



# **Kakatiya Textiles Limited**

**32nd Annual Report  
2013 - 2014**



# KAKATIYA TEXTILES LIMITED

CIN : L18100TZ1981PLC013940

**Managing Director**

**Board of Directors**

**Chief Financial Officer**

**Company Secretary**

**Auditors**

**Share Transfer Agents**

**Registered Office**

**Factory**

**Shri Sumanth Ramamurthi**

**Shri C S K Prabhu**

**Shri Koteswara Rao S S R**

**Dr I Venkat Rao**

**Shri P Nagarajan**

**Ms Ramya P**

**M/s S.Murali Dharan & Co**

**Link Intime India Pvt Ltd.**

**"Surya", 35, Mayflower Avenue**

**Behind Senthil Nagar**

**Sowripalayam, Coimbatore - 28**

**Phone : 0422-2314792**

**"ELGI TOWERS"**

**P.B.No. 7113**

**737-D, Green Fields**

**Puliakulam Road**

**Coimbatore - 641 045**

**Phone : 0422-2311711**

**Fax : 0422-2311611**

**Nallabandagudem - 508 206**

**Kodad Mandal, Nalgonda District**

**Telangana**

**Phone : 08683 - 284224, 284226**

**Fax : 08683-284223**

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## Notice to Members

**NOTICE** is hereby given that the 32nd Annual General Meeting of the Shareholders of the Company will be held on **Monday, the 29th September 2014 at 5.00 P.M.** at Computer Society of India, III Floor, Vyshnav Complex, 95-A, Race Course, Coimbatore - 641 018, to transact the following business:

### Ordinary Business

1. **To receive, consider and adopt the following:**
  - a. The audited Statement of Profit and Loss for the year ended 31st March 2014
  - b. The audited Balance Sheet as at 31st March 2014 and
  - c. The reports of the Director's and the Auditor's
2. **To re-appoint the Auditors and to fix their remuneration and in this regard to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224, and other applicable provisions, if any of the Companies Act, 1956) M/s. Murali Dharan & Co., (Firm Registration No. 009617S) Chartered Accountants, Coimbatore be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of 3 years from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting which ought to be held in the year 2017, subject to ratification by the Shareholders annually, at a remuneration to be decided by the Board of Directors in consultation with the Auditors."

### Special Business

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

**RESOLVED THAT** pursuant to the provisions of Section(s) 196, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sumanth Ramamurthi (holding DIN 00002773) be and is hereby re-appointed as Managing Director of the Company for a period of three years with effect from 30th May 2014, without any remuneration/perks, until otherwise resolved by the Board of Directors with such powers and functions as the Board of Directors may from time to time require him to exercise whilst also noting his concurrent Executive Chairmanship in Super Spinning Mills Limited, with remuneration.

**RESOLVED FURTHER THAT** the terms and conditions set out for re-appointment and/or agreements shall be altered and varied from time to time by the Board as it may, in its discretion, deem fit.

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. I Venkat Rao (holding DIN 00724742), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 29th September 2014 to hold office for a term upto 30th September 2015, not liable to retire by rotation.



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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Koteswara Rao SSR (holding DIN 00964290), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 29th September 2014 to hold office for a term upto 30th September 2015, not liable to retire by rotation.

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. C S K Prabhu (holding DIN 00002913), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and who in accordance with the provisions of the Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from 29th September 2014 to hold office for a term upto 30th September 2015, not liable to retire by rotation.

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

**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 the Articles of Association of the Company be and is hereby amended by deleting the existing Article(s) Numbers 112 and 122 of the Articles of Association and substituting thereat with the following new Article Number(s) 112 and 122 thereof.

“112. At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for the time being of, if their number is not three or a multiple of three, then the number nearest to one third shall retire from office, and they will be eligible for re-election. However the independent directors appointed pursuant to Section 149 of the Companies Act, 2013 shall not while holding such office be subject to retirement by rotation at the Annual General Meeting.

122. A Managing or Whole-time Director, while he continues to hold that office, shall also be subject to retirement by rotation and he shall ipso facto cease to be a Managing Director or Whole-time Director, if for any cause, he ceases to hold the office of Director.”

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

**RESOLVED THAT** in supersession of the earlier resolution and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 read with the relevant Rules thereof,



consent and approval of the Company be and is hereby accorded to the Board of Directors to borrow from time to time in one or more tranches, for the purpose of the Company's business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies to be borrowed together with that already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) and remaining outstanding will exceed the aggregate of the paid-up share capital and free reserves, provided that the total amount upto which monies may be borrowed by the Board of Directors (apart from temporary loans obtained from the company's bankers) shall not exceed of Rs.25 Crores (Rupees Twenty Five Crores only).

