



KAKATIYA TEXTILES LIMITED

Registered Office : 9 & 10, Industrial Estate, Tetali, TANUKU - 534 218, W.G.Dist., A.P.

Ph : 08819 - 224005, 225005 e-mail : md@rspl.ind.in / cs@rspl.ind.in

Factory : NALLABANDAGUDEM - 508 206, Kodad (Mdl), Nalgonda District, T.S. Ph : +91 92911 07250

Date: 03.09.2019

To
The Corporate Relations Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400 001
Fax No.: 022-22723121/3719

Dear Sir,

Sub: Notice of 37th Annual General Meeting (AGM) and Annual Report of the Company for the F Y 2018-19

Ref: Company Code: 521054

With reference to the subject cited above, Please find the enclosed Notice convening the 37th AGM of the Company to be held on Friday, the 27th day Of September, 2019 at 11.00 A.M at the Registered Office of the Company situated at Plot no. 9 & 10, Industrial estate, Tetali, Tanuku, West Godavari, Andhra Pradesh-534218.

In order to comply with the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2018-19 which is being dispatched / sent to the members by the permitted mode(s).

This is for your information and necessary records.

For Kakatiya Textiles Ltd


V Ravindranath
Chairman & Director
DIN 00480295



KAKATIYA TEXTILES LIMITED

37th

Annual Report

2018-19



KAKATIYA TEXTILES LIMITED

CIN: L18100AP1981PLC104439

KAKATIYA TEXTILES LIMITED



KAKATIYA TEXTILES LIMITED

37th Annual General Meeting

Friday, 27th Day of September, 2019,
at 11.00 A.M,
Plot No. 9 & 10, Industrial Estate,
Tetali, Tanuku, West Godavari - 534218,
Andhra Pradesh

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KAKATIYA TEXTILES LIMITED

KAKATIYA TEXTILES LIMITED

CIN: L18100AP1981PLC104439

Corporate Information

Board of Directors & Key Managerial Personnel

Shri. Vanka Ravindranath	-	Chairman & Non-Executive Director
Smt. Vanka Raja Kumari	-	Non-Executive Director
Shri. Venkata Subba Rao 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

M/s. 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
Website: www.kakatiyatextiles.in

KAKATIYA TEXTILES LIMITED

COMMITTEE

AUDIT COMMITTEE

Shri. Kudary Anand	Chairman
Shri. Vanka Ravindranath	Member
Shri. Venkata Subba Rao Gamini	Member

NOMINATION AND REMUNERATION COMMITTEE

Shri. Venkata Subba Rao Gamini	Chairman
Shri. Kudary Anand	Member
Smt. Vanka Raja Kumari	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Shri. Venkata Subba Rao Gamini	Chairman
Shri. Kudary Anand	Member
Smt. Vanka Raja Kumari	Member

KAKATIYA TEXTILES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 37th ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON FRIDAY, THE 27th DAY OF SEPTEMBER, 2019 AT 11:00 AM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO. 9 & 10, INDUSTRIAL ESTATE, TETALI, TANUKU, WEST GODAVARI, ANDHRA PRADESH-534218 TO TRANSACT THE FOLLOWING ITEMS OF BUSINESS:

ORDINARY BUSINESS:

Item No.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, 2019 together with the Report of the Board of Directors and Auditors thereon;

Item No. 2: Re-Appointment of Director:

To appoint a director in place of Smt. Vanka Raja Kumari (DIN: 00480392), who retires by rotation and being eligible offers herself for re-appointment.

**By Order of the Board of Directors
For Kakatiya Textiles Ltd**

**Sd/-
V Ravindranath
Chairman & Director
DIN 00480295**

Place: Tanuku
Date: 14.08.2019

KAKATIYA TEXTILES LIMITED

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy to attend and on a poll, to vote instead of himself. A proxy need not be a member of the company. The instrument appointing the proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in 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. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
3. Corporate Members intending to send their authorised representative 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. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books will remain closed from Saturday, September 21, 2019 to Friday, September 27, 2019 (both days inclusive).
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours upto the date of the Annual General Meeting.
7. Members holding shares in Physical form are requested to advise any change of address immediately to the Company/ Registrar and Share Transfer Agent M/s. Link Intime India Pvt. Ltd, Coimbatore Branch.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (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 may submit their PAN to the M/s. Link Intime India Pvt. Ltd, Coimbatore Branch.

8. Securities and Exchange Board of India [SEBI] vide PR No. 51/2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, the Company is hereby request all the members who were held shares in the physical form are convert their shares into dematerialized mode.
9. 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.

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10. Members who are holding Physical Shares in identical order of names in more than one folio are requested to send to the Company or to the Company's Share Transfer agent, the details of such folios together with the Share Certificates for consolidating their holding into single folio. The Share Certificates will be returned to the members after making requisite changes thereon.
11. Members are requested to mandatorily quote their Registered Folio No. or Demat Account No. and Depository Participant Identification Number (DPID No) on all correspondence with the company.
12. Members are advised to update their email IDs with Company's RTA and/or concerned Depository participants as soon as possible.
13. **Remote E-Voting**

The items of business as set out in the Notice may be transacted through electronic voting system. Therefore, the Company is providing facility for voting by electronic means. Pursuant to Section 108 of the Companies Act 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and in force as on date and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility, as an alternate, to its members in respect of the business to be transacted at the AGM.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 20, 2019, are entitled to vote on the resolutions set forth in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report may approach the Company for required assistance in connection with generation of the User ID / Password in order to exercise their right to vote by electronic means. The remote e-voting period will commence at 9.00 A.M. on Tuesday, September 24, 2019 and will end at 5.00 P.M. on Thursday, September 26, 2019. The members will not be able to cast their votes electronically beyond the date and time mentioned above.

The Company has appointed Mr. M B Suneel, Practicing Company Secretary (Membership No. 31197 and CP No. 14449) to act as the Scrutinizer to conduct and scrutinize the voting process in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on remote e-voting given hereunder:

PROCEDURE FOR REMOTE E-VOTING:

The remote e voting period begins at 9.00 A.M. on Tuesday, September 24, 2019 and will end at 5.00 P.M. on Thursday, September 26, 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

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A. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Depositories)

- (i) The shareholders should log on to the remote e-voting website 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 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:

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 sequence number which is printed on Attendance Slip indicated in the PAN field
DOB	<ul style="list-style-type: none">● 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	<ul style="list-style-type: none">● Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.● 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 the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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 remote 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 remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <KAKATIYA TEXTILES LIMITED> on which you choose to vote.

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- (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 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.
- (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 Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) 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. iPhone 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.
- (xviii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding remote 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.

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B. In case of members receiving the physical copy of Notice of AGM (for members whose e-mail ids are not registered with the Company/Depositories):

Please follow all the steps from Sl. No. (i) to Sl. No. (xviii) to cast vote

The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make not later than 48 hours of conclusion of the Meeting a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of voting forthwith.

A member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

The results declared along with the Scrutinizer's Report will be posted on the Company's website and communicated to the Stock Exchange.

**By Order of the Board of Directors
For Kakatiya Textiles Ltd**

**Sd/-
V Ravindranath
Chairman & Director
DIN 00480295**

Place: Tanuku
Date: 14.08.2019

KAKATIYA TEXTILES LIMITED

DIRECTORS' REPORT

To
The Members

Your Directors are delighted to present their 37th Annual Report of the Company for the financial year 2018-19 along with the audited accounts for the financial year ended March 31, 2019

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Total Income	4068	3,686
Profit before Depreciation, Interest & Tax for the year	9	(113)
Depreciation for the year	55	51
Finance Cost	1	2
Net Profit / (Loss)	(47)	(166)

DIVIDEND:

On account of the losses, your Directors do not recommend any dividend for the year ended 31st March, 2019.

TRANSFER TO RESERVES:

The Directors of the company didn't transfer any amount to its reserves.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since the Company has not declared any dividends, there is no unclaimed dividend to be transferred to Investor Education and Protection Fund.

BOARD MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW:

The meetings of the board are scheduled at regular intervals to decided and discuss onbusiness performance, policies, strategies and other matters of significance.

The Company had conducted 4 (Four) Board meetings during the period under review. (i.e: 30.05.2018, 13.08.2018, 14.11.2018 and 13.02.2019) The intervening gap between any consecutive board meetings was within the period prescribed under the provisions of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from those standards;
- (b) the directors had selected such accounting policies 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 and of the loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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- (d) the directors confirm that the annual accounts have been prepared on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013:

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished on the Company's website www.kakatiyatextiles.in.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not granted any loans or given any security or made any investments pursuant to the provisions of Section 186 of the Companies Act, 2013 during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into with related parties during the financial year 2018-19 were in the ordinary course of business and on an arm's length basis. Since there are no transactions which are not on arm's length basis and material in nature the requirement of disclosure of such related party transactions in Form AOC-2 does not arise.

The policy on related party transactions as approved by the Board of Directors of the Company has been uploaded on the company's website and may be accessed through the website at www.kakatiyatextiles.in

EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in the prescribed Form No.MGT-9 pursuant to Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as **Annexure-1**. The annual return is placed on the company's website on www.kakatiyatextiles.in

INTERNAL AUDITORS:

The Board of directors based on the recommendation of the audit committee has appointed M/s. Cherukuri & Co, Chartered Accountants as the Internal Auditors of the company. The internal auditors are submitting their report on quarterly basis.

