



ANNUAL REPORT & ACCOUNTS
2016-17



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



18th ANNUAL REPORT & ACCOUNTS 2016-17

Board of Directors

Shri Surendra Kumar Birla - *Chairman*

DIN: 00774279

Shri Jayant Sogani

DIN: 00121433

Shri Uma Shankar Asopa

DIN: 00305010

Smt. Sarat Priya Patjoshi

DIN: 06620290

Key Managerial Personnel

Shri Sanjay Kumar Sinha, *Manager (CEO)*

Shri B. N. Kedia, *Company Secretary*

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

Auditors

Messrs A P 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

Contents

	Page
Notice	2-8
Report of the Directors	9-12
Annexures (I to VI) to Directors' Report	13-34
Independent Auditors' Report	35-39
Balance Sheet	40
Statement of Profit & Loss	41
Cash Flow Statement	42
Notes (1 to 23)	43-52

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of KESORAM TEXTILE MILLS LIMITED will be held at 11 AM on Tuesday, 12th September, 2017 at "Kala-Kunj" (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata-700 017, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement consisting of Balance Sheet as at 31st March, 2017, Statement of Profit and Loss, 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 financial year ended 31st March, 2017.
2. To appoint Shri Uma Shankar Asopa (DIN: 00305010), as Director who retires by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to the approval of Members at the Company's Seventeenth Annual General Meeting, the Company hereby ratifies the appointment of APS Associates, Chartered Accountants, having Firm's Registration No: 306015E as Auditors of the Company to hold office from conclusion of this 18th Annual General Meeting until the conclusion of the Company's 19th Annual General Meeting, at a remuneration to be determined by the Board of Directors of the Company in addition to applicable tax and reimbursement of actual travelling and other out of pocket expenses incurred by them during the course of Audit."

SPECIAL BUSINESS

4. **To consider and, if thought fit, to pass the following as a Special Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the City Office of the Company viz. 9/1, R. N. Mukherjee Road, Kolkata 700 001, instead of the Registered Office of the Company;

RESOLVED FURTHER that the Board of Directors or any Committee thereof of the Company be and is hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto."

Registered Office :
42, Garden Reach Road
Kolkata 700 024
Dated : 25th May, 2017.

By Order of the Board

B. N. Kedia
Company Secretary

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

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

2. Pursuant to Section 102 of the Companies Act, 2013 ("the Act") the Explanatory Statement in relation to special business in the Notice of this Annual General Meeting ("AGM") is annexed hereto and forms part of this Notice.
3. The Register of Members shall remain closed from 6th September, 2017 to 12th September, 2017 (both days inclusive).
4. (i) A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the **cut-off date i.e. Tuesday, 5th September, 2017** only shall be entitled to avail the facility of either remote e-Voting or voting at the AGM through Ballot Paper.
(ii) Persons, who have acquired shares and become Members of the Company after the despatch of the Notice for the AGM, but before the **cut-off date**, will follow instructions given under Serial No.18.
5. The Notice of the Meeting will also be available on the Company's website **www.kesoramtextiles.com** and the website of Central Depository Services (India) Limited ("CDSL") at **www.evotingindia.com**.
6. **Members holding shares in physical form are requested to notify change of address**, if any, along with address proof of self i.e. self-attested copy of Voter Identity Card or Electricity or Telephone Bill, or driving license or a copy of the Passport or Aadhaar Card or Bank Statement to the **Share Department of the Company / Registrar and Share Transfer Agent** and, in case the shares are held in dematerialised form, then this information should be passed on to the respective Depository Participants and **not** to the Share Department of the Company / Registrar and Share Transfer Agent.
7. In case the mailing address mentioned on the envelope of this Annual Report is either without Pin Code or with incorrect Pin Code, Members are requested to advise the correct Pin Code to the **Share Department of the Company / Registrar and Share Transfer Agent** or the respective **Depository Participant(s)**, as the case may be, immediately, for speedier delivery of documents in future.
8. (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 and Members who hold shares in physical form are requested to intimate their e-mail address to the **Share Department of the Company / Registrar and Share Transfer Agent** for faster communication.
9. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Share Department of the Company / Registrar and Share Transfer Agent** enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for their own convenience.
10. Electronic copy of the Annual Report 2016-17, Notice of the aforesaid AGM, inter alia, indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form are being sent to all the Members whose e-mail IDs are registered with the Company's Registrar & Transfer Agent/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail IDs; physical copies of the said Annual Report 2016-17, Notice of the AGM along with Attendance Slip, Electronic Voting Particulars and Proxy Form are being sent at their registered addresses.
11. Corporate Members/AOPs are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
12. As per the provisions of the Act, the facility for making / varying / cancelling nominations is available to individuals holding shares in the Company. Nominations can be made in **Form-SH 13** and any variation/ cancellation thereof can be made by giving notice in **Form-SH 14**, prescribed under the Companies (Share Capital and Debentures) Rules, 2014 (as amended) for the purpose. The Forms can be obtained from the **Share Department of the Company / Registrar and Share Transfer Agent or from the Website of the Ministry of Corporate Affairs at www.mca.gov.in**.
13. a) **Members desirous of getting any information in relation to the Company's Annual Report 2016-17 are requested to address their query(ies) well in advance, i.e. at least 10 days before the Annual General Meeting to the Company Secretary to enable the Management to keep the information readily available at the Meeting.**
- b) Members holding shares in **Electronic Form** are requested to bring their **Depository ID Number and Client ID Number** to facilitate their identification for recording attendance at the forthcoming Annual General Meeting.
14. Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Till such claim, as per 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 PAN details to their Depository Participants with whom they maintain their Demat Accounts and Members holding shares in physical form should submit their PAN details to the **Company/ Registrar and Share Transfer Agent**.

16. As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars relating to appointment and reappointment of Directors are given in the Corporate Governance Section of the Annual Report and forms the part of this Notice.
17. As per Section 108 of the Companies Act, 2013 read with 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 number 18, provided that once the vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.
 - ii) the facility for voting through ballot paper shall also be made available at the Annual General Meeting and members attending the Meeting who have not already cast their vote by remote e-Voting shall be able to exercise their right at the Meeting.
 - iii) the members who have cast their vote by remote e-Voting prior to the Meeting may also attend and participate in the Meeting but shall not be entitled to cast their vote again.
18. The instructions for members to vote electronically are as under :-
 - (i) The voting period begins from **9 AM on Saturday, 9th September, 2017** and ends at **5 PM on Monday on 11th September, 2017**. 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”) 5th September, 2017**, 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:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'PASSWORD CREATION' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other 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**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the account(s), they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- Institutional Shareholders (i.e., other than individual, HUF, NRI) are required also to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote through email at **sharedepartment@kesoramtextiles.com** or **salil.banerjee@gmail.com** with a copy marked to **helpdesk.evoting@cdslindia.com**.

(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** under “Help” section or write an email to **helpdesk.evoting@cdslindia.com**. For any query relating to the Resolutions proposed to be passed at the ensuing Annual General Meeting (AGM), it may be addressed to Shri B N Kedia, Company Secretary at email: **sharedepartment@kesoramtextiles.com** or at 033-2243 7121.

19. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date**.
20. Shri Salil Banerjee, (ICSI CP Registration No. 1140), a Practising Company Secretary has been appointed as the Scrutinizer for the voting and remote e-Voting process being conducted in a fair and transparent manner.
21. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Ballot Paper for all those Members who are present at the AGM and have not cast their votes by availing the remote e-Voting facility.
22. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 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.
23. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after/ within two days from the declaration of result by the Chairman or the person authorized by him in writing. The results shall also be simultaneously communicated to the Calcutta Stock Exchange Limited.

24. On receipt of the requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
25. The Landmark and Route Map of the venue of the AGM is given on the backside of the Attendance Slip in the Annual Report 2016-17

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

Item Number 4

As required under the provisions of Section 94 of the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company. Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the city office of the Company.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommend the said resolution proposed vide Item No. 4 to be passed as Special Resolution by the members. None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the said 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 : 25th May, 2017

By Order of the Board

B. N. Kedia
Company Secretary

REPORT OF THE DIRECTORS**For the year ended 31st March, 2017**

The Board presents its Eighteenth Annual Report and the Audited Financial Statement of the Company for the year ended 31st March, 2017.

