
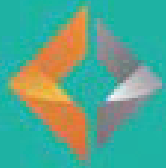


FORM A

Format of covering letter of the annual audit report to be filled with the stock exchanges

1.	Name of the Company:	Kamadgiri Fashion Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by –	
	<ul style="list-style-type: none"> Managing Director CFO/Finance Controller Auditor of the Company Audit Committee Chairman 	 <p><u>[Signature]</u></p> <p><u>[Signature]</u></p> <p><u>[Signature]</u></p> <p><u>[Signature]</u></p>



KAMADGIRI FASHION LIMITED

ANNUAL REPORT 2013-14



TRUE VALUE
Superfine Suits & Shirts

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KAMADGIRI FASHION LIMITED

CIN: L17120MH1987PLC042424

BOARD OF DIRECTORS

Mr. Pradip Kumar Goenka	:	Chairman & Managing Director
Mr. Lalit Goenka	:	Director
Mr. Ashwani Bhatia	:	Director
Mr. Rahul Mehta	:	Director
Mr. Sanjeev Maheshwari	:	Director
Mr. Anil Biyani	:	Director

CHIEF EXECUTIVE OFFICER : Mr. Abhay Kumat

FINANCE CONTROLLER : Mr. Jagdish Dave

AUDITORS : M/s. Haribhakti & Co.
Chartered Accountants, Mumbai.

BANKERS : State Bank of Hyderabad
Bank of Baroda

REGISTERED OFFICE : 28, Y.A. Chunawala Industrial Estate
Kondivita Lane, Andheri (East)
Mumbai – 400 059.
Website : www.kflindia.com

FACTORY/PLANT : 31/3, Ganga Devi Road, Umbergaon - 396 171
Dist. Valsad (Gujarat).

C-4/2/2, MIDC, Tarapur - 401 506
Dist. Thane (Maharashtra).

J-72/1, MIDC, Tarapur - 401 506
Dist. Thane (Maharashtra).

REGISTRAR & SHARE TRANSFER AGENT : Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Industrial Premises
Safed Pool, Andheri Kurla Road
Andheri East, Mumbai – 400 072.
Tel: 022 28515606/28515644
Fax 022-28512885.
Email- sharexindia@vsnl.com

VENUE OF ANNUAL GENERAL MEETING : Mirage Hotel
International Airport Approach Road
Marol, Andheri (East)
Mumbai - 400059
Tel: 022-6672 1234/6672 1200

NOTICE

NOTICE is hereby given that the Twenty-seventh Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Friday the 26th day of September 2014 at 11:00 AM at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March 2014 including audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Pradip Kumar Goenka (DIN: 00516381), Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Lalit Goenka (DIN: 01792275), Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Anil Biyani (DIN: 005834), Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s. Haribhakti & Co., Chartered Accountants (ICAI Registration No. 103523W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of Thirty-second Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ashwani Bhatia (DIN: 02845950), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years commencing from the date of this Annual General Meeting to 25th September 2019."

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

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rahul Mehta (DIN: 00165521), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years commencing from the date of this Annual General Meeting to 25th September 2019."

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

"RESOLVED THAT pursuant to the provisions of section 149, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sanjeev Maheshwari (DIN: 02431173), Director of the Company, in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years commencing from the date of this Annual General Meeting to 25th September 2019."

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

"RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, Ms. Ketki D. Visariya, Cost Accountant, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textile products for the financial year ending 31st March 2015, on a remuneration of ₹ 0.90 lacs plus service tax and out of pocket expenses, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT in supersession of the ordinary resolution passed under section 293(1)(d) of the Companies Act, 1956 at the Twenty-fifth Annual General Meeting held on 18th September 2012 and pursuant to the provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the money, to be borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of paid up share capital and free reserves i.e., reserves not set apart for any specific purpose provided, however, that the total amount so borrowed by the Company shall not exceed a sum ₹150,00,00,000/- (Rupees One hundred and fifty crores only) outstanding at any one time excluding interest thereon.

RESOLVED FURTHER THAT the Board of Directors may authorise any one director or Committee of Directors to do all such acts, deeds, and things as may be necessary to give effect to this resolution."

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

"RESOLVED THAT in supersession of the ordinary resolution passed under 293(1)(a) of the Companies Act, 1956 at the Twenty-fifth Annual General Meeting held on 18th September 2012 and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors, for creation of such mortgage, charge, hypothecation, lien and other encumbrances, if any, by the Company, as the Board may deem fit, on the assets of the Company, both present and future, for securing the sum or sums of money aggregating to ₹150,00,00,000/- (Rupees One hundred and fifty crores only) borrowed by the Company from Banks, Financial Institutions and others.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise and execute such Deeds of Debenture, Debenture Trust Deeds, Promissory Notes, Deposit Receipts and other deeds or documents for creating the aforesaid mortgage, charge and/ or hypothecation and other encumbrances, if any, by the Company and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

By Order of the Board
For Kamadgiri Fashion Limited

Pradip Kumar Goenka
Chairman & Managing Director

Place: Mumbai
Date: 28th May 2014

Registered Office:
28, Y.A. Chunawala Industrial Estate
Kondivita Lane, Andheri (East)
Mumbai - 400059

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. The Proxies, in order to be effective should be deposited with the Company not less than 48 hours before the time fixed for the commencement of the meeting. Corporate Members intending to send their authorised representative(s) to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend / vote on their behalf at the Annual General Meeting.

2. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted in the Meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books shall remain closed from **Friday the 19th September 2014 to Friday the 26th September 2014 (both days inclusive).**
4. If the dividend is approved at the Annual General Meeting, which shall be payable to members of the Company on or after 26th September 2014 as under:
 - To all beneficial owners in respect of shares held in electronic form, as per the beneficiary data made available by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on 18th September 2014,
 - To all members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 18th September 2014.
5. Information as required to be provided pursuant to the requirements of clause 49 of the Listing Agreement with regards to the Directors seeking appointment and re-appointment at this Annual General Meeting is given as an Annexure to this Notice.
6. Pursuant to the provision of section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 2005 - 2006 and thereafter, which remain unpaid or unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to section 205C of the Companies Act, 1956.

Financial Year Ended	Date of Declaration of Dividend	Last Date For Claiming Unpaid Dividend	Due Date For Transfer to Investor Education & Protection Fund
2006-2007 (Final)	27/09/2007	26/09/2014	26/10/2014
2007-2008 (Final)	27/09/2008	26/09/2015	26/10/2015
2008-2009 (Final)	29/09/2009	28/09/2016	28/10/2016
2009-2010 (Final)	29/09/2010	28/09/2017	28/10/2017
2010-2011 (Final)	23/08/2011	22/08/2018	22/09/2018
2011-2012 (Final)	18/09/2012	17/09/2019	17/10/2019
2012-2013 (Final)	24/09/2013	23/09/2020	23/10/2020

Shareholders who have not so far encashed the dividend warrant(s) for the financial year ended 31st March 2007 or any subsequent financial year are requested to make their claim to the office of the Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Income Tax 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 can submit their PAN details to the Company or its Registrar and Share Transfer Agents.

8. Electronic copy of Annual Report for the financial year 2013-14 and Notice calling the Twenty-seventh Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2013-14 and Notice of the Twenty-seventh Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
9. Members may also note that, the Notice of the Twenty-seventh Annual General Meeting and the Annual Report for the financial year 2013-14 will also be available on the website of the Company's website, www.kflindia.com for their download.
10. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
11. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
12. Members desirous of having any information regarding accounts are requested to write to the Company at least seven days in advance of the date of Annual General Meeting so as to enable the management to keep the information ready.
13. Members who are holding shares in identical order or names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
14. Members are requested to dematerialise their shares in order to facilitate easy and faster trading in equity shares. The ISIN of the Company's equity shares is INE535C01013.
15. Members whose shareholding is in the electronic mode are requested to write change of address, if any and updation of bank account details to their respective Depository Participants.
16. Members are requested to provide and register their Email ID with the Company and/or Registrar & Transfer Agents (RTA) to enable the Company/RTA to send communications such as notices and Annual Report, etc., as per Green Initiative of Ministry of Corporate Affairs started through circular nos. 17/2011 dated 21/04/2011 and 18/2011 dated 29/04/2011.
17. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividend. This notice includes an ECS Mandate Form for the benefit of members desiring to receive dividend through the ECS mode.
18. **Voting through electronic means**
 - I. In compliance with provisions of section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement with Stock Exchanges, the Company is pleased to provide members electronic voting (e-Voting) facility to exercise their right to vote at the Twenty-seventh Annual General Meeting (AGM).

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "KAMADGIRI FASHION LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For GD&SL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) 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 first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
DIVIDEND BANK DETAILS	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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 number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name, i.e. Kamadgiri Fashion Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- II. The voting period begins on Wednesday, 17th September 2014 at 10:00 AM and ends on Friday, 19th September 2014 at 7:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - IV. The voting rights of shareholders shall be in proportion to their shares of the paid-up Equity share capital of the Company as on the cut-off date of 29th August 2014.
 - V. Ms.Ashwini Rajeshirke, Practising Company Secretary (FCS no. 2827 and COP no. 1483) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
 - VI. The Scrutiniser shall within a period of three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VII. The results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutiniser's Report shall be placed on the Company's website, www.kflindia.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
19. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours between 11 A.M and 4 P.M. on all working days (except Saturday, Sunday and Holiday) upto the date of Annual General Meeting.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item Nos. 7 to 9

Mr. Ashwani Bhatia, Mr. Rahul Mehta and Mr. Sanjeev Maheshwari are Independent Directors of the Company in compliance with the clause 49 of the listing agreement with the stock exchange and are also directors liable to retire by rotation as per the provisions of the Companies Act, 1956.

In compliance with the section 149, 152 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Mr. Ashwani Bhatia, Mr. Rahul Mehta and Mr. Sanjeev Maheshwari as Independent Directors for a term of 5 years from 28th September 2014 to 25th September 2019 and they are not liable to retire by rotation.