STATUTORY AUDITORS:

The members have appointed M/s. Chevaturi Associates, Chartered Accountants (FR No. 000632S) as the Statutory auditors of the company in their 33rd Annual General Meeting held on 29.09.2015, for a period of 5 years from the conclusion of the said general meeting till 38th Annual General Meeting to be held in the year 2020, subject to the ratification of the members annually.

The Statutory auditor's report does not contain any qualifications, reservations or adverse remarks.

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SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. P S Rao & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed herewith as **Annexure-II** to this report.

Reply to the qualifications raised by the Secretarial Auditor:

The following are the qualifications raised by the Secretarial Auditor:

"The company has not appointed the Company Secretary pursuant to the provisions of Section 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 and Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

Despite of best efforts the management of the company was unable to find a Company Secretary owing to the remote location of the registered office of the company. The management of the company is taking necessary steps for appointment of the Company Secretary at the earliest.

CHANGE IN NATURE OF BUSINESS:

There were no changes in the nature of business of the company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company which has occurred between the financial year ended 31st March, 2019 and the date of the report.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organization from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventoried and integrated with the management process such that they receive the necessary consideration during decision making.

WHISTLE BLOWER POLICY (VIGIL MECHANISM):

The Company has formulated a whistle blower policy in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015 to enable the directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The policy also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower policy has been uploaded on the company's website at www.kakatiyatextiles.in.

ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS:

In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Independent Directors, at their separate meetings, also evaluated the performance of non-independent directors and the Board as a whole based on various criteria.

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The performance of each Independent Director was evaluated by the entire board of directors on various parameters like engagement, leadership, analysis, decision making, communication, governance etc. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

The performances of all the Committees were evaluated by the Board having regard to various criteria such as committee composition, committee processes, committee dynamics etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily.

DIRECTORS' & KEY MANAGERIAL PERSONNEL:

During the period under review, there were no changes in the Board of Directors of the Company.

Smt. Vanka Raja Kumari, Director of the Company, retires by rotation at the ensuing Annual General Meeting and expressed her willingness to be reappointed as the Director of the Company. The necessary resolution for the appointment of Smt. Vanka Raja Kumari is set out in the notice for approval of members in the ensuing Annual General Meeting of the Company.

COMPOSITION OF BOARD COMMITTEES:

We have in place of all the committees of the board which are required to be constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of various committees of the Board is hereunder:

Audit Committee

Shri Kudary Anand	- Chairman
Shri Vanka Ravindranath	- Member
Shri Venkata Subba Rao Gamini	- Member

Nomination and Remuneration Committee

Shri Venkata Subba Rao Gamini	- Chairman
Shri Kudary Anand	- Member
Smt Vanka Raja Kumari	- Member

Stakeholders Relationship Committee

Shri Venkata Subba Rao Gamini	- Chairman
Shri Kudary Anand	- Member
Smt Vanka Raja Kumari	- Member

FIXED DEPOSITS:

Since the Company has not accepted any fixed deposits covered under Chapter V of the Companies Act, 2013, and accordingly, the question of default in repayment of deposits or payment of interest thereon, during the year, does not arise.

EROSION OF NETWORTH:

As at 31st March 2019, your Company had a net worth of Rs. (850) lakhs. Your Directors believe that the Company's net worth could become positive if the favorable business trend continues for some time. Therefore, the sickness status has not been referred to BIFR.

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DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems to monitor internal business process, financial reporting and compliance with applicable laws. The Company periodically reviews the adequacy and effectiveness of the control systems.

The Audit committee of the Board reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the company, recommendations made for corrective action and the internal audit reports. The committee reviews with the statutory auditors and the management, key issues, significant processes and accounting policies.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended in respect of our employees, is attached herewith as **Annexure-III**.

Further, we do not have any employee whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended i.e. 8.50 Lakhs per Month or Rs. 1.02 Crores per Annum.

Further, details of top ten employees in terms of remuneration drawn during the financial year ended 31st March 2019 as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended is attached herewith as **Annexure-III**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to the Regulation 34 (2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Management Discussion and Analysis is herewith annexed as **Annexure-IV**.

CORPORATE GOVERNANCE REPORT:

Since the paid up capital of the Company is less than Rs.10 Crores and the networth of the Company is less than Rs. 25 Crores, the provisions of Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY:

Since your Company does not fall within any of the parameters specified under the provisions of Section 135 of the Companies Act, 2013 read with Rules made there under, reporting pursuant to Section 134 (3) (o) is not applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached herewith as **Annexure-V** to this report.

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DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a policy on Sexual Harassment of Women at workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The company has constituted an internal complaints committee to address the complaints regarding sexual harassment. All employees are covered under this policy. The company has not received any complaints during the year under review.

PERSONNEL RELATIONS:

Staff and Labour relations during the year at all units of the company continued to be cordial.

ACKNOWLEDGEMENTS:

Your Directors wish to thank the Company's Bankers, Financial Institutions, Customers and Suppliers for their unstinted support and co-operation.

Your Directors wish to place on record their appreciation of the confidence reposed by the shareholders in the Company at all times.

The Board of Directors also wishes to thank the employees at all levels for their excellent support and contribution made by them.

**By Order of the Board of Directors
For Kakatiya Textiles Ltd**

**Sd/-
V Ravindranath
Chairman & Director
DIN 00480295**

Place: Tanuku
Date: 14.08.2019

KAKATIYA TEXTILES LIMITED

Annexure - I

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2019**

[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	L37200AP1993PLC016785
ii)	Registration Date	26.08.1981
iii)	Name of the Company	KAKATIYA TEXTILES LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company /Limited by Shares
v)	Address of the Registered Office and contact details	Plot No. 9 & 10, Industrial Estate, Tetali, Tanuku, West Godavari-534218, Andhra Pradesh, Tel.No: 08819 224005/225005 Email.Id : shares.ktl@rspl.ind.in Website : www.kakatiyatextiles.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited (Branch Office) "Surya", 35 May flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028. Tel. No : 0422-2314792 Fax. No : 0422-2314792 Email ID : coimbatore@linkintime.co.in

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 and services.	NIC Code of the product/service.	% to total turnover of the Company
1	Cotton Yarn	13111	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN	Holding Subsidiary / Associate	% of Share Holding as on 31.3.2019	Applicable Section
NIL					

KAKATIYA TEXTILES LIMITED

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the Year [As on 1 st April, 2018]				No. of Shares held at the end of the Year [As on 31 st March, 2019]				% Change during the Year
	Demat	Physical	Total	% of shares	Demat	Physical	Total	% of shares	
A. Promoters									
1. Indian									
a. Individual/HUF	2947212	-	2947212	50.72	2947212	-	2947212	50.72	0
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	2947212	-	2947212	50.72	2947212	-	2947212	50.72	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs -	-	-	-	-	-	-	-	-	-
Individuals									
b) other									
Individuals	-	-	-	-	-	-	-	-	-
c) Body Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	0	0	0	0	0	0	0	0	0
Total Share holding of promoter (A) = (A) (1) + (A) (2)	2947212	-	2947212	50.72	2947212	-	2947212	50.72	0
B. Public Share Holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	1000	1000	0.02	-	1000	1000	0.02	-

KAKATIYA TEXTILES LIMITED

c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	-	1000	1000	0.02	-	1000	1000	0.02	-

2. Non-Institutions									
A) Bodies Corp.									
i) Indian	19754	186400	206154	3.55	19541	186400	205941	3.54	(0.01)
ii) Overseas									
B) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	719733	1532907	2252640	38.77	739346	1513807	2253153	38.78	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	308514	76700	385214	6.63	308514	76700	385214	6.63	-
NBFC's registered with RBI	-	-	-	-	300	-	300	0.00	-
(C)Others Clearing Member	1000	-	1000	0.01	300	-	300	0.00	(0.01)
Foreign Nationals									
i)Non Resident Indians (Repat)	280	-	280	0.00	280	-	280	0.00	-
ii)Non Resident Indians (Non Repat)	1600	-	1600	0.03	1400	-	1400	0.02	(0.01)
HUF	15500	-	15500	0.27	15800	-	15800	0.28	0.01
Sub-total (B)(2):	1066381	1796007	2862388	49.26	1085481	1776907	2862388	49.26	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1066381	1797007	2863388	49.28	1085481	1777907	2863388	49.28	-

KAKATIYA TEXTILES LIMITED

c) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4013593	1797007	5810600	100.00	4032963	1777907	5810600	100.00	-

(ii) Shareholding of Promoters

S.No	Promoter Name(s)	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in Share holding during the year.
		No. of Shares	% to Total Shares of the Company	% of Shares pledged / Encumbered to total shares	No. of Shares	% to Total Shares of the Company	% of Shares pledged / Encumbered to total shares	
1	Vanka Ravindra-nath	747603	12.86	-	747603	12.86	-	-
2	Raja Kumari Vanka	733203	12.62	-	733203	12.62	-	-
3	Ravali Vanka	733203	12.62	-	733203	12.62	-	-
4	Vanka Raghuveer	733203	12.62	-	733203	12.62	-	-
	TOTAL	2947212	50.72	-	2947212	50.72	-	-

