 2016.

The attendance of each Director at these Meetings and at the Sixteenth Annual General Meeting ("AGM") held on 2nd September, 2015 was as follows :

Member	Attendance	
	No. of Board Meetings	AGM
Shri Surendra Kumar Birla	4	Yes
Shri Jayant Sogani	4	Yes
Shri Uma Shankar Asopa	4	No
Smt Suparna Hingorani	3	Yes
Smt Sarat Priya Patjoshi	0	N.A.

No remuneration or commission was payable or paid to any Director during the Financial Year 2015-16 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 2015-16 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 ([www.kesoramtextiles.com](http://www.kesoramtextiles.com)).

### 3. AUDIT COMMITTEE

#### Terms of Reference

The Audit Committee has been mandated with the terms of reference as specified in the Clause 49 of the Listing Agreement with CSE and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference also conform to the requirements of Section 177 of the Act.

#### Composition, Name of Members and Chairman

As on 31st March, 2016, 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 27th May, 2015, 29th July, 2015, 6th November, 2015 and 4th February, 2016 during the Financial Year ended 31st March, 2016.

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)

- The Statutory Auditors R K D S & Associates, Chartered Accountants.
  - Shri Sanjay Kumar Sinha, Manager under the Act and Shri S. K. Choubey, Chief Financial Officer.
- Shri Surendra Kumar Birla, Chairman of the Audit Committee, is a veteran of the textile industry with over four decades of rich experience and has expert knowledge in finance and accounting. Shri Jayant Sogani is a qualified engineer and has a Masters in Management Studies. His expertise in finance, accounting and management 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, accounts and control. All Members of the Committee are, therefore, financially literate. Shri Surendra Kumar Birla, Chairman of the Committee, attended the last Annual General Meeting held on 2nd September, 2015.

### 4. NOMINATION AND REMUNERATION COMMITTEE

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

The Committee met three times during the Financial Year 2015-16 on 27th May, 2015, 6th November, 2015 and 4th February, 2016.

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

Members	No. of Meetings attended
Shri Jayant Sogani, Chairman	3
Shri Surendra Kumar Birla	3
Shri Uma Shankar Asopa	3



## KESORAM TEXTILE MILLS LIMITED

The terms of reference of the 'Nomination and Remuneration Committee of Directors' cover all the areas mentioned under Section 178 of the Act and Clause 49(IV) of the revised Listing Agreement with CSE/ Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Nomination and Remuneration Policy :** The Policy, as recommended by the Nomination and Remuneration Committee of Directors, 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 2015-16 :

Sl.No.	Name of Directors	Sitting Fees paid for	
		Board Meetings (₹)	Committee Meetings* (₹)
1	Shri Surendra Kumar Birla	4,000	6,000
2	Shri Jayant Sogani	4,000	4,000
3	Shri Uma Shankar Asopa	4,000	5,500
4	Smt Suparna Hingorani **	3,000	—
5	Smt Sarat Priya Patjoshi***	—	—
	<b>Total</b>	<b>15,000</b>	<b>15,500</b>

\* includes Meeting of Independent Directors

\*\*Resigned on 31st January, 2016

\*\*\* Appointed as Additional Independent Director by the Board on 4th February, 2016.

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

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

### 5. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Agreement with CSE and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 4th February, 2016 to review the performance of Non-independent Director and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Before the implementation of the Companies Act, 2013, the Company had two Shareholder related Committees viz "Share Transfer Committee of Directors" and "Shareholders'/Investors' Grievance Committee of Directors". The Board, re-constituted the "Stakeholders Relationship Committee" in place of the existing aforementioned two shareholder related committees. The terms of reference of this Committee are as envisaged in Section 178 of the Act as well as Clause 49 of the Listing Agreement with CSE / Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee met four times during the Financial Year 2015-16 on 27th May, 2015, 29th July, 2015, 6th November, 2015 and 4th February, 2016. 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	4
Shri Uma Shankar Asopa	4

Shri B. N. Kedia, the Company Secretary, is the Compliance Officer under the Listing Agreement with CSE/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**i) Complaints received from Shareholders and redressed during the Financial Year 2015-16 :**

Nature of Grievances	Complaints received from				Total complaints received during 2015-16	Total complaints redressed	No. of grievances pending as on 31.03.2016
	Investors directly	Stock Exchanges	SEBI Scores	ROC			
Non-receipt of Dividend/Interest/ Redemption Warrant(s)	6	Nil	Nil	Nil	6	6	Nil
Non-receipt of Share/Debenture Certificate(s)	4	Nil	1	Nil	5	5	Nil
Non-Receipt of Duplicate Share/ Debenture Certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Demat related grievance(s)	15	Nil	Nil	Nil	15	15	Nil
Non-receipt of Annual Report(s)	4	Nil	Nil	Nil	4	4	Nil
<b>TOTAL</b>	<b>29</b>	<b>Nil</b>	<b>1</b>	<b>Nil</b>	<b>30</b>	<b>30</b>	<b>Nil</b>

**ii) Details of outstanding Shares in the Unclaimed Suspense Account as on 31st March, 2016 :**

Particulars	Aggregate No. of Shareholders	No. of Outstanding Shares lying in the Unclaimed Suspense Account
a) As on 1st April, 2015	4,812	1,85,870
b) Shareholders approached for transfer/delivery during 2015-16	6	283
c) Shareholders approached for transfer/delivery pending compliance of verification process during 2015-16	4	268
d) Shares transferred/delivered during the year 2015-16 (b-c)	2	15
e) Balance as on 31st March, 2016 (a-d)	4,810	1,85,855

**7. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

This programme has been formulated to make Independent Directors familiar with the Company's corporate operations, the dimension of its business, the industry in which the business operates, the business model and their own roles and responsibilities vis-à-vis the Board and the Company. In familiarising Independent Directors with corporate operations, dimensions of business and their own roles and responsibilities, the Company blends each Director's specific skills, acumen and competencies with the Company's requirements to enable integrated Board functioning. The process is continuous and is made to manifest itself at various Committee Meetings where Key Management Personnel, in the course of presentations, explain business operation and management process. The familiarisation programme is available on the website of the Company under the weblink <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 (16th)	2nd September, 2015	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.
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.

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

Shri Sanjay Kumar Sinha was re-appointed Manager under the Companies Act, 2013 effective 1st April, 2015 to 31st March, 2018. This was approved through a Special Resolution at the Annual General Meeting held on 2nd September, 2015. Except the above, no other Special Resolution has been passed at the last three Annual General Meetings.

**(C) Special Resolution through Postal Ballot passed in FY 2015-16:** Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with Clause 22 of the Companies (Management and Administration) Rules, 2014, no Resolution was passed through Postal Ballot.