The Company has also received declaration from the above mentioned directors that they meet with the criteria of independence as prescribed under sub-section(6) of section 149 of the Companies Act, 2013. Further, they are not disqualified from being appointed as Directors in terms of section 164 of the Companies Act, 2013.

In the opinion of the Board all above mentioned directors fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company.

Mr. Ashwani Bhatia, Mr. Rahul Mehta and Mr. Sanjeev Maheshwari are interested in the resolutions set out respectively at Item nos. 7 to 9 with regard to their respective appointments. The relatives of the aforesaid directors may be deemed to be interested in the resolutions set out respectively at Item nos. 7 to 9, to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in these resolutions.

The Board recommends the resolutions set out at Item nos. 7 to 9 for the approval by the shareholders of the Company.

Item No. 10

The Board on the recommendation of the Audit Committee has approved the appointment of Ms. Ketki D. Visariya, Cost Accountant, Mumbai as Cost Auditor for the financial year ending 31st March 2015 at a remuneration of ₹ 0.90 Lacs plus service tax and out of pocket expenses. The Company has received the certificate from Cost Auditor stating that she is independent and eligible for appointment as Cost Auditor. Pursuant to provisions of section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditors required to be ratified by the shareholders. Accordingly, the consent of the shareholders is sought for passing a resolution as set out at Item no. 10 for ratification of remuneration payable to the Cost Auditors.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

The Board recommends the resolution set out at Item no. 10 for the approval by the shareholders of the Company.

Item No. 11 & 12

The members of the Company, at the Twenty-fifth Annual General Meeting held on 18th September 2012, by way of an ordinary resolution, had authorised the Board of Directors of the Company under section 293(1)(d) of the Companies Act, 1956, to borrow from time to time upto a limit of ₹ 150,00,00,000/- (Rupees One hundred and fifty crores only). However, after the applicability of section 180(1)(c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up share capital and free reserves (apart from temporary loans obtained from Company's bankers in the ordinary course of business) with the approval of members of the Company by way of a Special Resolution as set out at Item no. 11.

The members of the Company, at the Twenty-fifth Annual General Meeting held on 18th September 2012, by way of an ordinary resolution, had also authorised the Board of Directors of the Company under section 293(1)(a) of the Companies Act, 1956, to mortgage, hypothecate, lease or create any charge on the present or future properties / assets of the Company for securing the loans taken from the financial institutions and/or banks up to a limit of ₹ 150,00,00,000/- (Rupees One hundred and fifty crores only). After the applicability of section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the Company, only with the consent of the members of the Company by way of a Special Resolution. The borrowings of the Company may be secured by way of charge/mortgage/pledge/hypothecation on the present or future properties/assets of the Company, in favour of the lender(s)/agent(s)/trustee(s) from time to time. The documents relating to charge and/or mortgage and/or pledge and/or hypothecation in favour of the lender(s)/agent(s)/trustee(s) may contain the provisions to take over substantial assets of the Company in certain events with a power to take over the management of the business and concern of the Company, which may be regarded as disposal of Company's undertaking(s) within the meaning of section 180(1)(a) of the Companies Act, 2013.

Accordingly, the Special Resolution as set out at Item no. 12 is proposed to be passed to seek consent of members for creation of charge/mortgage/pledge/hypothecation to secure borrowings.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

The Board recommends the resolution set out at Item nos. 11 and 12 for the approval by the shareholders of the Company.

By Order of the Board
For Kamadgiri Fashion Limited

Pradip Kumar Goenka
Chairman & Managing Director

Place: Mumbai
Date: 28th May 2014

Registered Office:
28, Y.A. Chunawala Industrial Estate
Kondivita Lane, Andheri (East)
Mumbai - 400059

Annexure to Notice

As required under clause 49(IV)(G) (If the Listing Agreement with the Stock Exchange, the following information is provided in respect of Directors proposed to be appointed / re-appointed:

Name of the Director	Mr. Pradip Kumar Goenka	Mr. Lalit Goenka	Mr. Anil Bhasani	Mr. Ashwani Bhatia	Mr. Rahul Mehta	Mr. Sanjeev Maheshwari
Age	54 years	50 years	50 years	56 years	62 years	48 years
Qualification	Pre-University	Pre-University	B.Com	Textile Engineer	B.Com, MBA	B.Com, FCA
Expertise in specific functional areas	More than three decades of experience in textile industry. Experienced entrepreneur with hands on experience in operations including production and marketing.	About three decades of experience in trading of textile.	About three decades of experience in textile industry. Experienced entrepreneur with production, marketing, branding, etc.	More than three decades of experience in marketing of yarn and textile machinery.	Four decades of experience in operations including marketing and production of garments and consumer goods industry.	Experienced professional having more than 25 years of experience in audit, taxation, finance, banking, etc.
Directorship in other public companies (excluding foreign and private companies)	Jagru Synthetic Limited	Nil	PTL Industries Ltd. Future Corporate Resources Ltd. Goldmohur Design and Apparel Park Ltd. Weavette Textstyles Ltd. nuFuture Digital India Ltd.	Nil	Gini & Jony Ltd. Chermas Exquisite Ltd.	Mudra Financial Services Ltd. Mudra Share & Stock Brokers Ltd.
Shareholding	7,21,200 shares	1,566 shares	Nil	Nil	Nil	Nil

DIRECTORS' REPORT

To
The Members,

Your Directors have great pleasure in presenting Twenty-seventh Annual Report along with the audited Balance Sheet and Statement of Profit and Loss for the year ended 31st March 2014.