(iii) Change in Promoters' Shareholding

S.No	Shareholder's Name.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Vanka Ravindranath				
	At the beginning of the year	747603	12.86	747603	12.86
	At the end of the year	747603	12.86	747603	12.86
2	Raja Kumari Vanka				
	At the beginning of the year	733203	12.62	733203	12.62
	At the end of the year	733203	12.62	733203	12.62
3	Ravali Vanka				
	At the beginning of the year	733203	12.62	733203	12.62
	At the end of the year	733203	12.62	733203	12.62
4	Vanka Raghuveer				
	At the beginning of the year	733203	12.62	733203	12.62
	At the end of the year	733203	12.62	733203	12.62

KAKATIYA TEXTILES LIMITED

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

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	PEEVEE HOLDINGS AND PROPERTY DEV. LTD.				
	At the beginning of the year	173500	2.99	173500	2.99
	At the end of the year	173500	2.99	173500	2.99
2	KETAN JAYANTILAL KARANI				
	At the beginning of the year	172832	2.97	172832	2.97
	At the end of the year	172832	2.97	172832	2.97
3	BOYAPATI SRINIVASA APPA RAO				
	At the beginning of the year	47200	0.81	47200	0.81
	At the end of the year	47200	0.81	47200	0.81
4	TRUPTI KETAN KARANI				
	At the beginning of the year	34500	0.59	34500	0.59
	At the end of the year	34500	0.59	34500	0.59
5	DASIREDDY KIRAN KUMAR				
	At the beginning of the year	29613	0.51	29613	0.51
	At the end of the year	29613	0.51	29613	0.51
6	RAMAKOTESWARA RAO KUCHIPUDI				
	At the beginning of the year	23575	0.41	23575	0.41
	At the end of the year	23575	0.41	23575	0.41
7	BOYAPATI SRINIVASA SRI KRISHNA	-			
	At the beginning of the year	19400	0.33	23575	0.33
	At the end of the year	19400	0.33	23575	0.33
8	VIMALA BURRAMSETTY				
	At the beginning of the year	19000	0.33	19000	0.33
	At the end of the year	19000	0.33	19000	0.33
9	PARAVATHI GOKARAJU				
	At the beginning of the year	18893	0.33	18893	0.33
	At the end of the year	18893	0.33	18893	0.33
10	VENKATA SESHALAKSHMI HANUMAPRASAD VEMULA				
	At the beginning of the year	12001	0.21	12001	0.21
	At the end of the year	12001	0.21	12001	0.21

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v) Shareholding of Directors and Key Managerial Personnel:

S.No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	V RAVINDRANATH				
	At the beginning of the year	747603	12.86	747603	12.86
	At the end of the year	747603	12.86	747603	12.86
2	V RAJA KUMARI				
	At the beginning of the year	733203	12.62	733203	12.62
	At the end of the year	733203	12.62	733203	12.62

No other Directors and Key Managerial Personnel holding any shares in the Company

V. INDEBTEDNESS

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

(In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Preference Shares	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	2012552	237200000	-	50000000	289212552
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	2012552	237200000	-	50000000	289212552
Change in Indebtedness during the financial year					
* Addition	-	55825000	-	-	55825000
* Reduction	669520	87825000	-	-	88494520
Net Change	(669520)	(32000000)	-	-	(32669520)
Indebtedness at the end of the financial year					
i) Principal Amount	1343032	205200000	-	-	256543032
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	1343032	205200000	-	50000000	256543032

KAKATIYA TEXTILES LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Rs.)

S.No	Particulars of Remuneration	Mr. Avula Ranga Rao	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000	9,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others		
5	Others - Allowances	1,20,000	1,20,000
	Total (A)	10,20,000	10,20,000

B. Remuneration to other directors:

(In Rs.)

S.No	Particulars of Remuneration	Name of Directors				Total Amount
		VENKATA SUBBA RAO GAMINI	VANKA RAVINDRA NATH	VANKA RAJA KUMARI	KUDARY ANAND	
1.	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	Not Exceeding Rs. 1 Lakh per Meeting				

KAKATIYA TEXTILES LIMITED**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(In Rs.)

SNo	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary	-	-	4,92,000	4,92,000
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	· as % of profit	-	-	-	-
	· others, specify	-	-	-	-
5.	Others please specify	-	-	-	-
	Total	-	-	4,92,000	4,92,000

KAKATIYA TEXTILES LIMITED

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made if any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. others officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board of Directors
For Kakatiya Textiles Ltd

Sd/-
V Ravindranath
Chairman & Director
DIN 00480295

Place: Tanuku
Date: 14.08.2019

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2019

[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,
Kakatiya Textiles Limited
Plot No.9 & 10, Industrial Estate,
Tetali, Tanuku, West Godavari,
Andhra Pradesh - 534218, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kakatiya Textiles Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 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:

We 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, 2019 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, 1996/2018 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.(Not applicable to the company during the audit period).
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

KAKATIYA TEXTILES LIMITED

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018 (Not applicable to the Company during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(Not applicable to the Company during the audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/2018; (Not applicable to the Company during the audit period)
 - (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 audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/2018 (Not applicable to the Company during the audit period);
 - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vi. Other specifically applicable laws to the Company:
- Water (Prevention and Control of Pollution) Act, 1974 read with rules issued thereunder;
 - Air (Prevention and Control of Pollution) Act, 1981;
 - Industries (Development & Regulation) Act, 1951;

We have also examined compliance with the applicable clauses 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 except the following:

- a. The company has not appointed the Company Secretary pursuant to the provisions of Section 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 and Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

KAKATIYA TEXTILES LIMITED

We 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.
- there are no such specific events/ actions in pursuance of the above referred laws, rules, regulations etc. having a major bearing on the Company's Affairs.

**For P S Rao & Associates
Company Secretaries**

**Sd/-
MB Suneel
Company Secretary
C.P. No.: 14449**

Place: Tanuku
Date: 14.08.2019

KAKATIYA TEXTILES LIMITED

Annexure A

To,
The Members,
Kakatiya Textiles Limited
Plot No. 9 & 10, Industrial Estate,
Tetali, Tanuku, West Godavari - 534218.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our 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.

**For P S Rao & Associates
Company Secretaries**

**Sd/-
MB Suneel
Company Secretary
C.P. No.: 14449**

Place: Tanuku
Date: 14.08.2019

KAKATIYA TEXTILES LIMITED

Annexure-III

Report on Managerial Remuneration

As per Section 197 of the Companies Act 2013 Read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A) Statement of Particulars as per Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

i. The ratio of the remuneration of the each Director to the median remuneration of the employees of the Company for the financial year :

Sl. No.	Name of Director	Designation	Ratio of the remuneration of each Director to the median remuneration of employees
1	Smt. V Raja Kumari	Non-Executive Director	0
2	Shri. V Ravindranath	Non-Executive Director	0
3	Shri. AnandKudary	Independent Director	0
4	Shri. G Venkata Subba Rao	Independent Director	0

ii. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19:

Sl. No.	Name of Director/ KMP and Designation	Designation	% increase in Remuneration in the Financial year 2018-19
1	Smt. V Raja Kumari	Director	0
2	Shri. V Ravindranath	Director	0
3	Shri. N HanumathaRao	CFO	0
4	Shri. A Ranga Rao	Manager	0

iii. The percentage increase in the median remuneration of employees in the financial year: 9.09%

iv. The number of permanent employees on the rolls of Company as at March 31, 2019:

There were 165 permanent employees on the rolls of Company as on March 31, 2019

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

7.20 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year. There was no increase in the managerial remuneration.

vi. The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

KAKATIYA TEXTILES LIMITED

B) Top 10 Employees in terms of remuneration :

Name	Age	Qualification	Designation	Date of commencement of employment	Experience Gross (years)	Nature of employment	Remuneration in (Rs. In Lacs) Per Month	Previous Employment	Relative of Director If any	% of Shareholding
A. Ranga Rao	50	Diploma in Textile Technology	General Manger	18.05.2017	29 Years		0.85	GMR Textiles	No	-
V. Basava Purnaiah	49	Diploma in Textile Technology	Production Manager	25.11.2018	28 Years		0.50	NSL Textiles	No	-
N.Hanumantha Rao	51	Graduate	Chief Financial Officer	01.02.2016	32 years		0.41	Balabalaji Textiles Ltd	No	-
V.Hari Obula Reddy	37	M.Com	Sr. Officer Accounts	04.10.2014	15 Years		0.29	Suryavanshi Industries Ltd	No	-
K.Srinivasa Rao	52	DEE	Assistant Engineer Electrical	21.11.2015	19 Years		0.28	GSR Textiles Pvt. Ltd	No	-
G.Srinivasa Rao	53	B.Com	Jr. Officer (Cotton & Yarn)	01.03.1990	29 Years		0.24	Kakatiya Textiles Ltd	No	-
K.Shekar Babu	31	I.T.I	Foreman (SPG)	01.10.2016	17 Years		0.20	Sakku Spinning Mills Pvt Ltd	No	-
K.Karunakar	39	I.T.I	A/C&MTC Supervisor	16.01.2016	21 Years		0.17	Suryodaya Spinning Mills	No	-
R.Harish Reddy	28	I.T.I	Pre/Mtc Supervisor	20.12.2017	9 Years		0.17	GSR Textiles	No	-
U.Lakshminarayana	54	B.Com	Store Keeper	20.08.1986	32 Years		0.17	Kakatiya Textiles Ltd	No	-

C) There are no employees drawing Rs 8.50 Lacs per month or Rs 102.00 Lacs per annum, whether employed throughout the year or part of the Financial year.