FINANCIAL RESULTS

Particulars	31st March, 2017	31st March, 2016
	(₹)	(₹)
Other Income	1,19,41,966	87,62,334
Profit before Depreciation	37,82,042	18,42,869
Depreciation	(2,55,825)	(2,55,830)
Profit for the year	35,26,217	15,87,039
Less :		
Loss brought forward from Last Account	21,50,30,068	21,66,17,107
Depreciation for earlier years written off	—	—
Loss Carried to Balance Sheet	21,15,03,851	21,50,30,068

DIVIDEND

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

SHARE CAPITAL

The Company has not, during the year under Report, issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares. The Paid-up Equity Capital as on 31st March, 2017 was ₹ 10.46 crores.

GENERAL REVIEW

“Suspension of Work” in the Mill continues from 5th January, 1999 due to labour problems on account of 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 did not bear fruit. Illegal blockading and barricading in front of the mill's gate continues. The conditions of the machines, factory sheds, buildings and other assets have further deteriorated for want of maintenance.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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, 2017 and profit of the Company for that period;
- (c) proper and sufficient care has been taken by the Directors for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 could not be finished. Note No. 7.1 to the Notes forming part of the Financial Statement explains the position and needs no further explanation in this regard. Emphasis of Matter in Auditors Report has been explained in Note 2.1 to the Notes forming part of the Financial Statement.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

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

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

In compliance with Section 203 of the Act, the Company 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 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 2016-17. Details of Meetings and the attendance of each Director is provided in the Report on Corporate Governance.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

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

AUDIT COMMITTEE

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

RELATED PARTY TRANSACTIONS

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

There were no materially significant related party transactions made during the period under review by the Company with Promoters, Directors or other designated persons which could conflict with the interest of the Company at large except payment of remuneration to Key Managerial Personnel and payment of sitting fees to Directors as disclosed in Item No. 21 of Notes to Financial Statement.

Pursuant to 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 are reviewed at subsequent Audit Committee Meetings.

The Policy on Related Party transactions as approved by the Board is given on the website of the Company and the weblink is <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 the Company's land situated at 42, Garden Reach Road, Kolkata favouring Axis Trustees Services Ltd., trustee for various holders of Non-Convertible Debentures of ₹ 340 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 2016-17.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

WHISTLE BLOWER POLICY

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

STATUTORY AUDITORS

APS Associates, Chartered Accountants (Firm Regn. No. 306015E) were appointed as Statutory Auditors in the 17th Annual General Meeting held on 08.09.2016 for a period of 5 years. Their appointment will, therefore, need ratification at the Company's forthcoming 18th Annual General Meeting for which an appropriate Resolution has been proposed.

SECRETARIAL AUDIT

The Board appointed Shri Salil Banerjee, Practising Company Secretary (ICSI CP Registration No. 1140) to audit the secretarial records of the Company in respect of the Financial Year 2016-17, pursuant to provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

COST AUDITOR

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

RISK MANAGEMENT AND SIGNIFICANT ORDERS

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

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

INTERNAL CONTROL SYSTEMS

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

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

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

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 Rules 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 HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place the requisite Internal Committees as envisaged in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. A summary of complaints received or disposed of during the Financial Year 2016-17 has been provided as under:-

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

EXTRACT FROM ANNUAL RETURN

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

ANNEXURES FORMING PART OF THIS REPORT

Annexure	Particulars
I	Report on Corporate Governance together with Certificate from Statutory Auditor on Compliance thereof and Certificate from Manager (CEO)
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.

Place : Kolkata
Dated : 25th May, 2017

Surendra Kumar Birla *Chairman*

Jayant Sogani

Uma Shankar Asopa

Sarat Priya Patjoshi

Directors

REPORT ON CORPORATE GOVERNANCE

Annexure I

1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is founded upon and structured on a rich legacy of principles and practices that 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, 2017:**

As on 31st March, 2017, the Company had four Directors. The composition of the Board complies with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations, 2015"). Details of composition are as follows:

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

* Excludes Kesoram Textiles Mills Limited, Private Limited Companies, Foreign Companies and Companies under Section 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 Regulation 26 (1) (b) of SEBI (LODR) Regulations, 2015.

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

Attendance of Directors at Meetings held during the Financial Year 2016-17:

Four Board Meetings were held during the Financial Year ended 31st March, 2017 - on 30th May, 2016, 6th August, 2016, 11th November, 2016 and 6th February, 2017.

The attendance of each Director at these Meetings and at the Seventeenth Annual General Meeting ("AGM") held on 8th September, 2016 was as follows:

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

No remuneration or commission was payable or paid to any Director during the Financial Year 2016-17 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 2016-17 have been received from all Board Members and Key Managerial Personnel (KMPs). No materially significant transaction took place during the Financial Year with Board Members and senior management executives, including their relatives that had or could have a potential conflict of interest with the Company except disclosed otherwise at para 10.2 of this Report.

The Code of Conduct is available on the website of the Company www.kesoramtextiles.com.

3. AUDIT COMMITTEE

Terms of Reference

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

Composition, Name of Members and Chairman

As on 31st March, 2017, the Audit Committee had four Non-Executive Directors of whom three were Independent Directors. Shri Surendra Kumar Birla, an Independent Director, is the Chairman of the Committee.

Four Meetings were held on 30th May, 2016, 6th August, 2016, 11th November, 2016 and 6th February, 2017 during the Financial Year ended 31st March, 2017.

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
Smt. Sarat Priya Patjoshi (<i>member w.e.f 11.11.2016</i>)	1

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

Invitees : (as and when considered necessary)

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

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

Shri Surendra Kumar Birla, Chairman of the Committee, attended the last Annual General Meeting held on 8th September, 2016.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been mandated with the terms of reference as specified in the Regulation 19 of the SEBI LODR Regulations, 2015. The terms of reference also conform to the requirements of Section 178 of the Act. As on 31st March, 2017, the "Nomination & Remuneration Committee of Directors" consisted of three Non-executive Directors of whom, two were Independent Directors. Shri Jayant Sogani is the Chairman of this Committee.

The Committee met two times during the Financial Year 2016-17 on 30th May, 2016 and 11th November, 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	2
Shri Surendra Kumar Birla	2
Shri Uma Shankar Asopa	2

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 Regulation 19 of the SEBI LODR Regulations, 2015.

Nomination and Remuneration Policy : The Policy, as recommended by the Nomination and Remuneration Committee of Directors, was accepted and adopted by the Board of Directors on 31st January, 2016. The Nomination and Remuneration Policy is given as an annexure to the Report of the Directors.

Details of Remuneration and Meeting Fees paid to Directors during the Financial Year 2016-17:

SI.No.	Name of Directors	Sitting Fees paid for	
		Board Meetings (₹)	Committee Meetings* (₹)
1	Shri Surendra Kumar Birla	3,000	5,500
2	Shri Jayant Sogani	4,000	3,500
3	Shri Uma Shankar Asopa	4,000	5,000
4	Smt Sarat Priya Patjoshi	4,000	1,000
	Total	15,000	15,000

* includes Meeting of Independent Directors.