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

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

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

As per requirement of Clause 49(VIII)(E)(1) of the Listing Agreement with CSE / Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profiles of Shri Uma Shankar Asopa and Smt Sarat Priya Patjoshi are as under :

- i) **Shri Uma Shankar Asopa (DIN 00305010)**, aged about 63 years is a Bachelor of Science and a Fellow Member of The Institute of Chartered Accountants of India. His experience in the areas of Accounts, Finance and Control is wide and varied and spans over three decades. He is Director of Kudra Investment & Trading Company Ltd., Vasavadatta Services Ltd., Bizari Veneer & Saw Mills Ltd., Aditya Marketing & Manufacturing Ltd., Jwalamukhi Investment & Trading Company Ltd., SNP Investment & Trading Company Ltd., Panchmukhi Investment & Trading Company Ltd., Vasavadatta Investment & Trading Company Ltd. and Kesoram Insurance Broking Services Ltd. He is a member of Audit Committee, Asset Liability Management Committee, Risk Committee and Nomination 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 Sarat Priya Patjoshi (DIN 06620290)** has a Masters Degree in English along with a B. Ed. qualification. She has also undertaken a diploma course in Journalism and Mass Communication. With over 25 years of experience in the field of education and administrative matters, she is presently associated with the Ashok Hall Group of Schools. She is an Independent Director of The Rameshwara Jute Mills Limited. She does not have any shareholding in 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 that had potential conflict with the Company's interest. Material transactions [as defined in Clause 49 of the Listing Agreement with CSE / Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] with Key Managerial Personnel of the Company with regard to their remuneration (as given in Item 21 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/passed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
5. The Company has in place a mechanism to inform Board Members about risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management. In view of Paragraph 4.1 of SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014, no Risk Management Committee has been constituted since it is not covered by the requirements of the above-mentioned Paragraph.
6. The Company does not have any subsidiary.
7. Independent Directors have confirmed to the Company that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with CSE / Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have jointly issued a certificate pursuant to the provisions of Clause 49IX of the Listing Agreement with CSE / Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.
9. The Company has adopted Whistle Blower Policy which has been placed on the website of the Company at the weblink <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 CSE / Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2015-16 contains a audit qualification and emphasis of matter 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 Independent Director and his position is separate from that of the CEO.
  - e. Reporting of Internal Auditor: The Internal Auditor carries out his work under the guidance of the Audit Committee.

#### 11. MEANS OF COMMUNICATION

- |  |   |   |
|--|---|---|
| — Quarterly Results  | : | The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved by the Board of Directors of the Company are forwarded to the Calcutta Stock Exchange Ltd. |
| — Which newspaper(s) normally published  | : | Business Standard (English)<br>Dainik Statesman (Bengali)   |
| — Any website where displayed  | : | <a href="http://www.kesoramtextiles.com">www.kesoramtextiles.com</a>  |
| — Whether it also displays official news releases                              | : | Official news releases, if any, are also displayed on the website.  |
| — Whether presentations made to Institutional Investors or to Analyst          | : | No presentation was made to Institutional Investors or Analysts during the Financial Year 2015-16.  |
| — Whether Management Discussion and Analysis Report is a part of Annual Report | : | Yes   |

**12. GENERAL SHAREHOLDER INFORMATION**

- i) **Next Annual General Meeting :**  
 Date : 8th September, 2016 (Thursday)  
 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** : 2nd September, 2016 to 8th September, 2016 (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 2016-17 of the Exchange has been paid by the Company.
- vii) **ISIN No. for the Company's Equity Share in Demat Form** : INE880A01017
- viii) **Depository Connectivity** : National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)
- ix) (a) **Stock Market Price Data :**  
 The Company is listed only on the Calcutta Stock Exchange Ltd. There was no trading in the Company's shares during the Financial Year 2015-16.
- (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 Ltd. during the financial year 2015-16, performance in comparison to broad-based indices is not possible.
- x) **Registrar and Share Transfer Agent :**  
 MCS Share Transfer Agent Limited, CIN : U67120WB2011PLC165872 (Unit: Kesoram Textile Mills Ltd.), Regd. Office: 12/1/5, Manoharpukur Road, Kolkata 700 026, Phone Nos.: +91-33-4072 4051 to 4054 Fax No. +91-33-4072 4050, E-mail : mcssta@rediffmail.com
- xi) **Share Transfer System :**  
 Subject to documentation being in order, transfer requests of Equity Shares lodged with the Company/Registrar in physical form are processed 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, 2016 :**

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

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Promoters	18	0.02	1,33,10,956	25.46
Banks/ Mutual Funds and Insurance Cos.	69	0.06	73,92,005	14.14
Foreign Institutional Investors	6	0.01	82,16,007	15.71
NRI/OCB's	260	0.23	7,10,918	1.36
Enemy Property	5	-	1,942	-
Private Bodies Corporate	1,114	1.00	67,16,726	12.85
Individuals	1,09,764	98.68	1,55,08,957	29.66
Unclaimed Suspense Account	1	-	1,85,855	0.36
Shares in Transit	-	-	2,38,539	0.46
<b>Total</b>	<b>1,11,237</b>	<b>100.00</b>	<b>5,22,81,905</b>	<b>100.00</b>

## KESORAM TEXTILE MILLS LIMITED

### b) According to Number of Equity Shares held :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-100	92,248	82.93	32,67,997	6.25
101-200	10,032	9.02	15,26,502	2.92
201-500	5,474	4.92	18,98,802	3.63
501-1000	1,799	1.62	13,97,887	2.67
1001-5000	1,321	1.19	27,89,413	5.34
5001-10000	172	0.15	12,75,816	2.44
10001 & above	191	0.17	3,98,86,949	76.29
Shares in transit	-	-	2,38,539	0.46
<b>Total</b>	<b>1,11,237</b>	<b>100.00</b>	<b>5,22,81,905</b>	<b>100.00</b>