D) There are no employees in the service of the Company covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**By Order of the Board of Directors
For Kakatiya Textiles Ltd**

**Sd/-
V Ravindranath
Chairman & Director
DIN 00480295**

Place: Tanuku
Date: 14.08.2019

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY CONDITIONS AND REVIEW OF OPERATIONS****INDIAN ECONOMY**

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF). Sustained real GDP growth of over 6% since FY91 has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In PPP terms, the economy is expected to be among the top five global economies by 2020.

INDIAN TEXTILE INDUSTRY

India's textiles industry is among the oldest industries in the country dating back several centuries. It is one of the largest contributors to the economy accounting for 4% of the GDP. It is the second largest contributor towards employment generation, after agriculture, contributing 10% to the country's manufacturing, owing to its labour-intensive nature. The industry is characterised by its robust vertical integration in almost all the sub-sectors. The textiles and apparel industry constitutes ~14% of the total exports of the country. India is the second largest producer and exporter of textiles after China and fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam.

The mitigation of the repercussions of currency fluctuation remains a challenge for the industry. Exports have been a core feature of India's textile sector. Indian textiles and apparel exports were estimated at \$39 billion and is expected to grow at a CAGR of 7.5% over the next decade to reach \$76 billion by 2028. The fundamental strength of India's textile industry is its strong production base with a wide range of fibres and yarns that include natural fibres like cotton, jute, silk and wool; and synthetic and manmade fibres such as polyester, viscose, nylon and acrylic.

During the year under review our Company has been striving hard to face the major challenges during the year. In spite of various concerns like volatility and uncertainty in cotton prices and sudden glut in the yarn market, the Company managed to reach a turnover of 40.40 Crores and expect the situation improves during the current financial year. Sale of Yarn and price realization in both domestic and export markets have been lower this year on account of poor demand for yarn. Measures are being taken to save costs and rationalize operations, which are likely to yield positive results.

OPPORTUNITIES

The demand for the textile products are likely to improve with the anticipated decrease in inflation rates and improvement in the consumer confidence for the products. Various measures are already on the stand to maximize the capacity utilization and efficiency rate and also to minimize the expenditures on various spheres to maximize the profits. The yarn prices are also likely to improve depending on the policy of the government to improve with the industry along with domestic demand for the products. With a normal monsoon forecast, the prospects of a good cotton crop in India in the ensuing season are bright.

THREATS

Non-availability of skilled manpower is one of the major threat faced by our industry today which affects the industry and the operations. Higher inflation, and substantial increase in the interest rates along with increasing costs of inputs would reduce the profitability of the operations. Above all, the uncertainty in the economic growth has an adverse impact on the growth of the industry. Even though the forecast for Indian economic growth is positive, the performance of the company largely depends on the improvement in domestic consumption and monetary policy of the country. Appreciation of Indian rupee over

KAKATIYA TEXTILES LIMITED

major currencies could have an impact on exports.

RISKS AND CONCERNS

The Company has been adopting a risk management policy to identify the nature and magnitude of risk associated with the company in general and various measures are initiated to avoid such risks. These are also reviewed periodically and placed before the Board.

HEALTH, SAFETY AND SECURITY ENVIRONMENT

The Company has always been adopting all possible safety measures considering the health and safety of the workers and staff at all levels. This has resulted in improvement in the working environment and motivation among workers and staff.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

Employer- employee relations continued to remain cordial during the year at all the units of the Company. Various measures are being adopted towards improving the life, work culture, productivity, efficiency and effectiveness of the workers and staff at all levels. Fundamental HR process of recruiting, training and deployment of trained labour, at added costs continues in view of shortage of manpower persisting in this industry in Andhra Pradesh.

**By Order of the Board of Directors
For Kakatiya Textiles Ltd**

**Sd/-
V Ravindranath
Chairman & Director
DIN 00480295**

Place: Tanuku
Date: 14.08.2019

KAKATIYA TEXTILES LIMITED

Annexure-V

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under section 134 of the Companies Act, 2013 read with the rule 8(3) of Companies (Accounts) Rules, 2014 is here under:

(a) CONSERVATION OF ENERGY

Steps taken for conservation of energy: Energy conservation signifies how effectively and efficiently the company is managing its operations. The Company has undertaken various energy efficient practices and strengthened the Company's commitment towards becoming an environment friendly organization. The Company cautiously utilizes power and fuel to reduce the cost of maintenance.

(b) TECHNOLOGY ABSORPTION

- (i) The efforts made towards technology absorption: NA
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: NA
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NA
- (a) The details of technology imported: NA
- (b) The year of import: NA
- (c) Whether the technology been fully absorbed: NA
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA
- (iv) The expenditure incurred on Research and Development: NA

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO

S. No	Particulars	Rs. In Mn	
		2018-2019	2017-2018
1	Earnings	Nil	Nil
2	Outgo	Nil	Nil

By Order of the Board of Directors
For Kakatiya Textiles Ltd

Sd/-
V Ravindranath
Chairman & Director
DIN 00480295

Place: Tanuku
Date: 14.08.2019

KAKATIYA TEXTILES LIMITED

INDEPENDENT AUDITOR'S REPORT

To
THE MEMBERS OF
KAKATIYA TEXTILES LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements:

Opinion

We have audited the accompanying standalone Ind AS financial statements of **M/s. KAKATIYA TEXTILES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31 March 2019, and its Loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the Financial Statements and Auditor's Report thereon

The Companies Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If,

KAKATIYA TEXTILES LIMITED

based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Companies Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Companies ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Companies financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of managements use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Companies ability to

KAKATIYA TEXTILES LIMITED

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 including other comprehensive income, the Statement of changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - f. With respect to the adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".

KAKATIYA TEXTILES LIMITED

- g. With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position as on reporting date.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
Firm Reg. No.000632S

Place: Tanuku
Date: 30th May, 2019

Sd/-
(CA. Srinivasa Rao Cherukuri)
Partner
M.No. 209237

KAKATIYA TEXTILES LIMITED

Annexure-A to the Independent Auditors' Report

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of KAKATIYA TEXTILES LIMITED for the year ended 31st March 2019. We report that:

- (i). (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations furnished to us, the company has physically verified its fixed assets during the period and such intervals which in our opinion, provided for the physical verification of all the Fixed Assets at reasonable interval having regard to the size of the company and nature of its business. According to the information and explanation given to us, no material discrepancies have been noticed on such verification carried out during the period.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii). According to the information and explanations furnished to us, the company has physically verified its inventories at reasonable intervals during the period under report. In our opinion and according to information and explanation given to us, the discrepancies if any noticed on verification of inventories between the physical stocks and the book records were not material, and have been properly dealt with in the books of account.
- (iii). According to the information and explanations furnished to us, the company has not granted any loans, secured or unsecured to companies, firms, LLP or other parties covered in register maintained under Section 189 of the Company's Act 2013. Consequently, paragraph 3 iii (a), (b) and (c) of the order are not applicable to the Company.
- (iv). According to the information and explanations furnished to us, the company has not given any loan, made any investment, given any guarantee, or provided any security covered under section 185 and 186 of the Company's Act, 2013. Hence reporting under clause (iv) of the Order is not applicable.
- (v). According to the information and explanations given to us, the company has not accepted any deposits covered under the provisions of section 73 to 76 or any other relevant provisions of the Act. Further, according to the information furnished to us, no order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act, 2013.
- (vi). We have broadly reviewed the books of account and records maintained by the company pursuant to the rules made by the Central Government for the maintenance of Cost Records under the section 148 of the Company's Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii). (a) According to the information and explanations furnished to us and according to the books and records produced for our examination, in our opinion, the company is regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Employees State insurance, Income Tax, Sales Tax, Service Tax, Goods and Service tax, Custom Duty, Excise duty, Value added tax, Cess and other material statutory dues wherever applicable to it and further there are no undisputed statutory dues that were outstanding, as at the date of the Balance Sheet, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations furnished to us and according to the records of

KAKATIYA TEXTILES LIMITED

the company, the company has no disputed dues on account of Provident Fund, Employee's State insurance, Income Tax, Sales Tax, Service Tax, Goods and Service tax, Custom Duty, Excise duty, Value added tax, Cess and other material statutory dues pending remittance as at March 31,2019.