FINANCIAL HIGHLIGHTS

₹ in lacs

PARTICULARS	2013-2014	2012-2013
Turnover	25,310.42	20,217.68
Other Income	9.37	20.01
Profit Before Tax	438.19	151.83
Less: Current Tax	119.00	30.40
Less: Deferred Tax	26.61	60.30
Less: MAT Credit Entitlement	-	(30.40)
Profit for the Year	292.58	91.53
Add: Balance Brought Forward	827.09	765.18
Profit Available for Appropriation	1,119.67	856.71
Appropriation		
Transferred to General Reserve	14.63	-
Proposed Dividend	75.97	25.32
Tax on Proposed Dividend	12.91	4.30
Balance Carried Forward	1,016.16	827.09

OPERATIONS

During the year under review, the turnover of and profit from the business grew in spite of challenging business environment. The Company achieved turnover of ₹ 25,310.42 lacs during the financial year under review as compared to ₹ 20,217.68 lacs during the previous financial year. The Profit after tax for the financial year 2013-14 was ₹ 292.58 lacs as compared to ₹ 91.53 lacs during the previous financial year. The Company could achieve better profitability due to optimising its operations and changing manufacturing product mix. Your Company has been putting in all efforts to control costs, ensure optimum utilisation of available manufacturing facilities and investing on product innovations to provide value added products and thereby increasing contribution to profitability.

FUTURE PLANS

The Company plans to further consolidate its existing business and continue to its efforts to reduce operational costs, improve utilisation ratio of manufacturing facilities and continue to work on product innovations. The Company expects the continued focus on aforesaid measures which would help the Company to improve its profitability by creating niche market for its products. Further, the Company proposes to optimise the available manufacturing facilities by adding few more equipments which would increase the production capacity.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹1.50 per equity share (i.e. 15%) on the equity capital of the Company for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is presented as a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A Certificate of Auditors' of your Company regarding compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with stock exchange is also enclosed along with the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

Particulars as required to be disclosed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in the Annexure A to this Report.

PUBLIC DEPOSIT

The Company has not accepted any deposit from the public during the financial year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Mr. Pradip Kumar Goenka, Mr. Anil Biyani and Mr. Lalit Goenka, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

In line with the provisions of section 149 and other applicable provisions of the Companies Act, 2013, Mr. Ashwani Bhatia, Mr. Rahul Mehta and Mr. Sanjeev Maheshwari are being appointed as Independent Directors for a term of five years from the date of the ensuing Annual General Meeting. Necessary resolutions and requisite details have been included in Notice of Annual General Meeting.

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants, Mumbai holds office as Statutory Auditors upto the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Shareholders are requested to appoint them as Statutory Auditors to hold office upto the conclusion of the 32nd Annual General Meeting and to fix their remuneration.

COST AUDIT

The Company has been maintaining cost accounting records for textile products. Ms. Ketki D. Visariya, Cost Accountant, has been appointed as a cost auditor for the financial year 2014-15. The Cost Audit Report for the financial year 2013-14 has been filed with the Ministry of Corporate Affairs.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the selected accounting policies were applied consistently and the Directors 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 as at 31st March 2014 and that of the profit of the Company for the year ended on that date;
- iii. the proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO AND EXPORT INITIATIVE

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is given in Form 'A' & 'B' which forms part of this report. Since the Company is focusing in Indian market, it has not taken any export initiative.

ACKNOWLEDGEMENT

The Board wishes to place on record their sincere appreciation to all the bankers, customers, employees at all levels and stakeholders for the continued support and patronage during the year under review.

By Order of the Board
For Kamadgiri Fashion Limited

Place: Mumbai
Date: 28th May 2014

Pradip Kumar Goenka
Chairman & Managing Director

Registered Office:
28, Y.A. Chunawala Industrial Estate
Kondivita Lane, Andheri (East)
Mumbai - 400059

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:

Form A

Disclosure of particulars with respect to Conservation of Energy:

- | | |
|---|--|
| 1. Conservation of Energy | Measures taken for conservation of energy include improved Maintenance of operating system, control on consumption and loss of electricity, using energy efficient equipment. |
| (a) Energy Conservation Measures taken | |
| (b) Additional investment, if any, being implemented for reduction of consumption of energy | Additional investment for reduction of consumption of energy will be made as and when there would be need for replacement of the high energy consuming equipment, by adopting energy efficient equipment in their place. |
| (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production | The impact of measures of reduction of energy consumption on cost of production is not precisely ascertainable. |