For and on behalf of the Board

**Sumanth Ramamurthi**

Managing Director

DIN : 00002773

Coimbatore  
12th August, 2014

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM FOR THE ANNUAL GENERAL MEETING IS ENCLOSED.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

2. Pursuant to Section 102 of the Companies Act, 2013 the Statement setting out material facts and reasons for the proposed Special business are appended herein.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
5. The register of members and share transfer books of the company will remain closed from 23rd September 2014 to 29th September 2014 (both days inclusive).
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange with respect of Directors seeking appointment / re-appointment at the Annual General Meeting forms integral part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/reappointment.



7. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and Bank particulars to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA.
8. Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
9. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
10. Members holding shares in Physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with Physical shares.
11. The members are requested to forward their share transfer deed(s) and other communications directly to the Registrar and share transfer agent of the company M/s Link Intime India Private Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.
12. Securities Exchange Board of India has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN to the Company or to M/s Link Intime India Private Limited, "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028.
13. Electronic copy of the Annual Report Notice of the 32nd Annual General Meeting of the Company and instructions for e-voting / Postal Ballot along with the Attendance Slip and Proxy Form, are being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Postal Ballot Form is being sent in the permitted mode.
14. **Members are requested to update their e-mail addresses in respect of shares held in dematerialised form with their respective depository participants and in respect of shares held in physical form with M/s. Link Intime India Private Limited, Coimbatore.**
15. Voting through electronic means:
  - I. Pursuant to Clause 35B of the Listing Agreement with the Stock Exchange and the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this notice, a postal ballot Form is annexed. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or



dissent (against) and send it to the Scrutinizer, Mr. M.D. Selvaraj, Proprietor, MDS & Associates, "Surya", 35 Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028 so as to reach him on or before 25th September, 2014 by 5.00 P.M. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by postal ballot or through e-voting.

However, in case of members casting their vote by postal ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

**The instructions for members for voting electronically are as under:-**

**(A) In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>● In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB #	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date in the Dividend Bank details field.</b></p>



- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of "Kakatiya Textiles Limited" on with which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution if you have decided to vote, 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If the Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.





- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**(B) In case of members receiving the physical copy:**

- Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- The voting period begins on **23rd September 2014 at 9.00 A.M and ends on 25th September 2014 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(C) In case of members desiring to exercise vote by Postal Ballot:**

A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed business reply envelope properly sealed. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.

- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd August 2014.
- Mr.M.D.Selvaraj FCS, Proprietor, MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kakatiyatextiles.com](http://www.kakatiyatextiles.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the Company's shares are listed.

AS THE COMPANY HAS PROVIDED E-VOTING /POSTAL BALLOT VOTING IN TERMS OF CLAUSE 35B OF THE LISTING AGREEMENT, MEMBERS MAY PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING EITHER THROUGH E-VOTING OR BY POST. THE SCRUTINIZER WILL COLLATE THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES RECEIVED THROUGH POSTAL BALLOT TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE****Item No. 3**

The term of office of Mr.Sumanth Ramamurthi as Managing Director of the Company expires on 29th May 2014. He was re-appointed as Managing Director of the Company by the Board of Directors at their meeting held on 21st May, 2014 on the recommendation of the Nomination and Remuneration Committee for a period of three years with effect from 30th May, 2014 without any remuneration. In view of his performance and capabilities along with his rich experience in the textile industry your Directors therefore consider that Mr.Sumanth Ramamurthi's reappointment will be beneficial to the Company.

As per the provisions of Section 196 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the re-appointment shall be subject to the approval of the shareholders of the Company in the General meeting. Hence necessary resolution is placed before the members for their approval.

Mr.Sumanth Ramamurthi is also the Executive Chairman of Super Spinning Mills Limited.

The Board of Directors recommend the resolution in Item No. 3 of the Notice for the approval of the members.

Except Mr. Sumanth Ramamurthi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

**Item No. 4**

Dr. I Venkat Rao is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30th June 2006. The qualification and expertise of Dr. I Venkat Rao has been detailed in the annexure attached.

Dr. I Venkat Rao retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013, an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Dr. I Venkat Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director with effect from 29th September 2014 to hold office for a term upto 30th September 2015. A notice has been received from a member proposing Dr. I Venkat Rao as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. I Venkat Rao fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter for appointment of Dr. I Venkat Rao as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. I Venkat Rao as an Independent Director. Accordingly,