- (viii). According to the information and explanations given to us, there were no defaults in repayment of dues to financial institutions, banks, government or debenture holders at the date of balancesheet.
- (ix). According to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instrument) and the term loans from Banks and Financial Institutions have been applied for the purposes for which they were obtained.
- (x). According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi). According to the information and explanations furnished to us, the company has not paid or provided managerial remuneration during the period. Hence reporting requirement in terms of Clause (xi) does not arise during the period under report.
- (xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- (xiv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv). According to the information and explanations furnished to us, the company has not entered in to any non-cash transactions with directors or persons connected with him. Hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi). According to the information and explanations furnished to us, the company is not required to be registered under the section 45-IA of the Reserve Bank of India Act, 1934.

Place: Tanuku
Date: 30th May, 2019

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
Firm Reg. No.000632S

Sd/-
(CA. Srinivasa Rao Cherukuri)
Partner
M.No. 209237

KAKATIYA TEXTILES LIMITED

Annexure-B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of KAKATIYA TEXTILES LIMITED ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

KAKATIYA TEXTILES LIMITED

the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 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

Place: Tanuku
Date: 30th May, 2019

For **CHEVUTURI ASSOCIATES**
Chartered Accountants
Firm Reg. No.000632S

Sd/-
(CA. Srinivasa Rao Cherukuri)
Partner
M.No. 209237

KAKATIYA TEXTILES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

PARTICULARS	Note No.	As at March 31,2019	As at March 31,2018
A. ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2	1147.68	1167.65
(b) Capital work-in-progress	2	50.27	47.64
(c) Deferred tax asset (Net)	3	297.95	297.95
(d) Income tax assets (net)		4.45	3.87
(e) Other non-current assets	4	97.33	99.43
TOTAL NON-CURRENT ASSETS		1597.68	1616.54
CURRENT ASSETS			
(a) Inventories	5	353.35	206.63
(b) Financial assets			
(i) Trade Receivables	6	172.14	64.27
(ii) Cash and cash equivalents	7	2.63	4.33
(iii) Bank balances other than (ii) above	8	5.81	5.81
(iv) Other financial assets	9	28.27	30.36
(c) Other current assets	10	129.59	129.10
TOTAL CURRENT ASSETS		691.79	440.50
TOTAL ASSETS		2289.47	2057.04
B. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	11	578.54	578.54
(b) Other equity	12	(1929.46)	(1882.22)
TOTAL EQUITY		(1350.92)	(1303.68)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings			
TOTAL NON-CURRENT LIABILITIES			
CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Trade payables	14	292.56	105.05
(ii) Other financial liabilities	15	5.68	7.40
(b) Provisions	16	71.63	67.03
(c) Other current liabilities	17	595.67	623.21
TOTAL CURRENT LIABILITIES		965.54	802.69
TOTAL EQUITY AND LIABILITIES		2289.47	2057.04
Corporate Information Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **Chevuturi Associates**
Chartered Accountants
Regn.No.000632S

Sd/-
(CA Srinivasa Rao Cherukuri)
Partner
ICAI M.No.209237

Place: Tanuku
Date: 30th May 2019

For and on behalf of Board
Kakatiya Textiles Limited

Sd/-
Vanka Raja Kumari
Director
DIN .00480392

Sd/-
Vanka Ravindranath
Chairman & Director
DIN .00480295

Sd/-
N. Hanumantha Rao
Chief Financial Officer

KAKATIYA TEXTILES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in Lakhs)

PARTICULARS	Note No.	Year ended March 31,2019	Year ended March 31,2018
I Revenue from operations	18	4039.78	3675.03
II Other income	19	28.79	11.30
III Total Income(I+II)		4068.57	3686.33
IV EXPENSES			
Cost of materials consumed	20	2489.61	2208.15
Purchases of stock-in-trade		487.61	500.64
Changes in inventories of finished goods, stock-in-trade and work-in-progress Employee benefits expense	21	25.62	14.00
Finance costs	22	266.19	310.70
Depreciation and amortisation expense	23	1.03	1.79
Other expenses	2	54.88	51.12
	24	790.87	766.07
Total Expenses (IV)		4115.81	3852.47
V Profit before tax (III -IV)		(47.24)	(166.14)
VI Tax expense			
(i) Current tax		-	-
(ii) Deferred tax (credit) /expense		-	-
Total Tax expense (VI) VII		-	-
Profit for the year (V -VI)		(47.24)	(166.14)
VIII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss:			
(a) Remeasurements of the defined benefit plans		-	-
(b) Equity instruments through other comprehensive income		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive (Loss) / Income [(i)+(ii)]		-	-
IX Total comprehensive income for the year (VII +VIII)		(47.24)	(166.14)
Earnings per share (of ₹ 10/- each): Basic and Diluted (₹)		(0.82)	(2.87)
Corporate Information			
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For **Chevuturi Associates**
Chartered Accountants Firm
Regn.No.000632S

Sd/-
(CA Srinivasa Rao Cherukuri)
Partner
ICAI M.No.209237

Place: Tanuku
Date: 30th May 2019

For and on behalf of Board
Kakatiya Textiles Limited

Sd/-
Vanka Raja Kumari
Director
DIN .00480392

Sd/-
Vanka Ravindranath
Chairman & Director
DIN .00480295

Sd/-
N. Hanumantha Rao
Chief Financial Officer

KAKATIYA TEXTILES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
I CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extraordinary items	(47.24)	(166.14)
Adjustments for		
Depreciation	54.88	51.12
Finance Cost	1.03	1.79
(Profit) / Loss on Sale of Assets	(12.00)	(4.00)
Interest Income	(6.77)	(5.69)
Operating profit before working capital changes	(10.10)	(122.92)
<u>Movements in working capital</u>		
<u>Adjustments for (increase)/decrease in operating assets:</u>		
Trade receivables	(107.87)	31.42
Inventories	(146.72)	37.79
other current assets	1.60	(10.78)
<u>Adjustments for increase/(decrease) in operating liabilities:</u>		
Trade payables	187.51	(21.36)
Other liabilities	(29.26)	437.71
Provisions	4.60	20.94
Cash generated from operations	(100.24)	372.80
Less: Direct taxes paid	-	-
Net cash from operating activities (A)	(100.24)	372.80
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37.54)	(40.14)
Proceeds from sale of property, plant and equipment	12.00	4.00
Increase in other non current assets	1.52	(15.18)
Interest Received	6.77	5.69
Net cash from Investing activities (B)	(17.25)	(45.63)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	116.82	(327.40)
Interest and finance charges	(1.03)	(1.79)
Net cash from financing activities (C)	115.79	(329.19)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1.70)	(2.02)
Cash and cash equivalents at the beginning of the period	4.33	6.35
Cash and cash equivalents at the end of the period	2.63	4.33
Net increase / decrease in cash and cash equivalents	(1.70)	(2.02)

As per our report of even date
For **Chevaturi Associates**
Chartered Accountants Firm
Regn.No.000632S

Sd/-
(CA Srinivasa Rao Cherukuri)
Partner
ICAI M.No.209237

Place: Tanuku
Date: 30th May 2019

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Sd/-
N. Hanumantha Rao
Chief Financial Officer

KAKATIYA TEXTILES LIMITED

STATEMENT ON ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Corporate Information:

Kakatiya Textiles Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 vide CIN NO: L18100AP1981PLC104439. Its shares are listed on Bombay Stock Exchange in India. The company is engaged in the manufacture and sale of cotton yarn.

a) Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and guidelines issued by the Securities and Exchange Board of India (SEBI).

The accounting policies are applied consistently to all the periods presented in the financial statements.

b) Basis of preparation of financial statements

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c) Use of Estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates and amounts collected on behalf of third parties. It includes Excise Duty but excludes Value Added Tax, Sales Tax, GST and Service tax.

Effective from 1st April 2018, the Company adopted Ind AS 115- "Revenue from contracts with customers" and applied prospectively contracts with customers, existing as on 1st April 2018. The applicability of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results of the company.

Sale of products:

Revenue from sale of products is recognized, when significant risks and rewards of ownership pass to the dealer / customer, as per terms of contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

KAKATIYA TEXTILES LIMITED

Interest on investments and deposits is booked on a time proportion basis taking into account the amounts invested and the rate of interest when no significant uncertainty as to measurability or collectability exists.

Revenue from sale of assets is recognized upon delivery, which is when title passes to the customer.

e) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use. However, cost excludes Excise Duty, Value Added Tax and Service Tax, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is de-recognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

f) Depreciation and amortization

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

g) Inventories:

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

- i) Cost of raw materials, components, stores, spares and work-in-process are valued at cost, determined on a first-in-first-out basis.
- ii) By-products and scrap are valued at net realizable value and it is reduced from cost of the main product.

h) Borrowing Costs:

Borrowing costs incurred in connection with the funds borrowed for acquisition/erection of assets that necessarily take substantial period of time to get ready for intended use, are capitalized as part of such assets. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowings costs. All other borrowing costs are charged to revenue.

i) Employee Benefits

(i) Gratuity

In accordance with The Payment of Gratuity Act, 1972 The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or

KAKATIYA TEXTILES LIMITED

termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Gratuity benefits are managed through the Group Gratuity Scheme of LIC. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(ii) Provident Fund and Employees' state Insurance Scheme:

Eligible employees of The Kakatiya Textiles Limited receive benefits from a provident fund and Employees' State Insurance scheme which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the Provident Fund and Employees' State Insurance equal to a specified percentage of the covered employee's salary.

j) Foreign Exchange Transactions:

- i)** Transactions in foreign currency are initially accounted at exchange rate prevailing on the date of transaction, and adjusted appropriately, with the difference in the rate of exchange arising on actual receipt/payment during the period underreport.
- ii)** At each Balance Sheet date foreign currency monetary items being receivables/payables are reported using the rate of exchange on that date and difference is recognized as income or expense. Foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized.
- iii)** In respect of forward exchange contracts in the nature of hedges. Premium or discount on the contract is amortized over the term of the contract. Exchange differences on the contract are recognized as profit or loss in the period in which they arise.

k) Income Taxes:

Income tax expense comprises current and deferred taxes.