- xiii) **Dematerialisation of Shareholding and liquidity** : Over 88.93% of the Company's Equity Shares are dematerialised as on 31st March, 2016.
- xiv) **Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity** : Not Applicable
- xv) **Insider Trading**  
The Code of Internal Procedure & Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, continues to be effective 15th May 2015.
- xvi) **Plant Locations** : The Company has a Textile Mill located at 42, Garden Reach Road, Kolkata 700 024
- xvii) **Address for Correspondence**
- a) **For routine matters :**  
Any assistance regarding Share transfers and transmissions, change of Address, duplicate/missing Share Certificates, dematerialisation and other matters, may be directed to the Share Department of the Company or Registrar and Share Transfer Agent at the address given below :
- |   |    |   |
|---|----|---|
| Share Department,<br>Kesoram Textile Mills Limited<br>9/1, R. N. Mukherjee Road,<br>Kolkata-700 001.<br>Phone No.: +91-33-2243-7121<br>Fax No. +91-33-2210-9455<br>E-mail : sharedepartment@kesoramtextiles.com | Or | MCS Share Transfer Agent Limited<br>(Unit: Kesoram Textile Mills Ltd.)<br>12/1/5, Manoharpukur Road,<br>Kolkata 700 026, Phone Nos.: +91-33-4072 4051 to 4054<br>Fax No. +91-33-4072 4050<br>E-mail : mcssta@rediffmail.com |
|---|----|---|
- b) **For Redressal of Complaints and Grievances :**  
The Secretary,  
Kesoram Textile Mills Limited, 9/1, R.N. Mukherjee Road, Kolkata-700 001.  
Telephone No.+91-33-2243-5453, 2242-9454; Fax No.+91-33-2210-9455  
E-mail : sharedepartment@kesoramtextiles.com

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

A Certificate has been issued by the CEO (Manager of the Company) and CFO as required under Clause 49(IX) of the Listing Agreement with CSE/Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## KESORAM TEXTILE MILLS LIMITED

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### 14. COMPLIANCE CERTIFICATE FROM STATUTORY AUDITORS

The Company has obtained a Certificate from Statutory Auditors confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with CSE/Schedule V Para C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kolkata Dated : 30th May, 2016	<b>S. K. Sinha</b> <i>Manager (CEO)</i>	<b>Surendra Kumar Birla</b>	<i>Chairman</i>
	<b>S. K. Choubey</b> <i>Chief Financial Officer</i>	<b>Jayant Sogani</b>	<i>Directors</i>
	<b>B. N. Kedia</b> <i>Company Secretary</i>	<b>Uma Shankar Asopa</b> <b>Sarat Priya Patjoshi</b>	

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### DECLARATION

All the Board members and the Senior Management Personnel have affirmed their compliance of the “**Code of Conduct for Members of the Board and Senior Management**” during the period from 1st April, 2015 to 31st March, 2016 in terms of Clause 49(II)(E)(2) of the Listing Agreement with The Calcutta Stock Exchange Limited/ Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Kolkata  
Dated : 11th April, 2016

**Sanjay Kumar Sinha**  
*Chief Executive Officer*

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### 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, 2016, as stipulated in revised Clause 49 of the Listing Agreement with Stock Exchange and as per Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(2) of the said Listing Regulations.

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 with 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.

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

**R. K. Duggar**  
*Partner*

Membership No. 016384

Kolkata  
30th May, 2016

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**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.

Kolkata Dated : 30th May, 2016	<b>S. K. Sinha</b> <i>Manager (CEO)</i>	<b>Surendra Kumar Birla</b>	<i>Chairman</i>
	<b>S. K. Choubey</b> <i>Chief Financial Officer</i>	<b>Jayant Sogani</b>	<i>Directors</i>
	<b>B. N. Kedia</b> <i>Company Secretary</i>	<b>Uma Shankar Asopa</b> <b>Sarat Priya Patjoshi</b>	

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## 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, 2016**

**[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** ('the Company') Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2016** 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 till 14th May, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 from 15th May, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT);
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT) and

## KESORAM TEXTILE MILLS LIMITED

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- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 1st December, 2015;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (w.e.f. July, 2015).  
(ii) The Listing Agreement entered into by the Company with CALCUTTA STOCK EXCHANGE till 30th November, 2015.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

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

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

Place : Kolkata  
Date : 30th May, 2016

SALIL BANERJEE  
FCS-2288; CP-1140

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### ANNEXURE I

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

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

1. Employees' Provident Fund Act, 1952 and Rules,
2. Professional Tax Act, 1975 and Rules,
3. Apprentices Act, 1961,
4. Contract Labour (R&A) Act, 1970,
5. Employees State Insurance Act, 1947,
6. Minimum Wages Act, 1948,
7. Payment of Bonus Act, 1965,
8. Central Excise Act and Rules including CENVAT Rules,
9. West Bengal Shops and Establishments Act and Rules,

## KESORAM TEXTILE MILLS LIMITED

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10. The West Bengal State Tax On Professions, Trades, Callings And Employments Act & Rules,
  11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act And Rules, 2013,
  12. Water (Prevention & Control of Pollution) Act, 1974,
  13. Water (Prevention & Control of Pollution) Cess Act and Rules,
  14. Payment of Wages Act, 1936,
  15. The West Bengal Tax on Entry of Goods Into Local Areas Act And Rules,
  16. West Bengal Value Added Tax Act and Rules,
  17. The Industrial Disputes Act, 1947 And Rules,
  18. Central Sales Tax Act,
  19. Income Tax Act, 1961, and
  20. Finance Act, 1994
- 

### ANNEXURE A

To,

The Members

#### **KESORAM TEXTILE MILLS LIMITED**

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

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

Place : Kolkata  
Date : 30th May, 2016

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, 2016.

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 - 0.04:1 Shri Jayant Sogani - 0.03:1 Shri Uma Shankar Asopa - 0.03:1 Smt. Suparna Hingorani - 0.01:1 Smt. Sarat Priya Patjoshi - 0.00:1
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in Financial Year.	<b>Directors :</b> Shri Surendra Kumar Birla - 5.26% Shri Jayant Sogani - 0.00 Shri Uma Shankar Asopa - 5.56% Smt. Suparna Hingorani - 50.00% Smt. Sarat Priya Patjoshi - 0.00 <b>Key Managerial Personnel :</b> Shri S K Sinha (Manager) - (4.00) Shri S K Choubey (CFO) - (3.19)
(iii)	The percentage increase in median remuneration of employees in the Financial Year	(16.10)% (Refer Note No. 1)
(iv)	The number of permanent employees on the rolls of Company	(Refer Note No. 2)
(v)	The explanation on the relationship between average increase in remuneration and Company performance.	Average increase in remuneration of employees is 2.06% for FY 2015-16 keeping in line with general increase in cost of living. The Company continued to be under suspension of work since 1999.
(vi)	Comparison of the remuneration of KMP against the performance of the Company.	The operations of the Company continued to remain suspended, the CFO was paid minimum 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 No. 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) 10.63%</p> <p>b) (3.77)%</p> <p>c) Since there being decrease hence not applicable.</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.	0.004:1.00 (Refer Note No. 4)
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes.

Figures shown in brackets represent negative.

Note 1 : Due to suspension of work in the Mill, only limited remuneration disbursement takes place and is restricted to essential staff. Consequently any retirement during the year distorts the 'median'. The average decrease in remuneration is about 15%. 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 442 employees as on 31/03/2016.