A. Power & Fuel Consumption

	2013-14	2012-13
1. Electricity		
(a) Purchases		
Units (KWH)	6573682	5818093
Total Amount (₹)	43535317.37	39503486
Rate per unit (Average rate in ₹)	6.62	6.79
(b) Own Generation Through		
D. G. enerator		
Quantity (Litres)	53021	63392
Unit Generated	155375	207860
Total Cost (₹)	3129361.21	2970327
Rate per unit (Average rate in ₹)	20.40	14.29

B. Consumption per unit of production

(1) Electricity (KWH)		
Fabrics 100 mtr.	66.13	65.87
Readymade Garments 100 Pcs.	61.31	70.74

2. Technology Absorption:

Efforts have been made for technology absorption as per Form B of the annexure to the Rules.

Form B

Disclosure of particulars with respect to Technology Absorption:

A. Research & Development (R & D):

(a) Specific areas in which R & D has been carried out by the Company	The Company has carried out R & D in the area of product development.
(b) Benefit derived as result of R & D	Not directly ascertainable, but is contributing to better customer satisfaction as improvement in quality of products.
(c) Future plan action	Company plans to strengthen its R & D activity.
(d) Expenditure on R & D	The Company is incurring expenditure on Research and Development for improvement in shades of yarn and fabric designs as routine activity. However no specific amount set forth for R & D expenses.
i. Capital	-
ii. Recurring	-
Total	-
Total R & D Expenditure as percentage to percentage of turnover	-

B. Technology absorption, adaptation and innovation:

(a) Efforts, in brief made towards technology absorption, adaptation and innovation	Efforts have been made for up gradation of technology, wherever feasible.
(b) Benefit derived as a result of efforts e.g. product development, import substitution.	As a result of above effort, the quality of the product may improve.
(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year).	The Company has not imported any technology at any time during the last five years except modern technology based machines.

3. Foreign Exchange Earnings & Outgo:

Total Foreign Exchange Used & Earned:

	Current year 2013-14	Previous year 2012-13
Used (in ₹ Lacs)	-	643.15
Earned (in ₹ Lacs)	-	-

Annexure to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2014.

Sr. No.	Name	Designation / Nature of Duties	Remuneration (in ₹)	Qualifications	Experience (in no. of years)	Date of commencement of employment	Date of Leaving	Age (in years)	Last employment
(A) Employed throughout the year and were in receipt of remuneration of not less than ₹ 60,00,000 per annum									
1	Mr. Abhay Kumar	CEO	65,44,200/-	M.Com	32 years	29/06/2009	-	53 years	Stripes Apparels Ltd.
Sr. No.	Name	Designation / Nature of Duties	Remuneration (in ₹)	Qualifications	Experience (in no. of years)	Date of commencement of employment	Date of Leaving	Age (in years)	Last employment
(B) Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹ 5,00,000 per month									
1	N/A								

Notes:

- 1) Remuneration shown above includes Salary, HRA, Ex-gratia, LTA, Perquisites, Variable Pay and Company's contribution to Provident Fund etc. The monetary value of perquisite is calculated in accordance with the provisions of the Income-tax Act, 1961 and the related rules made there under.
- 2) The employees have adequate experience to discharge the responsibility assigned to him.
- 3) The nature of employment is contractual.
- 4) The above employee is not related to any Director of the Company
- 5) The above employee holds more than 2% of the paid-up Equity Share Capital of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Textile Industry continue to contribute approximately 14% of India's Industrial Production, 4% to the GDP and 17% to the country's export earnings despite increase in the GDP and export earnings. Textile Industry continue to be the second largest provider of employment after agriculture sector.

Year 2013-14, was another challenging year for the textile sector. The high cost of inputs, sluggish demand, Duty free import from Bangladesh and cheap import from China continue to be biggest impediments for the industry. The Government continues its various textile promotion schemes like Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Parks (SITP), etc., to encourage investment in the sector.

The sluggish demand and inflationary trends though are not encouraging, the change in the political scenario, gives a fresh outlook to the economy and consumption and therefore to textile sector as well. Your Company is taking necessary steps to tackle the various hurdles as well as to improve its performance and keeping a close watch on the economic developments which may be beneficial to the Company's business.

OPPORTUNITIES AND THREATS:

The rising income levels, young population, increasing awareness of fashion, changing consumption trends, growing organised retail market, etc., are auguring well for the industry as well as the Company. Further, the Indian market is still in the evolving stage, consumers are though becoming more fashion conscious at the same time they are also cost conscious. Accordingly, the companies offering the value for money segment are generally making good show and getting better attention from the customers. Growing middle class population is an opportunity for companies to catch the segment with good product offerings.