- i)** Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- ii)** Deferred tax is recognized under the liability method, on timing differences, being the difference between taxable income and accounting income that originate in one period

KAKATIYA TEXTILES LIMITED

and capable of reversal in one or more subsequent periods, at the rate of tax enacted or substantively enacted by the balance sheet date.

l) Provisions, Contingent Liabilities and Contingent assets:

i) Provision:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Provisions are discounted when time value of money is material. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

iii) Contingent assets:

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

m) Earnings per Share:

The company's Basic EPS is calculated by dividing profit or loss from continuing operations attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period as per IND AS-33, Earnings per Share.

The diluted EPS of an entity is calculated on the same basis as basic EPS, after adjusting for the effects of dilutive potential ordinary shares unless the effect of the potential dilutive equity shares is anti-dilutive.

n) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown with borrowings in current liabilities in the balance sheet.

o) Cash flow statement:

Cash flows are reported using the indirect method, whereby the profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

KAKATIYA TEXTILES LIMITED

p) Government Grants:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants related to revenue items are presented as part of profit or loss under general heading such as other income or they are deducted in reporting the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

KAKATIYA TEXTILES LIMITED

NOTE No.2 PROPERTY, PLANTANDEQUIPMENT

(₹ in Lakhs)

Particular	Land - Freehold	Non Factory Buildings	Factory Buildings	Plant & Machinery	Electrical Installations	Furniture & Fixtures	Com-puters	Vehicles	Total	Capital Work in Progress*
Gross Carrying Amount As at 01.04.2018	11.86	226.61	246.23	1846.68	225.13	29.20	14.12	46.61	2646.44	47.64
Additions	-	-	-	34.45	-	0.46	-	-	34.91	37.59
Disposals / Transfers	-	-	-	12.00	-	-	-	-	12.00	34.96
Gross Carrying Amount As at 31.03.2019	11.86	226.61	246.23	1869.13	225.13	29.66	14.12	46.61	2669.35	50.27
Accumulated Depreciation As at 01.04.2018	-	28.11	194.49	1059.81	147.10	24.03	12.70	12.55	1478.79	-
Depreciation charged for the year	-	3.69	8.22	32.66	3.05	1.12	0.95	5.19	54.88	-
Disposals / Transfers	-	-	-	12.00	-	-	-	-	12.00	-
Accumulated Depreciation As at 31.03.2019	-	31.80	202.71	1080.47	150.15	25.15	13.65	17.74	1521.67	-
Net Carrying Amount										
As at 31.03.2018	11.86	198.50	51.74	786.87	78.03	5.17	1.42	34.06	1167.65	47.64
As at 31.03.2019	11.86	194.81	43.52	788.66	74.98	4.51	0.47	28.87	1147.68	50.27

KAKATIYA TEXTILES LIMITED

(₹ in Lakhs)

Note No.	Schedules Annexed to and Forming Part of Balance Sheet	As at 31st March, 2019	As at 31st March, 2018
3	<u>DEFERRED TAX ASSET (Net):</u>		
	Depreciation	(26.92)	(26.92)
	Losses	309.94	309.94
	Others	14.93	14.93
		297.95	297.95
4	<u>OTHER NON-CURRENT ASSETS:</u>		
	Unsecured considered good:		
	Deposits with Govt authorities	87.81	87.81
	Capital advances	9.52	11.62
		97.33	99.43
5	<u>INVENTORIES:</u> (at lower of cost and net realisable value)		
	(a) Raw materials and bought-outcomponents	211.70	37.33
	(b) Work-in-progress	46.57	43.48
	(c) Finishedgoods		
	Cotton Yarn	27.53	55.95
	Cotton Waste	12.31	12.60
	(d) Stores and spares (including secondary packingmaterial)	54.52	54.46
	(e) Good in transit	0.72	2.81
		353.35	206.63
6	<u>TRADE RECEIVABLES:</u>		
	(Unsecured -considered good)		
	Exceeding Six Months	-	-
	Others	172.14	64.27
		172.14	64.27
7	<u>CASH & CASH EQUIVALENTS:</u>		
	Cash in hand	0.16	0.23
	Balances with Banks		
	-In Current Accounts	2.47	4.10
	-Fixed Deposits	-	-
		2.63	4.33
8	<u>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</u>		
	Balances with Banks		
	Held as margin / Fixed Deposits	5.81	5.81
		5.81	5.81

KAKATIYA TEXTILES LIMITED

		(₹ in Lakhs)			
Note No.	Schedules Annexed to and Forming Part of Balance Sheet	As at 31st March, 2019	As at 31st March, 2018		
9	<u>OTHER CURRENT FINANCIAL ASSETS:</u> <u>Unsecured, considered good unless stated otherwise</u>				
	Prepaid Expenses	2.47	2.73		
	Employee related Advances	3.59	4.23		
	Advance for purchase of Raw Material	7.17	7.54		
	Advance for purchase of stores	10.41	11.23		
	Advance for Expenses	3.40	3.40		
	Other Advances	1.23	1.23		
		28.27	30.36		
10	<u>OTHER CURRENT ASSETS:</u> <u>Unsecured, considered good unless stated otherwise</u>				
	Interest accrued on fixed deposits	1.64	1.15		
	Receivable on account of sale of Machinery	58.32	58.32		
	Receivable on account of Indirect income	6.19	6.19		
	Receivable on account of VAT	63.44	63.44		
		129.59	129.10		
11	<u>SHARE CAPITAL:</u>				
	i) Authorised Sharecapital				
	65,00,000 (65,00,000) Equity Shares of ₹ 10/- each	650.00	650.00		
	5,00,000 (5,00,000) 1% Cumulative Redeemable Preference Shares of ₹ 100/- each.	500.00	500.00		
		1150.00	1150.00		
	ii) Issued, Subscribed & Paid Up Capital				
	58,10,600 (58,10,600) Equity shares of ₹ 10/- each	581.06	581.06		
	Less: Calls in arrears	2.52	2.52		
		578.54	578.54		
Reconciliation of number of shares outstanding at the beginning and at the end of the year:					
		Asat 31.03.2019		As at 31.03.2018	
		₹ lakhs	No. of shares	₹ lakhs	No. of shares
	No. of equity shares outstanding at the beginning of the year	581.06	58,10,600	581.06	58,10,600
	Add: Additional shares / Bonus shares issued	-	-	-	-
	Less: Shares forfeited / Bought back	-	-	-	-
	No. of equity shares outstanding at the end of the year	581.06	58,10,600	581.06	58,10,600

KAKATIYA TEXTILES LIMITED

Details of shares held by shareholders holding more than 5% of shares

Name of the Shareholders	As at 31.03.2019		As at 31.03.2018	
	No. of shares	% of holding	No. of shares	% of holding
Equity Capital				
Shri Vanka Ravindra Nath	7,47,603	12.87	7,47,603	12.87
Smt Vanka Raja Kumari	7,33,203	12.62	7,33,203	12.62
Shri Vanka Raghuveer	7,33,203	12.62	7,33,203	12.62
Ms. Vanka Ravali	7,33,203	12.62	7,33,203	12.62

(₹ in Lakhs)

Note No.	Schedules Annexed to and Forming Part of Balance Sheet	As at 31st March, 2019	As at 31st March, 2018												
12	OTHER EQUITY:														
	i) General reserve														
	Opening Balance	17.50	17.50												
	Add: Additions	-	-												
	Less: Utilised/transferred	-	-												
	Closing Balance (A)	17.50	17.50												
	ii) Surplus/(Deficit) in Statement of profit and loss														
	Opening Balance	(1899.72)	(1733.58)												
	Add: Net Loss transferred from statement of Profit & Loss	(47.24)	(166.14)												
	Closing Balance (B)	(1946.96)	(1899.72)												
	(A+B)	(1929.46)	(1882.22)												
13	NON-CURRENT BORROWINGS														
	a) HDFC Bank Vehicle Loan-I	0.00	1.69												
	b) HDFC Bank Vehicle Loan-II	0.35	4.34												
	Note:														
	The above loan was primarily secured by hypothecation of Specific assets purchased out of above finance.														
	Terms & Conditions														
	<table style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">I</td> <td style="text-align: center;">II</td> </tr> <tr> <td>Amount Sanctioned :</td> <td style="text-align: right;">13.45</td> <td style="text-align: right;">13.70</td> </tr> <tr> <td>No. of Installments :</td> <td style="text-align: right;">47</td> <td style="text-align: right;">47</td> </tr> <tr> <td>Rate of Interest :</td> <td style="text-align: right;">10.05%</td> <td style="text-align: right;">10.00%</td> </tr> </table>		I	II	Amount Sanctioned :	13.45	13.70	No. of Installments :	47	47	Rate of Interest :	10.05%	10.00%		
	I	II													
Amount Sanctioned :	13.45	13.70													
No. of Installments :	47	47													
Rate of Interest :	10.05%	10.00%													
	(The company is regular in repayment of installment amountson														
	c) Unsecured Loans														
	i) Inter Corporate Loan	2174.50	2052.00												
	d) Preference Shares	500.00	500.00												
		2674.85	2558.03												
14	TRADE PAYABLES:														
	i) Due to Micro, Small & Medium Enterprises	-	-												
	ii) Others	292.56	105.05												
		292.56	105.05												