No remuneration other than sitting fees 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, a separate Meeting of the Independent Directors of the Company was held on 6th February, 2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee met four times during the Financial Year 2016-17 on 30th May, 2016, 6th August, 2016, 11th November, 2016 and 6th February, 2017. 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 SEBI LODR Regulations, 2015.

i) Complaints received from Shareholders and redressed during the Financial Year 2016-17 :

Nature of Grievances	Complaints received from				Total complaints received during 2016-17	Total complaints redressed	No. of grievances pending as on 31.03.2017
	Investors directly	Stock Exchanges	SEBI Scores	ROC			
Non-receipt of Dividend/Interest/ Redemption Warrant(s)	3	Nil	Nil	Nil	3	3	Nil
Non-receipt of Share/Debenture Certificate(s)	2	Nil	Nil	Nil	2	2	Nil
Non-Receipt of Duplicate Share/ Debenture Certificate(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Demat related grievance(s)	9	1	Nil	Nil	10	10	Nil
Non-receipt of Annual Report(s)	9	1	Nil	Nil	10	10	Nil
TOTAL	23	2	Nil	Nil	25	25	Nil

ii) Details of Outstanding Shares in the Unclaimed Suspense Account as on 31st March, 2017 :

Particulars	Aggregate No. of Shareholders	No. of Outstanding Shares lying in the Unclaimed Suspense Account
a) As on 1st April, 2016	4,810	1,85,855
b) Shareholders approached for transfer/delivery during 2016-17	2	153
c) Shareholders approached for transfer/delivery pending compliance of verification process during 2016-17	2	153
d) Shares transferred/delivered during the year 2016-17 (b-c)	Nil	Nil
e) Balance as on 31st March, 2017 (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 (17th)	8th September, 2016	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.
AGM (16th)	2nd September, 2015	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.
AGM (15th)	20th September, 2014	Kala-Kunj, 48, Shakespeare Sarani, Kolkata 700 017	11.00 A.M.

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

Annual General Meeting held on 08.09.2016 - None

Annual General Meeting held on 02.09.2015 -

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

Annual General Meeting held on 20.09.2014 - None

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 2016-17 : Pursuant to Section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, no Resolution was passed through Postal Ballot.

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

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

9. DISCLOSURES REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

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

Shri Uma Shankar Asopa (DIN 00305010), aged about 64 years is a Bachelor of Science and a Fellow Member of The Institute of Chartered Accountants of India. His experience in the areas of Accounts & Finance and Control is wide and varied and spans over three decades. He is Director of Kudra Investment & Trading Company Ltd., Vasavadatta Services Ltd., Bizari Veneer & Saw Mills Ltd., Aditya Marketing & Manufacturing Ltd., Jwalamukhi Investment & Trading Company Ltd., SNP Investment & Trading Company Ltd., Panchmukhi Investment & Trading Company Ltd., Vasavadatta Investment & Trading Company Ltd. and Kesoram Insurance Broking Services Ltd. He is a member of Audit Committee, Asset Liability Management Committee, Risk Committee and Nomination & Remuneration Committee of Aditya Marketing & Manufacturing Ltd. He holds 600 shares of the Company and does not receive any remuneration from the Company except sitting fees for attending the Board and Committee meetings of the Company. He is not related to any Director or Key Managerial Personnel of the Company.

10. DISCLOSURES

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 web link is <http://www.kesoramtextiles.com/COMPANY/policy.html>.
2. As per requirements of Accounting Standard 18, transactions with Related Parties are disclosed appropriately in Notes to Accounts annexed to the Financial Statement. There are no materially significant transaction(s) with the Related Parties viz. Promoters or Directors or their relatives or Subsidiaries that had potential conflict with the Company's interest. Material transactions [as defined in Regulation 23 of SEBI LODR Regulations, 2015] with Key Managerial Personnel of the Company with regard to their remuneration (as given in Item No. 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 Regulation 16 (b) of the SEBI LODR Regulations, 2015.
8. The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have jointly issued a certificate pursuant to the provisions of / Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 certifying that the financial statement 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 web link <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 Part E of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with Stock Exchange is provided below :
 - a. Non-Executive Chairman's Office: The office of the Chairman is not maintained by the Company.
 - b. Shareholders' Rights: As the quarterly and half yearly financial performance are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.
 - c. Audit Qualifications: The Company's financial statement for the year 2016-17 contains an audit qualification which is addressed in the Directors' Report and Notes to Financial Statement of the year under reference.
 - d. Separate posts of Chairman and CEO: The Chairman of the Board is a Non-Executive Director and his position is separate from that of the CEO.
 - e. Reporting of Internal Auditor: The Internal Auditor carries out his work under the guidance of the Audit Committee.

11. MEANS OF COMMUNICATION

— Quarterly Results	:	The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved by the Board of Directors of the Company are forwarded to the Calcutta Stock Exchange Ltd.
— Which newspaper(s) normally published	:	Business Standard (English) Dainik Statesman (Bengali)
— Any website where displayed	:	www.kesoramtextiles.com
— Whether it also displays official news releases	:	Official news releases, if any, are also displayed on the website.
— Whether presentations made to Institutional Investors or to Analyst	:	No presentations were made to Institutional Investors or Analysts during the Financial Year 2016-17.
— Whether Management Discussion and Analysis Report is a part of Annual Report	:	Yes

12. GENERAL SHAREHOLDER INFORMATION

- i) **Next Annual General Meeting :**
 Date : 12th September, 2017 (Tuesday)
 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** : 6th September, 2017 to 12th September, 2017 (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 2017-18 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 2016-17.
- (b) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc. :**
 There being no trading in Company's shares at the Calcutta Stock Exchange Ltd. during the financial year 2016-17, performance in comparison to broad-based indices is not possible.
- x) **Registrar and Share Transfer Agent :**
 MCS Share Transfer Agent Limited, CIN : U67120WB2011PLC165872 (Unit: Kesoram Textile Mills Ltd.), Regd. Office: 12/1/5, Manoharpukur Road, Kolkata 700 026, Phone Nos.: +91-33-4072 4051 to 4054 Fax No. +91-33-4072 4050, E-mail : mcssta@rediffmail.com
- xi) **Share Transfer System :**
 Subject to documentation being in order, transfer requests of Equity Shares lodged with the Company/Registrar in physical form are processed not later than 15 days from the date of receipt. Individual share transfer requests in physical form are dealt with and approved at the level of authorised Executives. Thereafter, these are noted at the next Meeting of Stakeholders Relationship Committee. Transferred shares are despatched to the transferees immediately upon approval.
- xii) **Distribution of Shareholding as on 31st March, 2017 :**
- 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	296	0.27	7,24,189	1.39
Enemy Property	5	0.00	1,942	0.00
Private Bodies Corporate	1,158	1.04	67,13,425	12.84
Individuals	1,09,474	98.60	1,54,98,987	29.64
Unclaimed Suspense Account	1	-	1,85,855	0.36
Shares in Transit	-	-	2,38,539	0.46
Total	1,11,027	100.00	5,22,81,905	100.00

KESORAM TEXTILE MILLS LIMITED

b) According to Number of Equity Shares held :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1-100	92,016	82.88	32,57,694	6.23
101-200	10,046	9.05	15,28,340	2.92
201-500	5,476	4.93	18,98,864	3.63
501-1000	1,806	1.63	14,01,144	2.68
1001-5000	1,320	1.19	27,89,030	5.33
5001-10000	172	0.15	12,74,718	2.44
10001 & above	191	0.17	3,98,93,576	76.31
Shares in transit	-	-	2,38,539	0.46
Total	1,11,027	100.00	5,22,81,905	100.00

- xiii) **Dematerialisation of Shareholding and liquidity** : Over 88.97% of the Company's Equity Shares are dematerialised as on 31st March, 2017.
- xiv) **Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity** : Not Applicable
- xv) **Insider Trading**
The Code of Internal Procedure & Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, continues to be effective 15th May, 2015.
- xvi) **Plant Locations** : The Company has a Textile Mill located at 42, Garden Reach Road, Kolkata 700 024
- xvii) **Address for Correspondence**
- a) **For routine matters :**
Any assistance regarding Share transfers and transmissions, change of Address, duplicate/missing Share Certificates, dematerialisation and other matters, may be directed to the Share Department of the Company or to the Registrar and Share Transfer Agent at the address given below :
- | | | |
|--|----|---|
| Share Department,
Kesoram Textile Mills Limited
9/1, R. N. Mukherjee Road
Kolkata 700 001
Phone No.: +91-33-2243 7121
Fax No.: +91-33-2210 9455
E-mail : sharedepartment@kesoramtextiles.com | Or | MCS Share Transfer Agent Limited
(Unit: Kesoram Textile Mills Ltd.)
12/1/5, Manoharpukur Road, Kolkata 700 026
Phone Nos.: +91-33-4072 4051 to 4054
Fax No.: +91-33-4072 4050
E-mail : mcssta@rediffmail.com |
|--|----|---|
- b) **For Redressal of Complaints and Grievances :**
The Secretary,
Kesoram Textile Mills Limited, 9/1, R.N. Mukherjee Road, Kolkata 700 001
Telephone No.+91-33-2243 5453, 2242 9454; Fax No.+91-33-2210 9455
E-mail : sharedepartment@kesoramtextiles.com

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

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

KESORAM TEXTILE MILLS LIMITED

14. COMPLIANCE CERTIFICATE FROM PRACTICING COMPANY SECRETARY

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

Place : Kolkata Dated : 25th May, 2017	S. K. Sinha <i>Manager (CEO)</i>	Surendra Kumar Birla <i>Chairman</i>	
	S. K. Choubey <i>Chief Financial Officer</i>	Jayant Sogani	<i>Directors</i>
	B. N. Kedia <i>Company Secretary</i>	Uma Shankar Asopa Sarat Priya Patjoshi	

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, 2016 to 31st March, 2017 in terms of Para D of Schedule V of the SEBI LODR Regulations, 2015.