Note 3 : Since there was no trading in shares during financial years 2014-15 & 2015-16, no share price is available.

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 2016**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS :**

(i)	CIN	L17114WB1999PLC089148
(ii)	Registration Date	1st April, 1999
(iii)	Name of the Company	KESORAM TEXTILE MILLS LIMITED
(iv)	Category/Sub-Category of the Company	Public Company
(v)	Address of the Registered Office and contact details	42, Garden Reach Road, Kolkata-700 024. Phone: (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-700 026 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				

KESORAM TEXTILE MILLS LIMITED

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held as on 1st April, 2015				No. of Shares held as on 31st March, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	129750	Nil	129750	0.25	112142	Nil	112142	0.22	(-) 0.03
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...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>13328564</b>	<b>Nil</b>	<b>13328564</b>	<b>25.49</b>	<b>13310956</b>	<b>Nil</b>	<b>13310956</b>	<b>25.46</b>	<b>(-) 0.03</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIs	-	-	-	-	-	-	-	-	-
e) Any Others...	-	-	-	-	-	-	-	-	-
<b>Sub-total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A)</b> <b>=(A)(1)+(A)(2)</b>	<b>13328564</b>	<b>Nil</b>	<b>13328564</b>	<b>25.49</b>	<b>13310956</b>	<b>Nil</b>	<b>13310956</b>	<b>25.46</b>	<b>(-) 0.03</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a) Mutual Funds	7746	90387	98133	0.19	7746	90387	98133	0.19	Nil
b) Banks/FIs	24007	15181	39188	0.07	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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>15443294</b>	<b>164718</b>	<b>15608012</b>	<b>29.85</b>	<b>15443294</b>	<b>164718</b>	<b>15608012</b>	<b>29.85</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	4426200	2262348	6688548	12.79	4424547	2262348	6686895	12.79	0.00
ii) Overseas	475644	90	475734	0.91	474144	90	474234	0.91	0.00
b) Individuals									
i) Individuals shareholders holding nominal share capital upto ₹ 1 lakh	9821179	3132774	12953953	24.78	9955185	3113714	13068899	24.99	(+)0.21
ii) Individuals shareholders holding nominal share capital excess of ₹ 1 lakh	2539558	238539	2778097	5.31	2440058	238539	2678597	5.12	(-) 0.19



KESORAM TEXTILE MILLS LIMITED

**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, 2015				No. of Shares held as on 31st March, 2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) NRI	226982	6027	233009	0.45	230657	6027	236684	0.45	0.00
ii) Enemy Property	-	1942	1942	0.01	1942	-	1942	0.01	0.00
iii) Trust	28176	-	28176	0.05	29831	-	29831	0.06	(+)0.01
iv) Unclaimed Suspense A/c	185870	-	185870	0.36	185855	-	185855	0.36	0.00
<b>Sub-total (B)(2)</b>	<b>17703609</b>	<b>5641720</b>	<b>23345329</b>	<b>44.66</b>	<b>17742219</b>	<b>5620718</b>	<b>23362937</b>	<b>44.69</b>	<b>(+)0.03</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>33146903</b>	<b>5806438</b>	<b>38953341</b>	<b>74.51</b>	<b>33185513</b>	<b>5785436</b>	<b>38970949</b>	<b>74.54</b>	<b>(+)0.03</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>46475467</b>	<b>5806438</b>	<b>52281905</b>	<b>100%</b>	<b>46496469</b>	<b>5785436</b>	<b>52281905</b>	<b>100%</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding as on 1st April, 2015			Shareholding as on 31st March, 2016			% 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	-	20490	0.039	-	(+)0.006
2	Smt. Sarala Devi Birla*	3350	0.006	-	-	-	-	(-)0.006
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	-	-	-	-	(-) 0.17
20	Smt. Avanti Birla	8497	0.016	-	-	-	-	(-) 0.16
21	Gwalior Finance Corporation Ltd.	152773	0.292	-	152773	0.292	-	0.00
	<b>Total</b>	<b>13328564</b>	<b>25.494</b>		<b>13310956</b>	<b>25.46</b>		<b>(-)0.033</b>

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

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, 2015		Shareholding as at 31st March, 2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Shri. Avani Birla	9111	0.017	-	-
2.	Smt. Avanti Birla	8497	0.016	-	-
	<b>Total</b>	<b>17608</b>	<b>0.033</b>	<b>-</b>	<b>-</b>

**(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, 2015		Shareholding as at 31st March, 2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Deutsche Bank Trust Company Americas	7041875	13.47	7041875	13.47
2	Life Insurance Corporation of India	4303715	8.23	4303715	8.23
3	National Insurance Company Ltd	1470378	2.81	1470378	2.81
4	Peregrine Capital Limited	1266000	2.42	1266000	2.42
5	Damani Estate and Finance Pvt Ltd	1088665	2.08	1088665	2.08
6	Rakesh Jhunjhunwala	1053835	2.02	1053835	2.02
7	HSBC Global Investment Funds A/C HSBC GI	1014882	1.94	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
	<b>Total</b>	<b>19408896</b>	<b>37.124</b>	<b>19408896</b>	<b>37.124</b>

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

Sl. No.	Name of the Shareholder	Shareholding as at 1st April, 2015		Shareholding as at 31st March, 2016	
		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	Smt Sarat Priya Patjoshi	0	0.000	0	0.000
6	Shri S K Sinha	0	0.000	0	0.000
7	Shri B N Kedia	0	0.000	0	0.000
8	Shri S K Choubey	8	0.000	8	0.000
	<b>Total</b>	<b>23824</b>	<b>0.0004</b>	<b>23824</b>	<b>0.0004</b>

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (1st April 2015)</b>				
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	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9,55,00,000</b>	<b>-</b>	<b>1,12,765</b>	<b>9,56,12,765</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	9,55,00,000	-	7,350	7,350
<b>Net Change</b>	<b>-</b>	<b>-</b>	<b>7,350</b>	<b>7,350</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	9,55,00,000	-	1,05,415	9,56,05,415
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9,55,00,000</b>	<b>-</b>	<b>1,05,415</b>	<b>9,56,05,415</b>

**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	18,06,872	18,06,872
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	1,07,159	1,07,159
	(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 - Gratuity	1,69,776 1,95,390	1,69,776 1,95,390
	<b>Total (A)</b>	<b>22,79,197</b>	<b>22,79,197</b>
	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	10,000	8,000	18,000
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
<b>Total (I)</b>	<b>10,000</b>	<b>8,000</b>	<b>18,000</b>