KAKATIYA TEXTILES LIMITED

		(₹ in Lakhs)	
Note No.	Schedules Annexed to and Forming Part of Balance Sheet	As at 31st March, 2019	As at 31st March, 2018
15	<u>OTHER CURRENT FINANCIAL LIABILITIES</u>		
	Current maturities of Long term Debt	5.68	7.40
		5.68	7.40
16	<u>CURRENT PROVISIONS</u>		
	Bonus Payable	5.50	6.84
	Gratuity payable	66.13	60.19
		71.63	67.03
17.	<u>OTHER CURRENT LIABILITIES:</u>		
	i) Other Payables		
	a) Advance from customers	330.84	353.04
	b) Statutory Liabilities	23.74	9.84
	c) Employee related payables	21.35	21.49
	d) Creditors for Capital Goods	91.00	94.89
	e) Creditors for Commission	41.72	36.33
	f) Creditors for Expenses	87.02	107.62
		595.67	623.21
18	<u>REVENUE FROM OPERATIONS:</u>		
	a) Sale of Products:	4039.78	3675.02
	b) Other Operating Revenues:	-	0.01
	Less: Excise Duty:	-	-
		4039.78	3675.03
19.	<u>OTHER INCOME:</u>		
	Interest Income	6.77	5.62
	Interest Income on Income Tax refunds	-	0.07
	Gain from Sale of Fixed Asset	12.00	4.00
	Credit balances written Off	0.22	0.46
	Misc Income	0.29	1.15
	Insurance Claims Received	9.51	-
		28.79	11.30
20	<u>COST OF MATERIALS CONSUMED:</u>		
	Opening Stock of Cotton Lint	37.33	60.95
	Add: Purchases	2663.98	2184.53
	Less: Closing Stock of Cotton Lint	211.70	37.33
		2489.61	2208.15
21	<u>CHANGE IN INVENTORIES OF FINISHED GOODS WORK-IN-PROCESS & STOCK IN TRADE:</u>		
	Inventories at the beginning of the year		
	Finished Goods	55.95	61.41
	Stock-in-Process	43.48	53.03
	Process waste	12.60	11.59
		112.03	126.03
	Inventories at the end of the year		
	Finished	27.53	55.95
	Stock-in-Process	46.57	43.48
	Process waste	12.31	12.60
		86.41	112.03
		25.62	14.00

KAKATIYA TEXTILES LIMITED

(₹ in Lakhs)

Note No.	Schedules Annexed to and Forming Part of Balance Sheet	As at 31st March, 2019	As at 31st March, 2018
22	<u>EMPLOYEE BENEFIT EXPENSES:</u>		
	Salaries	227.13	247.77
	Contributions to Provident fund and other funds	16.78	21.30
	Gratuity Fund Contribution	6.24	22.50
	Welfare Expenses	16.04	19.13
		266.19	310.70
23	<u>FINANCE COST:</u>		
	Interest Paid to Banks		
	On Vehicle Loans	1.02	1.72
	Interest paid to Others	0.01	0.07
		1.03	1.79
24	<u>OTHER EXPENSES:</u>		
	Stores and spares Consumed	92.28	102.42
	Power & Fuel	438.92	420.19
	Taxes & Licences	10.75	15.04
	Repairs & Maintenance		
	- Factory Building	1.08	0.58
	- Plant & Machinery	173.07	157.43
	- Others	0.37	0.15
	Selling expenses	37.35	34.85
	Payment to Auditors	0.55	0.54
	Professional charges	2.53	4.03
	Insurance	1.84	1.59
	Postage, Telephone & Printing	4.91	4.41
	Traveling & Conveyance Expenses	0.45	0.50
	Others	26.77	24.34
		790.87	766.07

KAKATIYA TEXTILES LIMITED

26. Auditors Remuneration:

Particulars	31.03.2019	31.03.2018
Auditors Remuneration:		
As Statutory Auditors	0.25	0.25
Reimbursement of expenses	0.30	0.29
	0.55	0.54

27. Earnings Per Share (E.P.S) -AS-20:

(₹ in Lakhs)

Particulars	31.03.2019	31.03.2018
i) Net Profit attributable to the ordinary shareholders for Basic & Diluted Earnings perShare (Before Extra-ordinary items)	(47.24)	(166.14)
ii) Net Profit attributable to the ordinary shareholders for Basic & Diluted Earnings per Share (After Extra-ordinary items)	(47.24)	(166.14)
ii) No. of ordinary shares	5785350	5785350
iii) Nominal value pershare(₹)	10	10
iv) Weighted average No of equityshares	5785350	5785350
v) Basic & Diluted Earnings per Share(₹) (Before Extra-Ordinary items)	(0.82)	(2.87)
v) Basic & Diluted Earnings per Share(₹) (After Extra-ordinary items)	(0.82)	(2.87)

28. Details of employee benefits as required by the Ind AS-19 are asunder:

- a) Description of the company's defined plan: The Company operates a defined plan for payment of post employment benefits in the form of gratuity. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972.

The terms of benefit are common for all the employees of the company.

Change in benefit obligations

Particulars	31.03.2019	31.03.2018
Present value of the Obligation as on 1st April	64.21	50.48
Current Service Cost	2.68	2.51
Interest Cost	0.15	4.04
Actuarial (Gains) and Losses	3.24	16.58
Benefits Paid	(3.57)	(9.40)
Present value of the Obligation as on 31st March	66.71	64.21

KAKATIYA TEXTILES LIMITED

Change in plan assets

Particulars	31.03.2019	31.03.2018
Fair value of the Plan Assets as on 1st April	4.02	12.79
Expected Rate of Return	0.13	0.63
Actuarial Gains and (Losses)	0.00	0.00
Contributions by the Employer	0.00	0.00
Benefits paid	(3.57)	(9.40)
Fair value of the Plan Assets as on 31st March	0.58	4.02

Amount recognized in Balance Sheet

Particulars	31.03.2019	31.03.2018
Present value of obligation at the end of the period	66.71	64.21
Fair value of plan assets at the end of the period	0.58	4.02
Net (liability)/asset recognized in Balance Sheet	66.13	60.19

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the statement of Profit and Loss

Particulars	31.03.2019	31.03.2018
Service cost	2.68	2.51
Interest Cost	0.15	4.04
Interest income	0.13	(0.63)
Actuarial Gains and Losses	3.24	16.58
Adjustments	0.03	0.00
Net expense recognized	6.23	22.50

B) Investment Details: LIC Group Gratuity (Cash Accumulation) Policy - 100% invested in Debtinstruments.

C) Principal Actuarial Assumptions used at the Balance Sheet date is asfollows:

Discount Rate	7.50%	8.00%
Expected Rate of Return on Plan Assets	7.59%	8.00%
Attrition Rate	3.00%	3.00%
Rate of escalation in salary(per annum)	7.00%	7.00%

The estimated rates of escalation of salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

KAKATIYA TEXTILES LIMITED

29. Particulars disclosed pursuant to “Ind AS-24 Related Party Disclosures”.

- a) Key Management Personnel
 Smt. Vanka Raja Kumari Director
 Sri. Vanka Ravindranath Director
- b) Relatives of Key Management Personnel
 Sri. Vanka Raghuv eer
 Ms. Vanka Ravali
- c) Companies controlled by Key Management Personnel:
 Indian Hair Industries Private Limited
 RK Hair Products Private Limited
 Ravali Spinners Private Limited
 SVR Spinning Mills Private Limited
 Raghuv eer Infra & Fashions Private Limited

Related Party Disclosure (as certified by the Management)

(₹ in Lakhs)

Sl. No.	Nature of transaction	Key Management Personnel	Relatives of Key Management Personnel	Companies / firms controlled by KMP / Relatives of KMP
1	Sale of goods to - Ravali Spinners Pvt Ltd - SVR Spinning Mills Pvt Ltd Purchase of Goods, Packing	-- --	-- --	206.42 5.90
2	Material, Transport from - Ravali Spinners Pvt Ltd - SVR Spinning Mills Pvt Ltd	-- --	-- --	160.26 2.60
	Balances as at 31.03.2019			
	Share capital of the company held by			
3	Equity Share Capital			
	Shri Vanka Ravindra Nath	74.76	--	--
	Smt Vanka Raja Kumari	73.32	--	--
	Shri Vanka Raghuv eer	--	73.32	--
	Ms. Vanka Ravali	--	73.32	--
	Preference Share Capital			
	Shri Vanka Ravindra Nath	125.00	--	--
	Smt Vanka Raja Kumari	125.00	--	--
	Shri Vanka Raghuv eer	--	125.00	--
	Ms. Vanka Ravali	--	125.00	--
4	Amount due to			
	- RK Hair Products Pvt Ltd	--	--	1015.00
	- Indian Hair Industries Pvt Ltd	--	--	1159.50
	- SVR Spinning Mills Pvt Ltd	--	--	91.00
	- Ravali Spinners Pvt Ltd (Net)	--	--	330.77

KAKATIYA TEXTILES LIMITED

30. Deferred tax

The Company did not provide for deferred tax asset (net) of ₹ 128.38 Lakhs for the years 2015-16, 2016-17, 2017-18 and 2018-19 against Depreciation, Brought forward loss & others because there is no certainty of set off against future income. Hence no deferred tax asset has been created.