Place : Kolkata
Dated : 25th May, 2017

Sanjay Kumar Sinha
Chief Executive Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Kesoram Textile Mills Limited

We have examined all relevant records of KESORAM TEXTILE MILLS LIMITED for the purpose of certifying compliance of the conditions of Corporate Governance as per Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34 of the said Listing Regulations (Hereinafter, collectively referred to as the Listing Regulations) for the financial year ended on 31st March, 2017. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation thereof and was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced and explanations furnished, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

Place : Kolkata
Dated : 25th May, 2017

CS Kamal Kumar Sharma
Company Secretaries
Certificate of Practice No.4057
Membership No.FCS 3337

MANAGEMENT DISCUSSION AND ANALYSIS

Annexure II

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

Place : Kolkata Dated : 25th May, 2017	S. K. Sinha <i>Manager (CEO)</i>	Surendra Kumar Birla <i>Chairman</i>	
	S. K. Choubey <i>Chief Financial Officer</i>	Jayant Sogani	<i>Directors</i>
	B. N. Kedia <i>Company Secretary</i>	Uma Shankar Asopa Sarat Priya Patjoshi	

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.

Surendra Kumar Birla *Chairman*

Jayant Sogani

Uma Shankar Asopa

Sarat Priya Patjoshi

Directors

Place : Kolkata

Dated : 25th May, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017** 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, 2017** 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; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT) and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 1st December, 2015;

KESORAM TEXTILE MILLS LIMITED

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

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

I further report that

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

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

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

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

I have relied on the representation made by the Company, its Officers and Reports of the Statutory 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 : 18th May, 2017

SALIL BANERJEE
FCS-2288; CP-1140

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

ANNEXURE I

The List of Various Applicable Laws to the Company

1. Employees' Provident Fund Act, 1952 and Rules,
2. Professional Tax Act, 1975 and Rules,
3. Apprentices Act, 1961,
4. Contract Labour (R&A) Act, 1970,
5. Employees State Insurance Act, 1947,
6. Payment of Wages Act, 1936,
7. Minimum Wages Act, 1948,
8. Payment of Bonus Act, 1965,
9. The Industrial Disputes Act, 1947 and Rules,

KESORAM TEXTILE MILLS LIMITED

10. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013,
 11. The West Bengal State Tax On Professions, Trades, Callings And Employments Act and Rules,
 12. West Bengal Shops and Establishments Act and Rules,
 13. West Bengal Value Added Tax Act and Rules,
 14. Central Sales Tax Act,
 15. The West Bengal Tax on Entry of Goods Into Local Areas Act and Rules,
 16. Central Excise Act and Rules including CENVAT Rules,
 17. Income Tax Act, 1961 and
 18. 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 process 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 : 18th May, 2017

SALIL BANERJEE
FCS-2288; CP-1140

Details as required under Sections 134(3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended 31st March, 2017

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 - 0.02:01 Shri Jayant Sogani - 0.02:01 Shri Uma Shankar Asopa - 0.02:01 Smt. Sarat Priya Patjoshi - 0.01:01
(ii)	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in Financial Year.	Directors : Shri Surendra Kumar Birla - (15.00)% Shri Jayant Sogani - (6.25)% Shri Uma Shankar Asopa - (5.26)% Smt. Sarat Priya Patjoshi - 0.00% Key Managerial Personnel : Shri S K Sinha (CEO) - 27.45% Shri S K Choubey (CFO) - 12.86%
(iii)	The percentage increase in median remuneration of employees in the Financial Year	55.99% (Refer Note No. 1)
(iv)	The number of permanent employees on the rolls of Company	(Refer Note No. 2)
(v)	<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) 12.52%</p> <p>b) 23.22%</p> <p>c) Increase in remuneration is granted based, inter alia, on an overall appraisal of talent brought to table, Company's business interests, industry standards and applicable regulatory framework.</p>

KESORAM TEXTILE MILLS LIMITED

Sl. No.	Requirement	Details
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

Figures shown in brackets represent negative.

Note 1 : Due to suspension of work in the Mill, only limited remuneration disbursement takes place and is restricted to essential staff. In the calculations made above, only said essential staff have been considered and consequently any retirement during the year distorts the "median". The average increase in median remuneration is about 55.99%. However, the increase on "median" comparison as stated above, appears not to be true representative in the instant case and is only based on arithmetical calculation as per Rule.

Note 2 : The Mill has been under suspension of work since January 1999, as a result, remuneration payment is restricted 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 378 employees as on 31.03.2017.

Place : Kolkata
Dated : 25th May, 2017

Surendra Kumar Birla *Chairman*

Jayant Sogani

Uma Shankar Asopa

Sarat Priya Patjoshi

Directors

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY *

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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, 2016				No. of Shares held as on 31st March, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	112142	Nil	112142	0.22	112142	Nil	112142	0.22	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	13198814	Nil	13198814	25.24	13198814	Nil	13198814	25.24	Nil
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	13310956	Nil	13310956	25.46	13310956	Nil	13310956	25.46	Nil
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Others-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FIs	-	-	-	-	-	-	-	-	-
e) Any Others...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	13310956	Nil	13310956	25.46	13310956	Nil	13310956	25.46	Nil
B. Public Shareholding									
1. Institution									
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)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	15443294	164718	15608012	29.85	15443294	164718	15608012	29.85	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4424547	2262348	6686895	12.79	4365189	2261848	6627037	12.68	(-)0.11
ii) Overseas	474144	90	474234	0.91	474144	90	474234	0.91	0.00
iii) NBFCs Registered with RBI	-	-	-	-	53186	-	53186	0.10	(+)0.10
b) Individuals									
i) Individuals share-holders holding nominal share capital upto ₹ 1 lakh	9955185	3113714	13068899	24.99	9862505	3096924	12959429	24.79	(-)0.20
ii) Individuals share-holders holding nominal share capital excess of ₹ 1 lakh	2440058	238539	2678597	5.12	2539558	238539	2778097	5.31	(+)0.19

