

38th

Annual Report

2019-20



KAKATIYA TEXTILES LIMITED

CIN: L18100AP1981PLC104439

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Corporate Information

Board of Directors& Key Managerial Personnel

Shri. Vanka Ravindra Nath	-	Chairman & Non-Executive Director
Smt. Vanka Raja Kumari	-	Non-Executive Director
Shri. Venkata Subbarao Gamini	-	Independent Director
Shri. Kudary Anand	-	Independent Director
Shri. Ranga Rao Avula	-	Manager
Shri. Nanduri Hanumantha Rao	-	Chief Financial Officer

Statutory Auditors:

M/s. Chevuturi Associates
Chartered Accountants
#33-25-33D, Govindarajula Naidu

Street,

Surya Rao Pet, Vijayawada-520 003,
Andhra Pradesh, India.

Secretarial Auditor:

M/s. P.S. Rao & Associates
Flat No.10, 4th Floor,
6-3-347/22/2, Ishwarya Nilayam,
Opp: Sai Baba Temple,
Dwarakapuri Colony, Punjagutta,
Hyderabad-500 082
Telangana

Registrar and Share Transfer Agent

Link Intime India Pvt Ltd
Surya, 35, Mayflower Avenue
Behind Senthil Nagar, Sowripalayam

Road

Coimbatore – 641 028
Ph / Fax: (0422) 2314792
E-mail: coimbatore@linkintime.co.in

Registered Office

Plot No. 9 & 10, Industrial Estate,
Tetali, Tanuku, West Godavari-534218,
Andhra Pradesh
Phone No: 08819-224005 / 225005
E-mail: shares.ktl@rspl.ind.in
Internet: www.kakatiyatextiles.in

AUDIT COMMITTEE

Shri. Kudary Anand	- Chairman
Shri. Vanka Ravindranath	- Member
Shri. Venkata Subbarao Gamini	- Member

NOMINATION AND REMUNERATION COMMITTEE

Shri. Venkata Subbarao Gamini	- Chairman
Shri. Kudary Anand	- Member
Smt. Vanka Raja Kumari	- Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Shri. Venkata Subbarao Gamini	- Chairman
Shri. Kudary Anand	- Member
Smt. Vanka Raja Kumari	- Member

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 38th ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON TUESDAY, THE 29TH DAY OF SEPTEMBER, 2020 AT 5:00 PM THROUGH VIDEO CONFERENCE/OTHER AUDIO VISUAL MEANS (VC/OAVM) TO TRANSACT THE FOLLOWING ITEMS OF BUSINESS:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To receive, consider and adopt the audited Financial Statements of the company for the Financial Year ended on 31st March, 2020 together with the Report of the Board of Directors and Auditors thereon;

2. Re-Appointment of Director:

To appoint a director in place of Shri. Vanka Ravindranath (DIN: 00480295), who retires by rotation and being eligible offers himself for re-appointment.

3. To Re-appoint Statutory Auditors of the Company,

To consider and if thought fit, 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 M/s. Chevuturi Associates, Chartered Accountants (FRN. 000632S) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 43rd Annual General Meeting which ought to be held in the year 2025 at a Remuneration of Rs. 2,75,000/- per annum and reimbursement of all out of pocket expenses.”

SPECIAL BUSINESS:

4. Re-appointment of Shri. Gamini Venkata Subba Rao (DIN 00123730) as an Independent Director of the Company for a second term of five consecutive years

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 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulations 16(b) and 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Shri. Gamini Venkata Subba Rao (DIN 00123730), who was appointed as an Independent Director of the Company for a term of five years at the 33rd Annual General Meeting, in terms of Section 149 of the Companies Act, 2013 and who attains the age of 75 years on 14.01.2023, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years till the conclusion of the 43rd Annual General Meeting of the members of the company and continue his appointment .”

5. Re-appointment of Dr. Kudary Anand, (DIN: 07261583) as an Independent Director of the Company for a second term of five consecutive years.

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 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Dr. Kudary Anand, (DIN: 07261583), who was appointed as an Independent Director of the Company for a term of five years at the 33rd Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years till the conclusion of the 43rd Annual General Meeting of the members of the company.”

6. To approve the re-appointment of Shri. Ranga Rao Avula as Manager of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) along with Schedule V of the Companies Act, 2013 and as recommended by Nomination & Remuneration Committee and the Board of Directors, consent of the Members of the company be and is hereby accorded for the re-appointment of Shri. Avula Ranga Rao, as Manager of the Company, for a period of 3 years with effect from 29th June, 2020 at a remuneration of Rs. 9,00,000 per annum and other superannuation benefits as per service rules of the Company.”

“FURTHER RESOLVED THAT Shri. Avula Ranga Rao in addition to above mentioned Salary is also eligible for a commission of 3% on net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013.”

“FURTHER RESOLVED THAT the overall amount of remuneration payable to Shri. Avula Ranga Rao shall not exceed 5% of net profits of the Company arrived in pursuance of Section 198 of the Companies Act, 2013.”

“FURTHER RESOLVED THAT where in any financial year during the tenure of his appointment, the company has no profits or its profits are inadequate, Shri. Avula Ranga Rao shall be paid salary, allowances and perquisites in accordance with the provisions of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to file the necessary forms, returns, documents and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

By Order of the Board of Directors
For Kakatiya Textiles Ltd

Place: Tanuku
Date: 03.09.2020

Sd/-
V Ravindranath
Chairman & Director
DIN 00480295

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Service (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during the AGM will be provided by CDSL.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re- appointment at this AGM is annexed.
4. An Explanatory Statement setting out all material facts as required under Section 102 of the Companies Act, 2013 in respect of special business of the Company is appended and forms part of the Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2020 to September 29, 2020 (both days inclusive) for the purpose of giving effect to the transmission and transposition requests lodged with the Company.
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd ("Link Intime") for assistance in this regard.
8. To promote green initiative, Members who have not registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic form and with Link Intime, in case the shares are held in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link In time in case the shares are held by them in physical form.

10. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website <https://www.kakatiyatextiles.in> Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link In time in case the shares are held in physical form.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 21, 2020 through email on cs@rspl.ind.in. The same will be replied by the Company suitably.
14. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.kakatiyatextiles.in, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and CDSL at <https://www.evotingindia.com/>. Members whose email IDs are not registered with the Company/Depositories are requested to follow the process provided further for registration of email IDs with the depositories for procuring user ID & password and registration of email IDs for e-voting for the resolutions set out in this notice.
16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at-least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.kakatiyatextiles.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- I. The voting period begins on Saturday, 26th September, 2020(09:00 A.M.) and ends on Monday, 28th September, 2020(05:00 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 September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Board of Directors have appointed Mr. M.B. Suneel, Practising Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

- III. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
- IV. The shareholders should log on to the e-voting website www.evotingindia.com.
- V. Click on “Shareholders” module.
- VI. Now enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- VII. Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- VIII. Next enter the Image Verification as displayed and Click on Login.
- IX. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- X. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. 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 (v).

- XI. After entering these details appropriately, click on “SUBMIT” tab.
- XII. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- XIII. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XIV. Click on the EVSN for the relevant **Kakatiya Textiles Limited** on which you choose to vote.
- XV. 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.

- XVI. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XVII. 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.
- XVIII. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XIX. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XX. 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.
- XXI. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.
3. The Company Secretary shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at-least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@rspl.ind.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@rspl.ind.in. These queries will be replied to by the company suitably by email.