**II. Other Non-Executive Directors**

Particulars of Remuneration	Name of Directors			Total Amount
	U S Asopa	S Hingorani	S P Patjoshi	(₹)
Fees for attending Board & Committee Meetings	9,500	3,000	Nil	12,500
Commission	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil
<b>Total (II)</b>	<b>9,500</b>	<b>3,000</b>	<b>Nil</b>	<b>12,500</b>
<b>Total B = (I)+(II)</b>				<b>30,500</b>
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	8,88,117	8,88,117
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	Nil	43,923	43,923
	(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	Nil	Nil
	- Gratuity		Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>9,32,040</b>	<b>9,32,040</b>

**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
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment					
Compounding					

**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, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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. 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, 2016 amounting to ₹ 2,99,20,701/- (Previous year - ₹ 2,72,00,637/-) has not been provided in these accounts. The aggregate interest on loan not provided till date is ₹ 23,36,27,709 /-(Previous year - ₹ 20,37,07,008/-) 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 ₹ 2,83,33,662/- as against the profit of ₹ 15,87,039/- 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, 2016 shown under the head "Reserves and Surplus would be ₹ 44,79,26,699/- (Previous year - ₹ 41,95,93,037 /-) as against ₹ 21,42,98,990/- (Previous year - ₹ 21,58,86,029/-) disclosed in these financial statements. Interest accrued on Secured Loan would amount to ₹ 23,36,27,709/- (Previous year - ₹ 20,37,07,008/-) 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 2016 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we annex herewith "**Annexure A**" on 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 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our 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 at the year end.

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

Kolkata, 30th May, 2016

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT****(Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirement" 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) Title deeds of land being 11,17,620 sq. ft. have been verified by us and it is held in the name of Kesoram Cotton Mills Limited.
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. The Company has granted a guarantee for ₹ 430 crores on behalf of Camden Industries Ltd. by giving its land of 11,17,620 sq. ft. which is valued at ₹ 7,48,000/- in the financial statements. The provisions of Section 186 of the Companies Act, 2013 has been duly complied with.
5. The Company has not accepted any deposits from the public, therefore para 3(v) of the Order is not applicable.
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, 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, 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. The Company did not have any outstanding dues to financial institutions, banks or debentures holders during the year.
9. No money is raised by way of initial public offer or further public offer (including debt instruments) and term loans. Therefore paragraph 3(ix) of the Order is not applicable.
10. No fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year.
11. No Managerial Remuneration has been paid or provided during the year. Accordingly paragraph (xi) of the Order is not applicable.
12. This is not a Nidhi Company; therefore paragraph (xii) of the Order is not applicable.
13. The transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The Company has not entered into any non-cash transactions with directors or persons concerned with him.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Kolkata, 30th May, 2016

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**ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143**  
**of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of KESORAM TEXTILE MILLS LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Kolkata, 30th May, 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No.	As at	As at
		31st March, 2016	31st March, 2015
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	10,45,63,810	10,45,63,810
Reserves and Surplus	4	(21,42,98,990)	(21,58,86,029)
<b>Non-current Liabilities</b>			
Long-term Provisions	5	2,92,19,375	3,07,75,639
<b>Current Liabilities</b>			
Short-term Borrowings	6	9,56,05,415	9,56,12,765
Other Current Liabilities	7	81,56,708	71,72,901
Short-term Provisions	8	10,73,228	20,32,966
<b>Total</b>		<b>2,43,19,546</b>	<b>2,42,72,052</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
- Tangible Assets	9	58,07,406	60,65,164
Long-term Loans and Advances	10	40,57,282	40,20,236
<b>Current Assets</b>			
Cash and Bank Balances	11	1,29,59,116	1,31,97,254
Short-term Loans and Advances	12	13,02,534	7,37,497
Other Current Assets	13	1,93,208	2,51,901
<b>Total</b>		<b>2,43,19,546</b>	<b>2,42,72,052</b>

Significant Accounting Policies and  
Notes to Accounts

1 to 21

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, 30th May, 2016

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

**Surendra Kumar Birla**  
**Jayant Sogani**  
**Uma Shankar Asopa**  
**Sarat Priya Patjoshi**

*Chairman*  
*Directors*

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

<u>Particulars</u>	<u>Note No.</u>	<u>Year ended</u> <u>31st March, 2016</u>	<u>Year ended</u> <u>31st March, 2015</u>
		₹	₹
<b>INCOME</b>			
Other Income	15	<u>87,62,334</u>	<u>1,38,93,178</u>
<b>Total Revenue</b>		<u>87,62,334</u>	<u>1,38,93,178</u>
<b>EXPENSES</b>			
Employee Benefits Expense	16	<u>16,92,759</u>	23,52,092
Finance Costs	17	<u>1,024</u>	1,117
Depreciation and Amortization Expense	9	<u>2,55,830</u>	2,55,826
Other Expenses	18	<u>52,25,682</u>	<u>72,15,544</u>
<b>Total Expenses</b>		<u>71,75,295</u>	<u>98,24,579</u>
<b>Profit/(Loss) before tax</b>		<u>15,87,039</u>	40,68,599
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	—
<b>Profit/(Loss) for the period</b>		<u>15,87,039</u>	<u>40,68,599</u>
<b>Earnings per Equity Share</b>	19		
(Nominal Value per Share ₹ 2/-)			
Basic		<u>0.030</u>	0.078
Diluted		<u>0.030</u>	0.078

Significant Accounting Policies and

Notes to Accounts 1 to 21

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, 30th May, 2016

**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**  
**Sarat Priya Patjoshi** Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before tax &amp; extraordinary items</b>	<b>15,87,039</b>	<b>40,68,599</b>
<b>Adjustments for :</b>		
Depreciation	2,55,830	2,55,826
Profit on Sale of Tangible Assets	(5,431)	(47,424)
Interest Paid	1,024	1,117
Interest Income	(11,22,541)	(8,25,126)
Dividend Income	—	(46,175)
<b>Operating Profit before Working Capital Changes</b>	<b>7,15,921</b>	<b>34,06,817</b>
<b>Adjustments for :</b>		
Changes in Receivables	(5,43,390)	2,14,516
Changes in Payables	(15,39,545)	(9,87,626)
<b>Cash generated from Operations</b>	<b>(13,67,014)</b>	<b>26,33,707</b>
Fringe Benefit Tax Paid (Net)	—	—
<b>Net Cash from (used in) Operating Activities</b>	<b>(13,67,014)</b>	<b>26,33,707</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Tangible Assets	7,359	55,162
Purchase/Sale of Investment	—	15,08,485
Interest Income	11,22,541	8,25,126
Dividend Income	—	46,175
<b>Net Cash from (used in) Investing Activities</b>	<b>11,29,900</b>	<b>24,34,948</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(1,024)	(1,117)
<b>Net Cash from (used in) Financing Activities</b>	<b>(1,024)</b>	<b>(1,117)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A + B + C)</b>	<b>(2,38,138)</b>	<b>50,67,538</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>1,31,97,254</b>	<b>81,29,716</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,29,59,116</b>	<b>1,31,97,254</b>
<b>Cash and Cash Equivalents include :</b>		
Cash in Hand	7,985	4,862
Cheque in Hand	22,874	—
With Scheduled Banks in -		
Current Accounts	6,816	69,776
S.B.I. A/C KCMP School	7,530	1,543
Short Term Deposit	1,29,13,911	1,31,21,073
Bank Overdraft	—	—
	<b>1,29,59,116</b>	<b>1,31,97,254</b>

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, 30th May, 2016

**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**      Directors  
**Sarat Priya Patjoshi**

## 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 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.

#### 2.6 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.

2.7 **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.