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, 2016				No. of Shares held as on 31st March, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) NRI	230657	6027	236684	0.45	243928	6027	249955	0.47	(+)0.02
ii) Enemy Property	1942	-	1942	0.01	1942	-	1942	0.01	0.00
iii) Trust	29831	-	29831	0.06	28853	-	28853	0.05	(-)0.01
iv) Co-operative Societies	-	-	-	-	4349	-	4349	0.01	(+)0.01
iv) Unclaimed Suspense A/c	185855	-	185855	0.36	185855	-	185855	0.36	0.00
Sub-total (B)(2)	17742219	5620718	23362937	44.69	17759509	5603428	23362937	44.69	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	33185513	5785436	38970949	74.54	33202803	5768146	38970949	74.54	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	46496469	5785436	52281905	100%	46513759	5768146	52281905	100%	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding as on 1st April, 2016			Shareholding as on 31st March, 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	
1	Shri Basant Kumar Birla	20490	0.039	-	20490	0.039	-	0.00
2	Smt. Rajashree Birla	1250	0.002	-	1250	0.002	-	0.00
3	Shri. Kumar Mangalam Birla	100	0.000	-	100	0.000	-	0.00
4	Smt. Vasavadatta Bajaj	5750	0.011	-	5750	0.011	-	0.00
5	Smt. Jayashree Mohta	27116	0.052	-	27116	0.052	-	0.00
6	Smt. Manjushree Khaitan	49812	0.095	-	49812	0.095	-	0.00
7	Smt. Vidula Jalan	7624	0.015	-	7624	0.015	-	0.00
8	Kesoram Industries Ltd.	4996986	9.558	-	4996986	9.558	-	0.00
9	Manav Investment & Trading Co. Ltd.	2209050	4.225	-	2209050	4.225	-	0.00
10	Aditya Marketing & Manufacturing Ltd.	1223189	2.340	-	1223189	2.340	-	0.00
11	Jayantika Investment & Finance Ltd.	569089	1.089	-	569089	1.089	-	0.00
12	B.K. Birla Foundation	7012	0.013	-	7012	0.013	-	0.00
13	ECE Industries Ltd.	225800	0.432	-	225800	0.432	-	0.00
14	Prakash Educational Society	910922	1.742	-	910922	1.742	-	0.00
15	Birla Educational Institution	362643	0.694	-	362643	0.694	-	0.00
16	Century Textiles & Industries Ltd.	125000	0.239	-	125000	0.239	-	0.00
17	Pilani Investment and Industries Corporation Ltd.	2416350	4.622	-	2416350	4.622	-	0.00
18	Gwalior Finance Corporation Ltd.	152773	0.292	-	152773	0.292	-	0.00
	Total	13310956	25.46	-	13310956	25.46	-	0.00

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, 2016		Shareholding as at 31st March, 2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL					

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

Sl. No.	Name of the Shareholder	Shareholding as at 1st April, 2016		Shareholding as at 31st March, 2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Deutsche Bank Trust Company Americas	7041875	13.47	7041875	13.47
2	Life Insurance Corporation of India	4303715	8.23	4303715	8.23
3	National Insurance Company Ltd	1470378	2.81	1470378	2.81
4	Peregrine Capital Limited	1266000	2.42	1266000	2.42
5	Damani Estate and Finance Pvt Ltd	1088665	2.08	1088665	2.08
6	Rakesh Jhunjunwala	1053835	2.02	1053835	2.02
7	HSBC Global Investment Funds A/C HSBC GI	1014882	1.94	1014882	1.94
8	Max India Limited	827166	1.58	827166	1.58
9	The New India Assurance Company Limited	757386	1.45	757386	1.45
10	Century Enka Limited	584994	1.12	584994	1.12
	Total	19408896	37.12	19408896	37.12

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Shareholding as at 1st April, 2016		Shareholding as at 31st March, 2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Shri S K Birla & family	23,211	0.04	23,211	0.04
2	Shri U S Asopa	600	0.00	600	0.00
3	Shri Jayant Sogani	5	0.00	5	0.00
4	Shri S K Choubey	8	0.00	8	0.00
	Total	23,824	0.04	23,824	0.04

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (1st April, 2016)				
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	-	-	-	-
Total (i+ii+iii)	9,55,00,000	-	1,05,415	9,56,05,415
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	4,650	4,650
Net Change	-	-	4,650	4,650
Indebtedness at the end of the financial year (31st March, 2017)				
i) Principal Amount	9,55,00,000	-	1,00,765	9,56,00,765
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,55,00,000	-	1,00,765	9,56,00,765

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Manager	Total Amount
		S. K. Sinha	(₹)
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	21,89,214	21,89,214
	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	1,23,080	1,23,080
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit		
	- others	Nil	Nil
5.	Others		
	- Provident Fund	1,95,251	1,95,251
	- Gratuity	3,97,301	3,97,301
	Total (A)	29,04,846	29,04,846
	Ceiling as per Act	Remuneration is within limits of provisions of law.	

B. Remuneration to other Directors:

I. Independent Directors

(Amount in ₹)

Particulars of Remuneration	Name of Directors			Total Amount
	S K Birla	Jayant Sogani	S P Patjoshi	(₹)
Fees for attending Board & Committee Meetings	8,500	7,500	5,000	21,000
Commission	Nil	Nil		Nil
Others	Nil	Nil		Nil
Total (I)	8,500	7,500	5,000	21,000

KESORAM TEXTILE MILLS LIMITED

II. Other Non-Executive Directors

(Amount in ₹)

Particulars of Remuneration	Name of Director	Total Amount
	U S Asopa	(₹)
Fees for attending Board & Committee Meetings	9,000	9,000
Commission	Nil	Nil
Others	Nil	Nil
Total (II)	9,000	9,000
Total B = (I)+(II)		30,000
Ceiling as per Act	Payment is within limits of provisions of law.	

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (B N Kedia)	Chief Financial Officer (S K Choubey)	Total Amount (₹)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	Nil	10,05,393	10,05,393
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	Nil	46,518	46,518
	(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			
	- others	Nil	Nil	Nil
5.	Others			
	- Provident Fund	Nil	Nil	Nil
	- Gratuity		Nil	Nil
	Total	Nil	10,51,911	10,51,911

VII. Penalties / Punishment / Compounding of Offences:

(Amount in ₹)

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

Surendra Kumar Birla *Chairman*

Jayant Sogani

Uma Shankar Asopa

Sarat Priya Patjoshi

Directors

Place : Kolkata

Dated : 25th May, 2017

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

Report on the Financial Statements

We have audited the accompanying financial statements of KESORAM TEXTILE MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The Company has not provided interest on loan from Kesoram Industries Limited ever since the amount was borrowed. The interest on loan payable for the year ended 31st March, 2017 amounting to ₹ 3,29,12,771/- (Previous Year ₹ 2,99,20,701/-) has not been provided in these accounts. The aggregate interest on loan not provided till date is ₹ 26,65,40,480/- (Previous Year ₹ 23,36,27,709/-) including interest not provided during the current year. If interest on this loan had been provided during the year, there would be a loss of ₹ 2,93,86,554/- as against profit of ₹ 35,26,217/- shown in these financial statements. If interest on loan were provided every year, the debit balance of Profit & Loss in the Balance Sheet as on 31st March, 2017 shown under the head "Reserve and Surplus" would be ₹ 47,73,13,253/- (Previous Year ₹ 44,79,26,699/-) as against the ₹ 21,07,72,773/- (Previous Year ₹ 21,42,98,990/-) disclosed in these financial statements. Interest accrued on Unsecured Loan would amount to ₹ 26,65,40,480/- (Previous Year ₹ 23,36,27,709/-) as against "Nil" (Previous Year – "Nil") disclosed in these financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matters described in the Basis for Qualified Opinion paragraph**, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017 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 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 written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) We give in the Annexure a report on the internal financial control in the Company.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 14 to the financial statements, not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India, Ministry of Corporate Affairs, in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

SUBIR KUMAR
Partner
Membership No.300073

Kolkata
25th May, 2017

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

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

- I. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets are physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c) The title of land being 11,17,620 sq ft have been verified by us and it is held in the name of Kesoram Cotton Mills Ltd.
- II. The Company's manufacturing activities are under suspension since 5th January, 1999, and it does not hold any inventory. In our opinion the requirement of clause 'II' are not applicable to the Company.
- III. According to the information and explanations given to us and as certified by the management, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- IV. The Company has granted a Guarantee for ₹ 440 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.
- V. The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the rules framed there under.
- VI. Manufacturing activities of the Company are under suspension since 5th January, 1999. The Company has not maintained Cost Records in terms of Section 148(1) of the Companies Act 2013 as it has been permitted by the Assistant Directors (Cost), Govt of India, Ministry of Corporate Affairs, Cost Audit Branch vide letter dated 12.12.2011 not to comply with the Cost Audit order issued by the department earlier relating to maintenance of Cost Records, till their further orders.
- VII. a) According to the records of Company, undisputed statutory dues including provident fund, employee's state insurance, income tax and service tax have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, following are the particulars of disputed dues on account of income tax, excise duty, service tax and sales tax matters which have not been deposited by the Company :-

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

KESORAM TEXTILE MILLS LIMITED

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

Kolkata
25th May, 2017

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

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

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

We have audited the internal financial controls over financial reporting of KESORAM TEXTILE MILLS LIMITED ("the Company") as of March 31st, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