The Company has the product/brands to cater both the markets. The Company has a fabric brand in value for money segment through its brand 'True Value'. 'True Linen' brand which caters fashion conscious customers with its linen line of fabrics. The Company has a license to sell the premium fabric and accessories through 'Lombard' brand. The Company is concentrating mainly on the domestic market. The Company has also ensured wide availability of products through its tie up with organised retail segment and its products and brands have good recall value.

The capacity of the Company to cater big volumes is enable the Company to work organised retailers and big brands in the industry in the business readymade garment manufacturing. The operations of the garmenting unit may be affected during sluggish demand periods.

Volatile input costs and high interest rates of borrowed funds are major threats to the industry as well as the operations of the Company. However, the Company is making its efforts through efficient production management system and better product mix to minimise the overall increase in cost of production and face the competition.

PRODUCT AND PERFORMANCE:

Textile weaving unit has shown a good performance. 'True Value' and 'True Linen' linen fabric brand of the Company has been received well by the customers. During the late half of financial year 2013-14, The Company has launched the 'Lombard' brand of premium fabrics and accessories. The demand for the brand is promising. The Company is making efforts to promote the 'Lombard' brand of premium fabrics and accessories in a big way. Readymade garmenting unit of the Company is also bettered its performance compared to last year though it is affected by the overall slowdown in the business.

OUTLOOK:

The Company expects do reasonably well in weaving and fabric business. The Company also expects the performance of the readymade garmenting business would improve.

RISKS AND CONCERNS:

The increase in cost of production, interest cost and constrained margin continues to remain the major area of concern. The Company has been taking steps to counter such risks through optimisation of production and bringing in product innovations and strengthening tie-ups with organised retail sector and also constant engagement with all channel partners such as wholesalers, dealers, retailers, agents, etc.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

Your Company is following a proper and adequate system of internal control in respect of all its activities including safeguarding and protecting its assets against loss or unauthorized use or disposition. Further, all transactions entered into by the Company are duly authorised, recorded correctly. Internal Auditors have reviewed and analysed various processes and operations of the Company. Audit Committee time to time checks adequacy of internal control with internal auditors and statutory auditors. All policies and procedures and guidelines have been documented. Your Company is using advanced customised software system, which is upgraded from time to time to suit the system need of the Company.

MATERIAL DEVELOPMENT IN HUMAN RESOURCE/INDUSTRIAL RELATIONS FRONTS:

The Company has three different operating units, human resource and relationship with the employees plays key role in its smooth operations. The Company pays required attention on the development of workers and staff. The Management ensures that cordial and friendly relations are maintained with workers and initiatives were taken for solving workers problems through amicable negotiation. The top management continues to ensure better training, on site performance evaluation, reward mechanism to increase the motivation of the workers. The industrial relation in your Company was harmonious and constructive.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the total production for the Fabrics unit is given hereunder. The production of the grey fabrics, finish fabrics (including job) were 74.55 meters and 24.68 meters respectively as against 66.08 lacs meters and 26.49 lacs meters in the previous financial year.

Sales

The Company's Sales and Other Operating Income has increased to ₹ 25,310.42 lacs for the financial year ended 31st March 2014 as against ₹ 20,217.68 lacs in the previous year.

Profit Before Tax

Profit Before Tax of the Company for financial year ended 31st March 2014 stood at ₹ 438.19 lacs as against ₹ 151.83 lacs in the previous financial year.

Interest

Interest & other borrowing cost outflow is ₹ 867.47 lacs for financial year ended 31st March 2014 as against ₹ 694.46 lacs in the previous financial year.

Net Profit

Net Profit of the Company for financial year ended 31st March 2014 under review stood at ₹ 292.58 lacs as against ₹ 91.53 lacs in the previous year.

Dividend

The Company has proposed a dividend of ₹1.50 (15%) per equity share for financial year ended 31st March 2014 as against ₹ 0.50 paid in the previous year.

Capital employed

The capital employed in the business is ₹ 8,514.99 lacs as at 31st March 2014. Return on capital employed during 2013-14 is 16.13% as compared to 12.35% during 2012-13.

Surplus management

The Company generated a cash profit of ₹ 636.25 lacs for financial year ended 31st March 2014 as compared to ₹ 362.42 lacs in the previous financial year. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund the growth. The growth of the Company has partly been funded by the cash generated from the business as well as from additional funds borrowed.

Debt-Equity

Debt-Equity ratio of the Company has increased from 1.91 in the previous year to 1.96 as at 31st March 2014.

Earnings Per Share (EPS)

The Company's Basic Earnings per Share (EPS) has increased from ₹ 1.81 in the previous year to ₹ 5.78 for the financial year ended on 31st March 2014.

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

1. Company's philosophy on code of Governance:

Kamadgiri Fashion Limited believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is guided by a strong emphasis on transparency, accountability and integrity and has been practicing the principles of Corporate Governance over the years.

2. Board of Directors:

The Board composition is in conformity with the provisions of the Companies Act, 1956 and clause 49 of the listing agreement. The strength of the Board as on 31st March 2014 is 6 Directors comprising of 2 Promoter Directors, 1 Non-Executive Director and 3 Independent Non-Executive Directors.