2.8 **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.

2.9 **Cash and Cash Equivalents :**

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

2.10 **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.

2.11 **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 FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	As at	
	31st March, 2016	31st March, 2015
	₹	₹
<b>3. SHARE CAPITAL</b>		
<b>Authorised :</b>		
7,50,00,000 Equity Shares of ₹ 2/- each	<u>15,00,00,000</u>	<u>15,00,00,000</u>
<b>Issued, Subscribed and Paid up :</b>		
5,22,81,905 Equity Shares of ₹ 2/- each	<u>10,45,63,810</u>	<u>10,45,63,810</u>
<b>Total</b>	<u>10,45,63,810</u>	<u>10,45,63,810</u>

**3.1 Reconciliation of number of shares**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	Nos.	%	Nos.	%
<b>Equity Shares :</b>				
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, 2016 ₹	As at 31st March, 2015 ₹
<b>4 RESERVES AND SURPLUS</b>		
<b>4.1 Capital Reserve</b>		
Balance at the beginning of the year	7,31,078	7,31,078
<b>Balance at the end of the year [a]</b>	<b>7,31,078</b>	<b>7,31,078</b>
<b>4.2 Profit and Loss Account</b>		
Balance at the beginning of the year	(21,66,17,107)	(22,00,34,966)
Add : Profit/(Loss) for the year	15,87,039	40,68,599
Less: Short provision for depreciation relating to earlier years written-off	—	(6,50,740)
<b>Balance at the end of the year [b]</b>	<b>(21,50,30,068)</b>	<b>(21,66,17,107)</b>
<b>Total [a+b]</b>	<b>(21,42,98,990)</b>	<b>(21,58,86,029)</b>
<b>5 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits :		
Gratuity	2,71,83,933	2,91,43,724
Leave Salary	20,35,442	16,31,915
<b>Total</b>	<b>2,92,19,375</b>	<b>3,07,75,639</b>
<b>6 SHORT-TERM BORROWINGS</b>		
<b>Secured :</b>		
From others parties	—	—
From Bank	—	—
<b>Unsecured</b>		
From other parties	9,55,00,000	9,55,00,000
Deposit	1,05,415	1,12,765
<b>Total</b>	<b>9,56,05,415</b>	<b>9,56,12,765</b>
<b>6.1 Nature of Security and terms of repayment for secured borrowings</b>		
During the year 2014-15 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.		
<b>7 OTHER CURRENT LIABILITIES</b>		
Other Payables	81,56,708	71,72,901
<b>Total</b>	<b>81,56,708</b>	<b>71,72,901</b>
<b>7.1 Non-provision of Interest on Loan</b>		
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 2016 is ₹ 23,36,27,709/- (Previous year ₹ 20,37,07,008/-)		
<b>8. SHORT TERM PROVISIONS</b>		
Gratuity	9,77,339	18,47,729
Leave Salary	95,889	1,64,097
Provision for Fringe Benefit Tax	—	21,140
<b>Total</b>	<b>10,73,228</b>	<b>20,32,966</b>

9 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK		
	As at 31.03.2015	Additions during the year	Other Adjust- ments	Deletions/ Adjust- ments	As at 31.03.2016	As at 31.03.2015	For the year	On Deletions during the year	On Adjustments during the year	As at 31.03.2016	As at 31.03.2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
I. Tangible Assets:											
Land:											
- Freehold	9,25,417	—	—	—	9,25,417	1,77,417	—	—	—	7,48,000	7,48,000
- Leasehold	—	—	—	—	—	—	—	—	—	—	—
Buildings	1,98,87,228	—	—	—	1,98,87,228	1,61,75,716	79,010	—	—	36,32,502	37,11,512
Plant and Equipments	24,42,04,105	—	—	—	24,42,04,105	24,26,61,085	1,76,820	—	—	13,66,200	15,43,020
Furniture and Fixtures	21,92,864	—	—	38,544	21,54,120	21,84,394	—	36,616	—	6,342	8,270
Office Equipments	3,83,072	—	—	—	3,83,072	3,76,265	—	—	—	6,807	6,807
Others:											
Tube Wells	9,06,567	—	—	—	9,06,567	8,59,012	—	—	—	47,555	47,555
<b>Total</b>	26,84,99,053	—	—	38,544	26,84,60,509	26,24,33,889	2,55,830	36,616	—	58,07,406	60,65,164
Previous Year	26,86,53,807	—	—	1,54,754	26,84,99,053	26,16,74,339	2,55,826	1,47,016	6,50,740	60,65,164	69,79,468

NOTES :

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.