SUBIR KUMAR
Partner
Membership No.300073

Kolkata
25th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at	As at
		31st March, 2017	31st March, 2016
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	10,45,63,810	10,45,63,810
Reserves and Surplus	4	(21,07,72,773)	(21,42,98,990)
Non-current Liabilities			
Long-term Provisions	5	2,56,53,723	2,92,19,375
Current Liabilities			
Short-term Borrowings	6	9,56,00,765	9,56,05,415
Other Current Liabilities	7	1,02,46,767	81,56,708
Short-term Provisions	8	24,78,172	10,73,228
Total		2,77,70,464	2,43,19,546
ASSETS			
Non-current Assets			
Fixed Assets			
- Tangible Assets	9	55,47,687	58,07,406
Long-term Loans and Advances	10	40,74,658	40,57,282
Current Assets			
Cash and Bank Balances	11	1,26,46,195	1,29,59,116
Short-term Loans and Advances	12	52,85,331	13,02,534
Other Current Assets	13	2,16,593	1,93,208
Total		2,77,70,464	2,43,19,546

Significant Accounting Policies and
Notes to Accounts

1 to 23

The Notes are an integral part of the Financial Statements.

As per our Report of even date.

For A P S ASSOCIATES

Firm Registration No. 306015E
Chartered Accountants

Subir Kumar
(Partner)

Membership No. 300073

Kolkata, 25th May, 2017

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, 2017

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
		₹	₹
INCOME			
Other Income	15	1,19,41,966	87,62,334
Total Revenue		<u>1,19,41,966</u>	<u>87,62,334</u>
EXPENSES			
Employee Benefits Expense	16	25,88,365	16,92,759
Finance Costs	17	2,351	1,024
Depreciation and Amortization Expense	9	2,55,825	2,55,830
Other Expenses	18	55,69,208	52,25,682
Total Expenses		<u>84,15,749</u>	<u>71,75,295</u>
Profit/(Loss) before tax		35,26,217	15,87,039
Tax Expense :			
Current Tax		—	—
Deferred Tax		—	—
Profit/(Loss) for the period		<u>35,26,217</u>	<u>15,87,039</u>
Earnings per Equity Share	19		
(Nominal Value per Share ₹ 2/-)			
Basic		0.067	0.030
Diluted		0.067	0.030

Significant Accounting Policies and
Notes to Accounts 1 to 23

The Notes are an integral part of the Financial Statements.

As per our Report of even date.

For A P S ASSOCIATES

Firm Registration No. 306015E
Chartered Accountants

Subir Kumar
(Partner)
Membership No. 300073
Kolkata, 25th May, 2017

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, 2017

Particulars	For the year ended 31st March, 2017 ₹	For the year ended 31st March, 2016 ₹
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax & extraordinary items	35,26,217	15,87,039
Adjustments for :		
Depreciation	2,55,825	2,55,830
Profit on Sale of Tangible Assets	(12,135)	(5,431)
Interest Paid	2,351	1,024
Interest Income	(9,22,319)	(11,22,541)
Dividend Income	—	—
Operating Profit before Working Capital Changes	28,49,939	7,15,921
Adjustments for :		
Changes in Receivables	(40,23,558)	(5,43,390)
Changes in Payables	(75,299)	(15,39,545)
Cash Generated from Operations	(12,48,918)	(13,67,014)
Fringe Benefit Tax Paid (Net)	—	—
Net Cash from (used in) Operating Activities	(12,48,918)	(13,67,014)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Tangible Assets	16,029	7,359
Purchase/Sale of Investment	—	—
Interest Income	9,22,319	11,22,541
Dividend Income	—	—
Net Cash from (used in) Investing Activities	9,38,348	11,29,900
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(2,351)	(1,024)
Net Cash from (used in) Financing Activities	(2,351)	(1,024)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(3,12,921)	(2,38,138)
Cash & Cash Equivalents at the beginning of the year	1,29,59,116	1,31,97,254
Cash & Cash Equivalents at the end of the year	1,26,46,195	1,29,59,116
Cash and Cash Equivalents include :		
Cash in Hand	14,107	7,985
Cheque in Hand	—	22,874
With Scheduled Banks in -		
Current Accounts	6,585	6,816
S.B.I. A/C KCMP School	6,491	7,530
Short Term Deposit	1,26,19,012	1,29,13,911
Bank Overdraft	—	—
	1,26,46,195	1,29,59,116

As per our Report of even date.

For A P S ASSOCIATESFirm Registration No. 306015E
Chartered Accountants**Subir Kumar***(Partner)*

Membership No. 300073

Kolkata, 25th May, 2017

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*

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.

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 Impairment :

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

2.6 Other Income :

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

2.7 Employee Benefits :

i) Short Term Employee Benefits :

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

ii) Provident Fund :

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

iii) **Employees State Insurance :**

Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees are recognized as charge in the Statement of Profit and Loss in the year in which they arise.

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 last drawn and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

v) **Leave Salary :**

Leave Salary, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

2.8 **Current and Deferred Tax :**

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

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

2.9 **Provisions and Contingent Liabilities :**

i) **Provisions :**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

ii) **Contingent Liabilities :**

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

2.10 **Cash and Cash Equivalents :**

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

2.11 **Earnings Per Share :**

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

2.12 **Segment Reporting :**

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at	
	31st March, 2017	31st March, 2016
	₹	₹
3. SHARE CAPITAL		
Authorised :		
7,50,00,000 Equity Shares of ₹ 2/- each	<u>15,00,00,000</u>	<u>15,00,00,000</u>
Issued, Subscribed and Paid up :		
5,22,81,905 Equity Shares of ₹ 2/- each	<u>10,45,63,810</u>	<u>10,45,63,810</u>
Total	<u>10,45,63,810</u>	<u>10,45,63,810</u>

3.1 Reconciliation of number of shares

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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, 2017		As at 31st March, 2016	
	Nos.	%	Nos.	%
Equity Shares :				
Kesoram Industries Ltd.	49,96,986	9.56	49,96,986	9.56
Deutsche Bank Trust Company Americas	70,41,875	13.47	70,41,875	13.47
Life Insurance Corporation of India	43,03,715	8.23	43,03,715	8.23

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

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

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

KESORAM TEXTILE MILLS LIMITED

Particulars	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹
4 RESERVES AND SURPLUS		
4.1 Capital Reserve		
Balance at the beginning of the year	7,31,078	7,31,078
Balance at the end of the year [a]	<u>7,31,078</u>	<u>7,31,078</u>
4.2 Profit and Loss Account		
Balance at the beginning of the year	(21,50,30,068)	(21,66,17,107)
Add : Profit/(Loss) for the year	35,26,217	15,87,039
Less: Short provision for depreciation relating to earlier years written-off	—	—
Balance at the end of the year [b]	<u>(21,15,03,851)</u>	<u>(21,50,30,068)</u>
Total [a+b]	<u>(21,07,72,773)</u>	<u>(21,42,98,990)</u>
5 LONG-TERM PROVISIONS		
Provision for Employee Benefits :		
Gratuity	2,39,36,588	2,71,83,933
Leave Salary	17,17,135	20,35,442
Total	<u>2,56,53,723</u>	<u>2,92,19,375</u>
6 SHORT-TERM BORROWINGS		
Secured :		
From other Parties	—	—
From Bank	—	—
Unsecured		
From other Parties	9,55,00,000	9,55,00,000
Deposit	1,00,765	1,05,415
Total	<u>9,56,00,765</u>	<u>9,56,05,415</u>
6.1 Nature of Security and terms of repayment for secured borrowings		
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 700 024. Therefore the loan of ₹ 9,55,00,000 availed from KIL is unsecured.		
7 OTHER CURRENT LIABILITIES		
Other Payables	1,02,46,767	81,56,708
Total	<u>1,02,46,767</u>	<u>81,56,708</u>
7.1 Non-provision of Interest on Loan		
The Company has not been providing for interest on loan borrowed from Kesoram Industries Ltd as the Company is negotiating the revised terms relating to interest on the said loan. The aggregate amount of interest not provided upto 31st March, 2017 is ₹ 26,65,40,480/- (Previous year ₹ 23,36,27,709/-)		
8. SHORT TERM PROVISIONS		
Gratuity	20,62,959	9,77,339
Leave Salary	4,15,213	95,889
Total	<u>24,78,172</u>	<u>10,73,228</u>