If the company has made a provision for deferred tax asset of ₹ 128.38 Lakhs, the loss for 2018-19 would have been decreased to ' Nil and a profit of ₹ 81.14 Lakhs

31. Disclosure on payments and dues to "suppliers" as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("The Act").

	Particulars	31-03-19 ₹	31-03-18 ₹
1.	Principal amount due to suppliers under MSMED Act, as at the end of the year Principal amount of bills to be paid.	-NIL-	-NIL-
2.	Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year.	-NIL-	-NIL-
3.	Payment made to suppliers (other than interest) beyond the appointed day, during the year	-NIL-	-NIL-
4.	Interest paid to suppliers under MSMED Act (other than Section 16)	-NIL-	-NIL-
5.	Interest paid to suppliers under MSMED Act (Section 16)	-NIL-	-NIL-
6.	Interest due and payable to suppliers under MSMED Act, for payments already made.	-NIL-	-NIL-
7.	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (iv)	-NIL-	-NIL-

The company has obtained information from suppliers who are covered under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information and evidence available with the company, there are no dues to Micro, Small, Medium Enterprises outstanding as on 31.03.2019

32. The company operates in one primary segment. i.e., Textiles Hence reporting under Ind AS-108 was not applicable.

33. The previous year's figures have been regrouped / reclassified wherever necessary to conform to the current period presentation.

As per our report of even date
For **Chevuturi Associates**
Chartered Accountants
Regn.No.000632S

Sd/-
(CA Srinivasa Rao Cherukuri)
Partner
ICAI M.No.209237

Place: Tanuku
Date: 30th May 2019

For and on behalf of Board
Kakatiya Textiles Limited

Sd/-
Vanka Raja Kumari
Director
DIN .00480392

Sd/-
Vanka Ravindranath
Chairman & Director
DIN .00480295

Sd/-
N. Hanumantha Rao
Chief Financial Officer

KAKATIYA TEXTILES LIMITED

KAKATIYA TEXTILES LIMITED

CIN: L18100AP1981PLC104439

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, Website: www.kakatiyatextiles.in

ATTENDANCE SLIP

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Avantel Limited.

I hereby record my presence at the 37th Annual General Meeting of the shareholders of Kakatiya Textiles Limited on Friday, 27th September, 2019 At 11.00 AM at Plot No. 9 & 10, Industrial Estate, Tetali, Tanuku, West Godavari - 534218, Andhra Pradesh

DP ID*	Reg. Folio No.
Client ID*	No of Shares

*Applicable if shares are held in electronic form

Name and Address of Member

Signature of Shareholder/ Proxy /
Representative (Please Specify)

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KAKATIYA TEXTILES LIMITED

KAKATIYA TEXTILES LIMITED

CIN: L18100AP1981PLC104439

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, Website: www.kakatiyatextiles.in

CIN	L18100AP1981PLC104439		
Name of the Company	KAKATIYA TEXTILES LIMITED		
Registered Office	PLOT NO. 9 & 10, INDUSTRIAL ESTATE, TETALI, TANUKU, WEST GODAVARI, AP - 534218 IN		
Name of the Member			
Registered Address			
Email ID			
Folio No/ Client ID		DP ID.:	

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

1	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
2	Name:		
	Address		
	Email ID	Signature	
	Or failing him		
3	Name:		
	Address		
	Email ID	Signature	
	Or failing him		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the company, to be held on the Friday 27th day of September, 2019 at 11.00 p.m. at Plot No. 9 & 10, Industrial Estate, Tetali, Tanuku, West Godavari - 534218, Andhra Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolutions	For	Against
1	To receive, consider and adopt the audited Financial Statements of the company for the Financial Year ended on 31st March, 2019 together with the Report of the Board of Directors and Auditors thereon;		
2	To appoint a director in place of Smt. Vanka Raja Kumari (DIN: 00480392), who retires by rotation and being eligible offers herself for re-appointment.		

Affix
Revenue
Stamp

Signed this ____ day of _____.

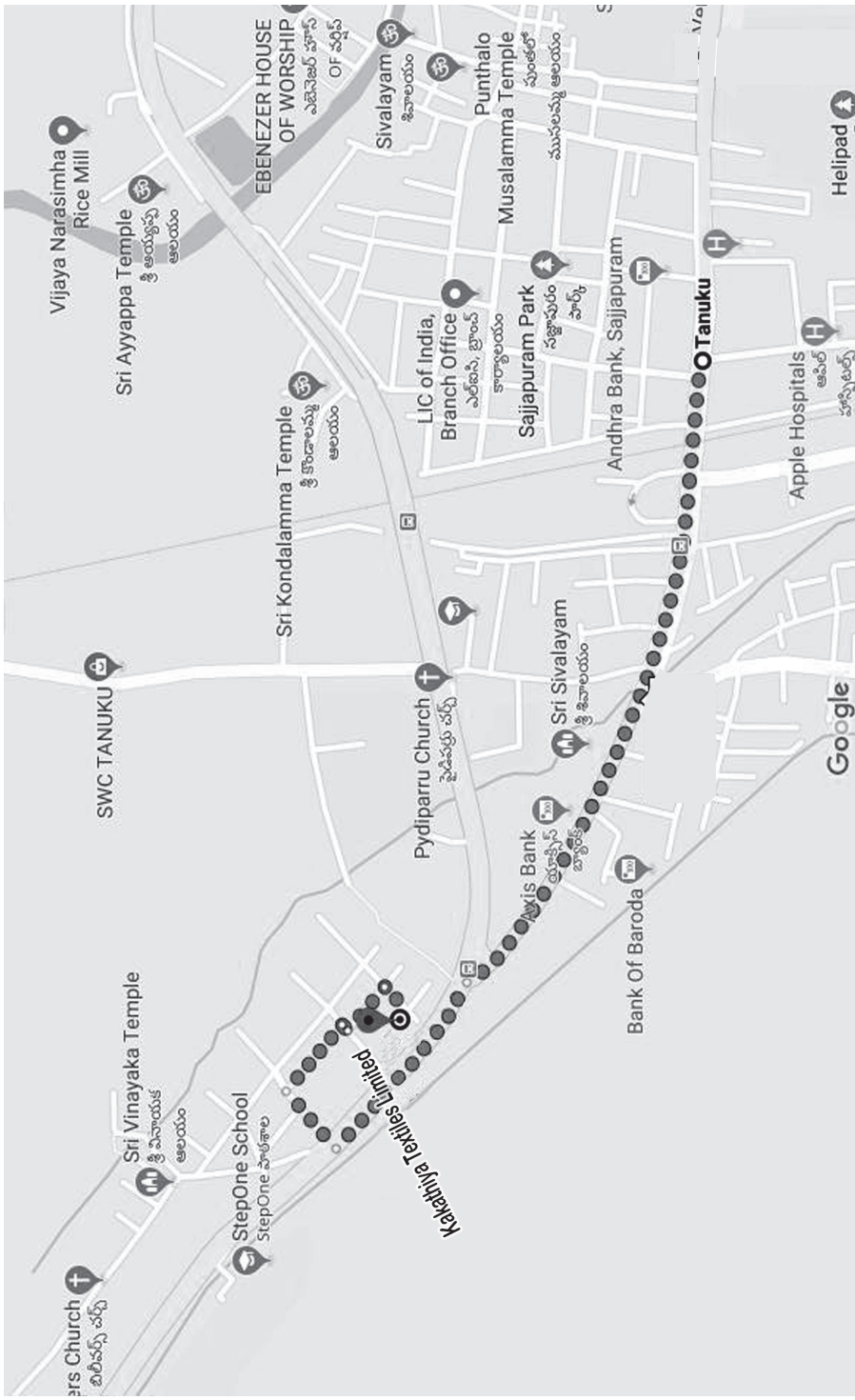
Signature of shareholder:

Signature of Proxy

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

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Route Map



If undelivered please return to :
KAKATIYA TEXTILES LIMITED
Plot No. 9 & 10, Industrial Estate,
Tetali, Tanuku, West Godavari - 534218,
Andhra Pradesh