KESORAM TEXTILE MILLS LIMITED

Particulars	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
<b>10 LONG-TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured, considered good</b>		
a) Security Deposits	40,54,925	40,17,879
b) Other Loans and Advances Balance with Excise, Port Trust & Customs Authorities	2,357	2,357
<b>Total</b>	<u>40,57,282</u>	<u>40,20,236</u>
<b>11 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	7,985	4,862
Cheque in hand	22,874	—
<b>Bank Balances</b>		
In Current Accounts	6,816	69,776
<b>Other Bank Balances</b>		
State Bank of India A/c KCMP School	7,530	1,543
<b>Long Term Deposits with maturity more than 3 months but less than 12 months</b>		
Fixed Deposit with Allahabad Bank	1,11,94,012	1,17,80,484
Fixed Deposit with S.B.I. - KCMP School	11,78,219	7,98,909
Term Deposit Account (Pledged with Allahabad Bank)	5,41,680	5,41,680
<b>Total</b>	<u>1,29,59,116</u>	<u>1,31,97,254</u>
<b>12 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
<b>Other Loans &amp; Advances</b>		
Advances	1,42,044	67,573
Miscellaneous Bill	2,55,937	—
Advance Payment of FBT	—	19,310
Tax Deducted at Source	5,33,194	2,84,545
CENVAT & Service Tax Receivable	3,71,359	3,66,069
<b>Total</b>	<u>13,02,534</u>	<u>7,37,497</u>
<b>13 OTHER CURRENT ASSETS</b>		
Accrued Interest on Deposits	1,92,018	2,50,801
Rent Receivable	1,190	1,100
<b>Total</b>	<u>1,93,208</u>	<u>2,51,901</u>
<b>14 CONTINGENT LIABILITIES</b>		
Claims against the Company (in respect of which the Company's objection has either not been responded to or is under consideration of the concerned authorities) not acknowledged as debts and not provided for :		
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
<b>Guarantee:</b> 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
The Company has provided its KTML land at 42, Garden Reach Road, Kolkata-24 to Debenture Trustees for bonds issued by Camden Industries Limited aggregating to ₹ 430 crores.	430,00,00,000	—
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, 2016	31st March, 2015
	₹	₹
<b>15 OTHER INCOME</b>		
Custody Charges Received	66,00,000	66,00,000
Rent Received	3,85,024	3,53,419
Interest Income :		
- On Bank & Other Deposits	11,22,541	8,25,126
Dividend Income	—	46,175
Liabilities no longer required written back	—	8,700
Provision of Fringe Benefit Tax written back	21,140	—
Income from Sale of Scrap	2,83,925	58,06,877
Miscellaneous Income	2,43,617	2,05,457
Guarantee Commission Received	1,00,656	—
Profit on Sale of Fixed Assets	5,431	47,424
<b>Total</b>	<b>87,62,334</b>	<b>1,38,93,178</b>
<b>16 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus etc.	35,64,503	30,49,033
Contribution to Provident and Other Funds [Refer Note (a) below]	3,44,402	3,50,124
Gratuity [Refer Note (b) below]	(28,06,591)	(16,42,863)
Contribution under E.S.I. Scheme	23,784	19,316
Staff Welfare Expenses	5,66,661	5,76,482
<b>Total</b>	<b>16,92,759</b>	<b>23,52,092</b>
<b>a. Defined Contribution Plans</b>		
Amount recognised in the Statement of Profit and Loss		
Contribution to Provident Fund	3,30,471	3,40,863
Contribution to W.B. Labour Welfare Fund	54	60
Contribution to D.L.I.	13,877	9,201
Contribution to E.S.I.	23,784	19,316
<b>Total</b>	<b>3,68,186</b>	<b>3,69,440</b>
<b>b. Defined Benefit Plan</b>		
<b>Gratuity</b> : 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, whichever is earlier. The benefits vest after five years of continuous service.		
<b>Leave Salary</b> : 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.		

KESORAM TEXTILE MILLS LIMITED

NOTE 16 (Contd.)

**i. Present Value of Defined Benefit Obligation**

Particulars	Gratuity		Leave Salary	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	₹	₹	₹	₹
<b>i. Present Value of Obligation at the beginning of the year</b>	<b>3,09,91,453</b>	3,30,12,403	<b>17,96,012</b>	22,05,726
Current Service Cost	<b>10,19,891</b>	11,79,998	<b>16,403</b>	28,556
Interest Cost	<b>24,07,946</b>	25,55,441	<b>1,39,563</b>	1,69,049
(Benefits Paid)	<b>(23,590)</b>	(3,78,087)	<b>(1,45,562)</b>	(2,62,140)
Actuarial (Gain) / Loss	<b>(62,34,428)</b>	(53,78,302)	<b>3,24,915</b>	(3,45,179)
Present Value of obligation at the end of the year	<b>2,81,61,272</b>	3,09,91,453	<b>21,31,331</b>	17,96,012
<b>ii. Fair Value of Plan Asset</b>				
Balance at the beginning of the year	—	—	—	—
Benefits Paid	—	—	—	—
Actuarial (Gain) / Loss	—	—	—	—
Balance at the end of the year	—	—	—	—
<b>iii. Assets and Liabilities recognised in the Balance Sheet</b>				
Present Value of Defined Benefit Obligation	<b>2,81,61,272</b>	3,09,91,453	<b>21,31,331</b>	17,96,012
Less : Fair Value of Plan Assets	—	—	—	—
<b>Amount recognised as Liability</b>	<b>2,81,61,272</b>	3,09,91,453	<b>21,31,331</b>	17,96,012
<b>Recognised under:</b>				
Long Term Provisions [ Refer Note 5 ]	<b>2,71,83,933</b>	2,91,43,724	<b>20,35,442</b>	16,31,915
Short Term Provisions [ Refer Note 8 ]	<b>9,77,339</b>	18,47,729	<b>95,889</b>	1,64,097
<b>iv. Expense recognised in the Statement of Profit and Loss</b>				
Current Service Cost	<b>10,19,891</b>	11,79,998	<b>16,403</b>	28,556
Interest Cost	<b>24,07,946</b>	25,55,441	<b>1,39,563</b>	1,69,049
Expected return on Plan Assets	—	—	—	—
Actuarial Gains/(Losses)	<b>(62,34,428)</b>	(53,78,302)	<b>3,24,915</b>	(3,45,179)
<b>Total Expense</b>	<b>(28,06,591)</b>	(16,42,863)	<b>4,80,881</b>	(1,47,574)
<b>v. Actuarial Assumptions</b>				
Mortality Table	<b>IALM (2006-08)</b>	IALM (2006-08)	<b>IALM (2006-08)</b>	IALM(2006-08)
	<b>ULT.</b>	ULT.	<b>ULT.</b>	ULT.
Superannuation Age	<b>58</b>	58	<b>58</b>	58
Attrition Rate	<b>10 per thousand</b>	10 per thousand	<b>10 per thousand</b>	10 per thousand
	<b>p.a. 6 above</b>	p.a. 6 above	<b>p.a. 6 above</b>	p.a. 6 above
	<b>age 45</b>	age 45	<b>age 45</b>	age 45
	<b>3 between 29</b>	3 between 29	<b>3 between 29</b>	3 between 29
	<b>and 45</b>	and 45	<b>and 45</b>	and 45
	<b>1 below</b>	1 below	<b>1 below</b>	1 below
	<b>age 29</b>	age 29	<b>age 29</b>	age 29
Discount Rate (per annum)	<b>8.00% p.a.</b>	8.00% p.a.	<b>8.00% p.a.</b>	8.00% p.a.
Return on Assets	<b>N.A.</b>	N.A.	<b>N.A.</b>	N.A.
Inflation Rate	<b>5.00% p.a.</b>	6.00% p.a.	<b>5.00% p.a.</b>	6.00% p.a.
Remaining Working Life	<b>9 Year</b>	9 Year	<b>9 Year</b>	9 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 16 (Contd.)