9 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK		
	As at 31.03.2016 ₹	Additions during the year ₹	Other Adjust- ments ₹	Deletions/ Adjust- ments ₹	As at 31.03.2017 ₹	As at 31.03.2016 ₹	For the year ₹	On Deletions during the year ₹	On Adjustments during the year ₹	As at 31.03.2017 ₹	As at 31.03.2016 ₹
I. Tangible Assets:											
Land:											
- Freehold	9,25,417	—	—	—	9,25,417	—	—	—	—	1,77,417	7,48,000
- Leasehold	—	—	—	—	—	—	—	—	—	—	—
Buildings	1,98,87,228	—	—	—	1,98,87,228	79,008	—	—	—	1,63,33,734	36,32,502
Plant and Equipments	24,42,04,105	—	—	—	24,42,04,105	1,76,817	—	—	—	24,30,14,722	13,66,200
Furniture and Fixtures	21,54,120	—	—	77,876	20,76,244	—	—	73,982	—	20,73,796	6,342
Office Equipments	3,83,072	—	—	—	3,83,072	—	—	—	—	3,76,265	6,807
Others:											
Tube Wells	9,06,567	—	—	—	9,06,567	—	—	—	—	8,59,012	47,555
Total	26,84,60,509	—	—	77,876	26,83,82,633	2,55,825	73,982	—	—	26,28,34,946	58,07,406
Previous Year	26,84,99,053	—	—	38,544	26,84,60,509	2,55,830	36,616	—	—	26,26,53,103	60,65,164

NOTES :

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

KESORAM TEXTILE MILLS LIMITED

<u>Particulars</u>	<u>As at 31st March, 2017</u>	<u>As at 31st March, 2016</u>
	₹	₹
10 LONG-TERM LOANS & ADVANCES		
Unsecured, considered good		
a) Security Deposits	40,72,301	40,54,925
b) Other Loans and Advances		
Balance with Excise, Port Trust & Customs Authorities	2,357	2,357
Total	<u>40,74,658</u>	<u>40,57,282</u>
11 CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	14,107	7,985
Cheque in hand	—	22,874
Bank Balances		
In Current Accounts	6,585	6,816
Demand Deposits (less than 3 months maturity)		
Fixed Deposit with Allahabad Bank	—	—
Fixed Deposit with S.B.I. - KCMP School	—	—
Other Bank Balances		
State Bank of India A/c KCMP School	6,491	7,530
Long Term Deposits with maturity more than 3 months but less than 12 months		
Fixed Deposit with Allahabad Bank	1,05,48,371	1,11,94,012
Fixed Deposit with S.B.I. - KCMP School	15,28,961	11,78,219
Term Deposit Account (Pledged with Allahabad Bank)	5,41,680	5,41,680
Total	<u>1,26,46,195</u>	<u>1,29,59,116</u>
12 SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Other Loans & Advances		
Advances	1,36,591	1,42,044
Miscellaneous Bill	40,98,153	2,55,937
Tax Deducted at Source	6,68,929	5,33,194
CENVAT & Service Tax Receivable	3,81,658	3,71,359
Total	<u>52,85,331</u>	<u>13,02,534</u>
13 OTHER CURRENT ASSETS		
Accrued Interest on Deposits	2,15,493	1,92,018
Rent Receivable	1,100	1,190
Total	<u>2,16,593</u>	<u>1,93,208</u>
14 CONTINGENT LIABILITIES		
Claims against the Company (in respect of which the Company's objection has either not been responded to or is under consideration of the concerned authorities) not acknowledged as debts and not provided for :		
Relating to Central Excise demands	62,86,510	62,86,510
Pertaining to Employees State Insurance	11,98,269	11,98,269
Pertaining to Building Contractor	12,54,000	12,54,000
Guarantee: The Company has provided guarantee securing NCDs obtained by Camden Industries Ltd. to Debenture Trustees by mortgage of Company's land at 42, Garden Reach Road, Kolkata.	440,00,00,000	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, 2017	31st March, 2016
	₹	₹
15 OTHER INCOME		
Custody Charges Received	66,00,000	66,00,000
Rent Received	4,08,906	3,85,024
Interest Income :		
- On Bank & Other Deposits	9,22,319	11,22,541
Provision of Fringe Benefit Tax written back	—	21,140
Liability no longer required written back	11,900	—
Income from Sale of Scrap	20,094	2,83,925
Miscellaneous Income	2,82,612	2,43,617
Guarantee Commission Received	36,84,000	1,00,656
Profit on Sale of Fixed Assets (Net)	12,135	5,431
Total	1,19,41,966	87,62,334
16 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	35,98,482	35,64,503
Contribution to Provident and Other Funds [Refer Note (a) below]	3,88,304	3,44,402
Gratuity [Refer Note (b) below]	(20,27,396)	(28,06,591)
Contribution under E.S.I. Scheme	29,108	23,784
Staff Welfare Expenses	5,99,867	5,66,661
Total	25,88,365	16,92,759
a. Defined Contribution Plans		
Amount recognised in the Statement of Profit and Loss		
Contribution to Provident Fund	3,72,873	3,30,471
Contribution to W.B. Labour Welfare Fund	24	54
Contribution to D.L.I.	15,407	13,877
Contribution to E.S.I.	29,108	23,784
Total	4,17,412	3,68,186