The composition of the Board and their attendance in the Board Meetings and other details are as under:

Name of Directors	Category of Directorship	# No. of other Directorships	[^] No. of Committee Memberships	No. of Board meetings attended	Attendance at last AGM
Mr. Pradip Kumar Goenka [DIN 00516381]	Promoter & Executive	1	-	4	Present
Mr. Lalit Goenka [DIN 01792275]	Promoter & Non - Executive*	-	-	-	Absent
Mr. Anil Biyani [DIN 00005834]	Non - Independent & Non - Executive	6	-	4	Present
Mr. Ashwani Bhatia [DIN 02845950]	Independent & Non - Executive	-	-	4	Present
Mr. Madhusudan Singrodia* [DIN 00282860]	Independent & Non - Executive	-	-	-	Absent
Mr. Rahul Mehta [DIN 00165521]	Independent & Non - Executive	2	-	3	Absent
Mr. Sanjeev Maheshwari [DIN 02431173]	Independent & Non - Executive	2	-	3	Absent

Exclude alternate directorships, directorships in private limited companies, companies registered under section 25 of the Companies Act, 1956 and foreign companies.

[^] In accordance with clause 49 of the Listing Agreement, membership/chairmanship of only the Audit Committee and Shareholders'/Investors Grievance Committee of the public limited companies (excluding membership/chairmanship in the Company) has been considered.

* Resigned as director on 30/05/2013.

There are no nominees or Institutional Directors in the Company. None of Directors have pecuniary or business relationship with the Company except to the extent as disclosed in note no. 25 of Notes to Financial Statements. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director. There is no inter se relationship between directors.

During the financial year 2013-2014, 4 (Four) Board Meetings were held i.e. on 30th May 2013, 9th August 2013, 8th November 2013 and 11th February 2014 and the time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Code of conduct for Directors and Senior Management:

The Code of conduct as applicable to the Directors and the members of the senior management had been approved by the Board and it is being duly abided by all of them. The Annual Report of the Company contains declaration to this effect from the Chairman and CEO.

3. Committees of the Board:

Audit Committee

The Company has an Audit Committee at the Board level with powers and role that are in accordance with clause 49 of the listing agreement and section 292A of the Companies Act, 1956. The Committee acts as a link between the management, the statutory auditors and the Board of Directors and oversees the financial reporting process.

The Audit Committee presently comprises of 3 Independent Directors. The members of the Committee are well versed in finance matters, accounts, Company law and general business practices.

The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchange. These include the review of accounting and financial policies and procedures, review of financial reporting system, internal control system and procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

The Committee met 4 times during the year under report on 30th May 2013, 9th August 2013, 8th November 2013 and 11th February 2014. The time gap between the two meetings was not more than 4 months.

Composition of Audit Committee and details of the meeting attended:

Sr. No.	Name of the Directors	Category	Designation in the Committee	No. of Meeting attended
1	Mr. Sanjeev Maheshwari	Independent & Non- Executive	Chairman	3
2.	Mr. Ashwani Bhatia	Independent & Non- Executive	Member	4
3	Mr. Rahul Mehta	Independent & Non- Executive	Member	3

The terms of reference of the Audit Committee include:

- To review financial statements and pre-publication announcements before submission to the board.
- To discuss and review report of the external auditors and ensure the compliance of the internal control system.
- To apprise the Board on the impact of accounting policies, accounting standards and applicable laws and regulations.
- To hold discussions with statutory auditors on the scope and content of the audit.
- To review related party transactions.
- Appointment of statutory auditor/cost auditor and fixing their remuneration.

4. Remuneration of Directors:

The Company has no pecuniary relationship or transaction with its Independent Directors other than payment of sitting fees to them, if any, for attending Board and Committee Meetings.

The Company does not have an incentive plan, which is linked to performance and achievement of the Company's objectives. The Company has no stock option and pension scheme.

The details of remuneration paid to the Executive Director of the Company during the year ended 31st March 2014 are given as under:

	Particulars	Unit	Pradip Kumar Goenka
a)	Salary p.a.	₹	30,00,000/-
b)	Fixed Component- Contribution to Provident Fund	₹	1,44,000/-
c)	Bonus, Benefits & Other Allowances	₹	Nil
d)	Service contract	Years	3
e)	Notice Period	Months	3
f)	Severance Fees	₹	Nil

The Company has also paid sitting fees of ₹ 88,000/- to Mr. Ashwani Bhatia, ₹ 66,000/- to Mr. Rahul Mehta, ₹ 60,000/- to Mr. Sanjeev Maheshwari and ₹ 48,000/- to Mr. Anil Biyani, Non-Executive Directors.

5. Shareholders/Investors Grievance Committee:

The Shareholder's/Investors Grievance Committee presently comprises of 3 Non-Executive Directors including 2 Independent Directors. The Committee meets at frequent intervals to consider, inter alia, shareholders complaints like non receipt of share certificate or delay in transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. and provide satisfactory solution to the complainant's except for disputed cases and sub-judice matters which would be solved on final disposal by the Courts.