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

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013
	₹	₹	₹	₹
<b>Gratuity</b>				
Defined Benefit Obligation	2,81,61,272	3,09,91,453	3,30,12,403	3,22,77,188
Plan Assets	—	—	—	—
<b>Surplus/Deficit</b>	<b>2,81,61,272</b>	<b>3,09,91,453</b>	<b>3,30,12,403</b>	<b>3,22,77,188</b>
<b>Leave Salary</b>				
Defined Benefit Obligation	21,31,331	17,96,012	22,05,726	18,94,846
Plan Assets	—	—	—	—
<b>Surplus/Deficit</b>	<b>21,31,331</b>	<b>17,96,012</b>	<b>22,05,726</b>	<b>18,94,846</b>

	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
<b>17 FINANCE COSTS</b>		
Interest on Overdraft	1,024	1,117
<b>Total</b>	<b>1,024</b>	<b>1,117</b>

17.1 Interest on Loan taken from Kesoram Industries Ltd.

The Company has not provided for interest of ₹ 2,99,20,701/- for the year ended 31st March, 2016 on loan taken from Kesoram Industries Limited (Previous year ₹ 2,72,00,637/-). The above interest has been calculated @ 10% p.a. as the revised terms of interest on loan are under negotiation.

	Year ended 31st March, 2016	Year ended 31st March, 2015
	₹	₹
<b>18 OTHER EXPENSES</b>		
Repairs		
– Building	47,823	1,93,467
– Others	66,919	45,918
Insurance	51,244	51,451
Rates and Taxes	8,66,816	8,42,476
Directors Fees	30,541	28,500
AGM & Annual Report Expenses	17,74,732	42,69,074
Retainership Charges	8,66,500	2,91,700
Custodial Fees	5,89,828	4,20,468
Fees to Registrar & Transfer Agent	1,50,376	1,50,000
Notification	1,02,457	1,11,039
Charges General	1,60,757	1,84,785
Payment to Auditors		
– As Auditor	60,300	54,500
– Tax Audit Fee	12,160	11,000
– Other Services	50,484	53,700
Miscellaneous Expenses	3,94,745	5,07,466
<b>Total</b>	<b>52,25,682</b>	<b>72,15,544</b>

## KESORAM TEXTILE MILLS LIMITED

Particulars	Year ended 31st March, 2016 ₹	Year ended 31st March, 2015 ₹
<b>18.1 Payment to Auditors as :</b>		
Auditor		
– Statutory Audit Fees	60,300	54,500
– Tax Audit Fee	12,160	11,000
– Other Services	50,484	53,700
<b>Total</b>	<b>1,22,944</b>	<b>1,19,200</b>

## 19 EARNINGS PER SHARE

### Basic & Diluted EPS

Profit after Tax	15,87,039	40,68,599
Weighted average number of shares outstanding	5,22,81,905	5,22,81,905
Basic & Diluted EPS	0.030	0.078
Face Value per Share	2	2

## 20 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.

## 21 RELATED PARTY DISCLOSURES

Related Party	Relationship	Transactions
Shri S. K. Sinha	Manager (CEO)	Remuneration (including contribution to Provident Fund, perquisites etc.) paid ₹ 22,79,197/- (₹ 23,74,234/-)
Shri S. K. Choubey	Chief Financial Officer	Remuneration (including contribution to Provident Fund, perquisites etc.) paid ₹ 9,32,040/- (₹ 9,62,761/-)

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, 30th May, 2016

**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**      | *Directors*

**Sarat Priya Patjoshi**      |



## 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

#### 17TH ANNUAL GENERAL MEETING ON 8TH SEPTEMBER, 2016

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 17th Annual General Meeting of the Company held on Thursday, 8th September, 2016 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]

#### 17TH ANNUAL GENERAL MEETING ON 8TH SEPTEMBER, 2016

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

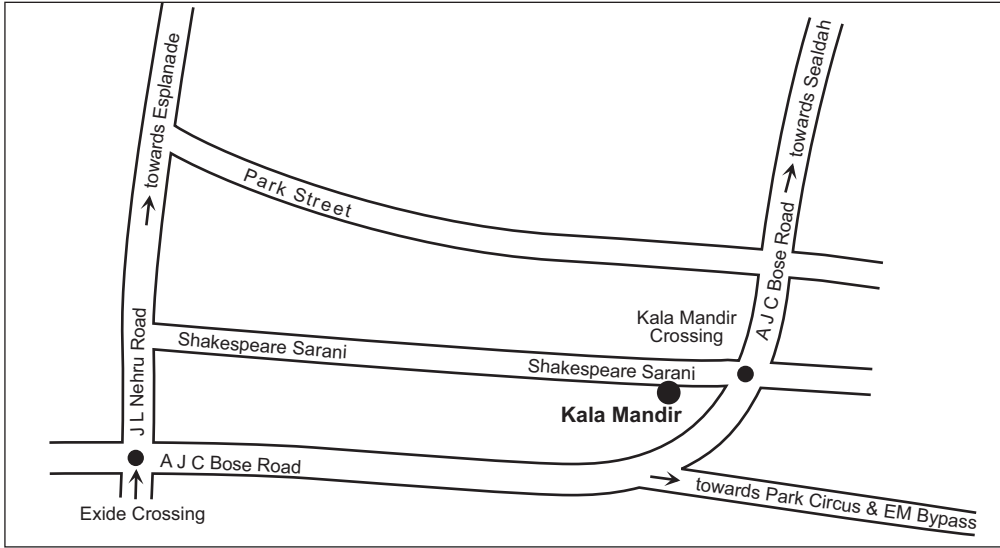
I/We being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint :

- (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 17th Annual General Meeting of the Company, to be held on Thursday, 8th day of September, 2016 at 11:00 A.M. at 'Kala-Kunj', 48, Shakespeare Sarani, Kolkata-700 017 and at any adjournment thereof in respect of such resolutions as is indicated overleaf:

### Route Map of AGM Venue

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



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Resolution No.	Resolution Proposed	Please tick (✓)
1	Adoption of Annual Financial Statements and Report of Auditors & Directors thereon for the year ended 31st March, 2016.	
2	Approval to the re-appointment of Shri Uma Shankar Asopa, Director retiring by rotation.	
3	Approval to the appointment of Statutory Auditors in place of retiring Auditors.	
4	Approval to the appointment of Smt Sarat Priya Patjoshi as Independent Director.	

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

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

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

Affix  
Revenue  
Stamp

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

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

2. For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the 17th Annual General Meeting dated 30th May, 2016.

## **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.