b. Defined Benefit Plan

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

Leave Salary : The leave salary encashment provisions is unfunded. Leave accruing to an employee 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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	₹	₹	₹	₹
i. Present Value of Obligation at the beginning of the year	2,81,61,272	3,09,91,453	21,31,331	17,96,012
Current Service Cost	9,29,243	10,19,891	13,257	16,403
Interest Cost	20,04,166	24,07,946	1,49,922	1,39,563
(Benefits Paid)	(1,34,329)	(23,590)	(1,94,043)	(1,45,562)
Actuarial (Gain) / Loss	(49,60,805)	(62,34,428)	31,880	3,24,915
Present Value of obligation at the end of the year	2,59,99,547	2,81,61,272	21,32,348	21,31,331
ii. Fair Value of Plan Asset				
Balance at the beginning of the year	—	—	—	—
Benefits Paid	—	—	—	—
Actuarial (Gain) / Loss	—	—	—	—
Balance at the end of the year	—	—	—	—
iii. Assets and Liabilities recognised in the Balance Sheet				
Present Value of Defined Benefit Obligation	2,59,99,547	2,81,61,272	21,32,348	21,31,331
Less : Fair Value of Plan Assets	—	—	—	—
Amount recognised as Liability	2,59,99,547	2,81,61,272	21,32,348	21,31,331
Recognised under:				
Long Term Provisions [Refer Note 5]	2,39,36,588	2,71,83,933	17,17,135	20,35,442
Short Term Provisions [Refer Note 8]	20,62,959	9,77,339	4,15,213	95,889
iv. Expense recognised in the Statement of Profit and Loss				
Current Service Cost	9,29,243	10,19,891	13,257	16,403
Interest Cost	20,04,166	24,07,946	1,49,922	1,39,563
Expected return on Plan Assets	—	—	—	—
Actuarial Gains/(Losses)	(49,60,805)	(62,34,428)	31,880	3,24,915
Total Expense	(20,27,396)	(28,06,591)	1,95,059	4,80,881
v. Actuarial Assumptions				
Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM(2006-08)
	ULT.	ULT.	ULT.	ULT.
Superannuation Age	58	58	58	58
Attrition Rate	10 per thousand	10 per thousand	10 per thousand	10 per thousand
	p.a. 6 above	p.a. 6 above	p.a. 6 above	p.a. 6 above
	age 45	age 45	age 45	age 45
	3 between 29	3 between 29	3 between 29	3 between 29
	and 45	and 45	and 45	and 45
	1 below	1 below	1 below	1 below
	age 29	age 29	age 29	age 29
Discount Rate (per annum)	7.50% p.a.	8.00% p.a.	7.50% p.a.	8.00% p.a.
Return on Assets	—	—	—	—
Inflation Rate	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Remaining Working Life	9 Year	9 Year	9 Year	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	<u>31.03.2017</u>	<u>31.03.2016</u>	<u>31.03.2015</u>	<u>31.03.2014</u>
	₹	₹	₹	₹
Gratuity				
Defined Benefit Obligation	2,59,99,547	2,81,61,272	3,09,91,453	3,30,12,403
Plan Assets	—	—	—	—
Surplus/Deficit	2,59,99,547	2,81,61,272	3,09,91,453	3,30,12,403
Leave Salary				
Defined Benefit Obligation	21,32,348	21,31,331	17,96,012	22,05,726
Plan Assets	—	—	—	—
Surplus/Deficit	21,32,348	21,31,331	17,96,012	22,05,726
	Year ended		Year ended	
	31st March, 2017		31st March, 2016	
	₹		₹	
17 FINANCE COSTS				
Interest on Overdraft		2,351		1,024
Total		2,351		1,024
17.1 Interest on Loan taken from Kesoram Industries Ltd.				
The Company has not provided for interest of ₹ 3,29,12,771/- for the year ended 31st March, 2017 on loan taken from Kesoram Industries Limited (Previous year ₹ 2,99,20,701/-). The above interest has been calculated @10% p.a. cumulative as the revised terms of interest on loan are under negotiation.				
		Year ended		Year ended
		31st March, 2017		31st March, 2016
		₹		₹
18 OTHER EXPENSES				
Repairs				
– Building		1,489		47,823
– Others		1,27,152		66,919
Insurance		1,16,640		51,244
Rates and Taxes		8,45,137		8,66,816
Legal & Professional Expenses		14,10,205		9,93,221
Directors Fees		30,038		30,541
AGM & Annual Report Expenses		16,36,971		17,74,732
Payment to Auditors				
– As Auditor		65,000		60,300
– Tax Audit Fee		13,090		12,160
– Other Services		23,900		50,484
Miscellaneous Expenses		12,99,586		12,71,442
Total		55,69,208		52,25,682
18.1 Miscellaneous Expenses includes :				
Custodial Fees		6,22,722		5,89,828
Fees to Registrar & Transfer Agent		1,50,000		1,50,376
Charges General		2,23,251		1,93,914
18.2 Payment to Auditors as :				
Auditor				
– Statutory Audit Fees		65,000		60,300
– Tax Audit Fee		13,090		12,160
– Other Services		23,900		50,484
Total		1,01,990		1,22,944

KESORAM TEXTILE MILLS LIMITED

Particulars	Year ended	Year ended
	31st March, 2017	31st March, 2016
	₹	₹
19 EARNINGS PER SHARE		
Basic & Diluted EPS		
Profit after Tax	35,26,217	15,87,039
Weighted average number of shares outstanding	5,22,81,905	5,22,81,905
Basic & Diluted EPS	0.067	0.030
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 cancelable 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-cancelable 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-cancelable period.

21 RELATED PARTY DISCLOSURES

Related Party	Relationship	Transactions
Shri Surendra Kumar Birla	Director	Sitting Fees paid ₹ 8,500/- (₹ 10,000/-)
Shri Jayant Sogani	Director	Sitting Fees paid ₹ 7,500/- (₹ 8,000/-)
Shri Uma Shankar Asopa	Director	Sitting Fees paid ₹ 9,000/- (₹ 9,500/-)
Smt. Sarat Priya Patjoshi	Director	Sitting Fees paid ₹ 5,000/- (₹ Nil)
Shri S.K. Sinha	Factory Manager	Remuneration (including contribution to Provident Fund, Perquisites etc.) paid ₹ 29,04,846/- (Rs.22,79,197/-)
Shri S.K. Choubey	Chief Financial Officer	Remuneration (including Perquisites etc.) paid ₹ 10,51,911/- (Rs.9,32,040/-)

22 DISCLOSURE OF SBN DURING DEMONETISATION PERIOD

The details Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 are provided in the table below :

	SBNs*	Other	Total
Closing Cash in Hand as on 8th November, 2016	9,500.00	321.52	9,821.52
Add: Permitted receipts	-	10,000.00	10,000.00
Less: Permitted payments	-	9,655.00	9,655.00
Less: Amount deposited in Banks	9,500.00	-	9,500.00
Closing cash in hand as on 30th December, 2016	NIL	666.52	666.52

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November, 2016.

23 The Previous year's figure have been regrouped or rearranged where considered necessary.

The Notes are an integral part of the Financial Statements.

As per our Report of even date

For A P S ASSOCIATES

Firm Registration No. 306015E
Chartered Accountants

S. K. Sinha
Manager (CEO)

Surendra Kumar Birla

Chairman

Subir Kumar
(Partner)
Membership No. 300073

S. K. Choubey
Chief Financial Officer

Jayant Sogani

Directors

Kolkata, 25th May, 2017

B. N. Kedia
Company Secretary

Uma Shankar Asopa

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

18TH ANNUAL GENERAL MEETING ON 12TH SEPTEMBER, 2017

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 18th Annual General Meeting of the Company held on Tuesday, 12th September, 2017 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

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PROXY FORM

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

18TH ANNUAL GENERAL MEETING ON 12TH SEPTEMBER, 2017

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

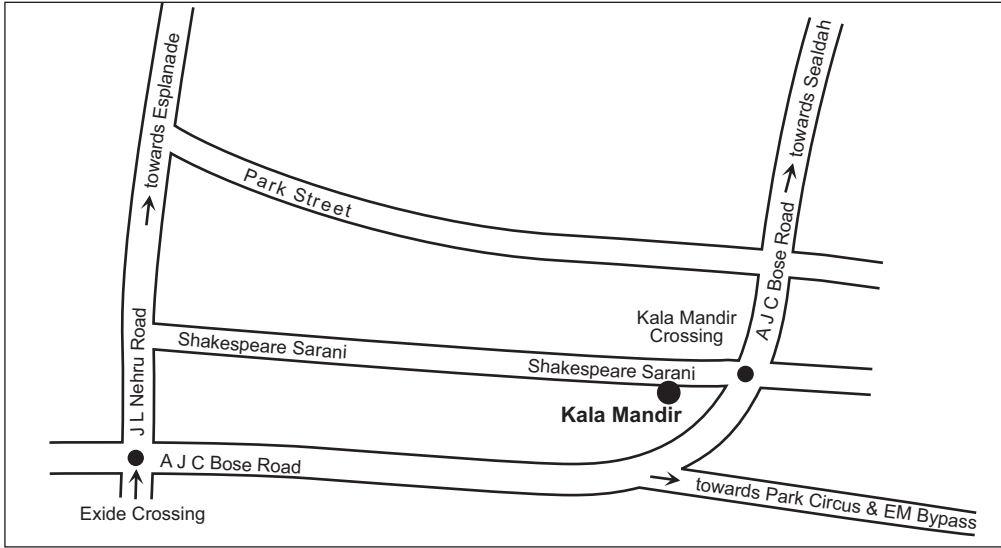
I/We being the member(s) of _____ shares of the above named Company, hereby appoint :

- (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 18th Annual General Meeting of the Company, to be held on Tuesday, 12th day of September, 2017 at 11:00 A.M. at 'Kala-Kunj', 48, Shakespeare Sarani, Kolkata-700 017 and at any adjournment thereof in respect of such resolutions as is indicated overleaf:

Route Map of AGM Venue

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



Resolution No.	Resolution Proposed	Please tick (✓)
1	Adoption of Annual Financial Statements and Report of Auditors & Directors thereon for the year ended 31st March, 2017.	
2	Approval to the re-appointment of Shri Uma Shankar Asopa, Director retiring by rotation.	
3	Ratification of the appointment of Statutory Auditors for financial year 2017-18.	
4	Approval to keep Registers and / or copies of Returns and other records at a place other than the Registered Office.	

Signed this _____ day of _____ 2017.

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

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

Affix
Revenue
Stamp

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

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

2. For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the 18th Annual General Meeting dated 25th May, 2017.

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.