During the year 2013-2014, the Committee met 4 times i.e., on 30th May 2013, 9th August 2013, 8th November 2013 and 11th February 2014.

Composition of Shareholders/Investors Grievance Committee and details of the meeting attended:

Sr. No.	Name of the Directors	Category	Designation	No. of Committee Meetings attended
1.	Mr. Ashwani Bhatia	Independent & Non-Executive	Chairman	4
2.	Mr. Madhusudan Singrodia*	Independent & Non-Executive	Member	-
3.	Mr. Rahul Mehta	Independent & Non-Executive	Member	3
4.	Mr. Anil Biyani**	Non-Independent & Non-Executive	Member	4

*Upto 30th May 2013

**W.e.f. 30th May 2013

During the year 2013-2014, the Company had received one complaint from SEBI (Securities and Exchange Board of India) and/or shareholders/investors. There was no complaint pending as on 31st March 2014. Also, no request for transfer and dematerialization was pending as on the said date.

6. Remuneration Committee

The Remuneration Committee presently comprises of 3 Non-Executive Independent Directors. Kamadgiri Fashion Limited's remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth.

The Company's Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of whole time directors and to deal with all the elements of remuneration package of all such Directors.

As for non-whole time directors their appointment is for utilizing their professional expertise in achieving the goals of the Company. Accordingly, the service contract, notice period and severance fees, if any, are not applicable to such non-whole time directors. However, as per Company's policy, upon attaining the age of 70 years the non-whole time Directors seek retirement by not offering themselves for re-appointment at Annual General Meeting of the Company.

Composition of Remuneration Committee and details of the meeting attended:

The Remuneration Committee of the Company consists of the following members of the Board:

Sr. No.	Name of the Directors	Category	Designation in the Committee	No. of Meeting attended
1.	Mr. Rahul Mehta	Independent & Non-Executive	Chairman	N.A.
2.	Mr. Ashwani Bhatia	Independent & Non-Executive	Member	N.A.
3.	Mr. Madhusudan Singrodia*	Independent & Non-Executive	Member	N.A.
4.	Mr. Sanjeev Maheshwari	Independent & Non-Executive	Member	N.A.

*Upto 30th May 2013

During the year 2013-14, there was no meeting of the Committee held.

The terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments), perquisites and allowances, performance linked remuneration, if any, commission to be paid to the Company's Executive/Whole-time Director (ED/WTG) and to finalise the perquisites and allowances package within the overall ceiling fixed by the Board.

7. General Body Meetings:

The details of the Annual General Meeting held during the last 3 years are as under:

Financial Year	Date	Time	Venue	Special Resolution(s)
2012 -2013	24.09.2013	10:30 AM	Hotel Kohinoor Continental Andheri - Kurla Road J.B. Nagar Andheri (East) Mumbai - 400059	Nil
2011 - 2012	18.09.2012	10:30 AM	Hotel The Mirador 131-B, New Link Road Opp. Solitaire Corporate Park Chakala, Andheri (East) Mumbai - 400 099	One
2010 - 2011	23.08.2011	10:30 AM	Hotel The Mirador 131-B, New Link Road Opp. Solitaire Corporate Park Chakala, Andheri (East) Mumbai - 400 099	Two

8. Disclosures:

There were no other related party transactions of material nature with the Promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the Company at large. However, attention is drawn to note no. 25 of Notes to Financial Statements.

There were no instances of non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.

The Board affirms that no person has been denied access to the Audit Committee during the year. The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.

9. Means of Communication:

The results of the Company are furnished to the BSE Limited on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors. The results are normally published in "The Asian Age" or "Business Standard" – English Newspaper and "Mumbai Lakshdeep", Marathi Newspaper within 48 hours after the approval of the Board. These were not sent individually to the shareholders. However, the Company furnishes the same on receipt of a request from the shareholders.

Management discussion and Analysis Report is attached herewith forming part of the Annual Report.

10. General Shareholders Information:**a) Annual General Meeting**

Day, Date and Time: Friday the 26th September 2014 at 11:00 AM

Venue : Mirage Hotel, International Airport Approach Road, Marol, Andheri (East),

Mumbai – 400059

b) Financial Calendar for 2014-15(Tentative)

Financial Year:

April 1 to March 31

Results for the quarter ending 30th June 2014

On or before 14th August 2014

Results for quarter ending 30th September 2014

On or before 14th November 2014

Results for quarter ending 31st December 2014

On or before 14th February 2015

Results for year ending 31st March 2015

On or before 30th May 2015

Annual General Meeting:

September 2015

c) Date of Book Closure

Book Closure dates are from Friday the 19th day of September 2014 to Friday the 26th day of September 2014 (both days inclusive).

d) Dividend payment Date

Dividend will be paid on or after 26th September 2014

e) Listing on Stock Exchanges & Listing fees

The Company's shares are listed on:

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai -400 001.

Applicable listing fee has been paid.

f) Stock Code & ISIN

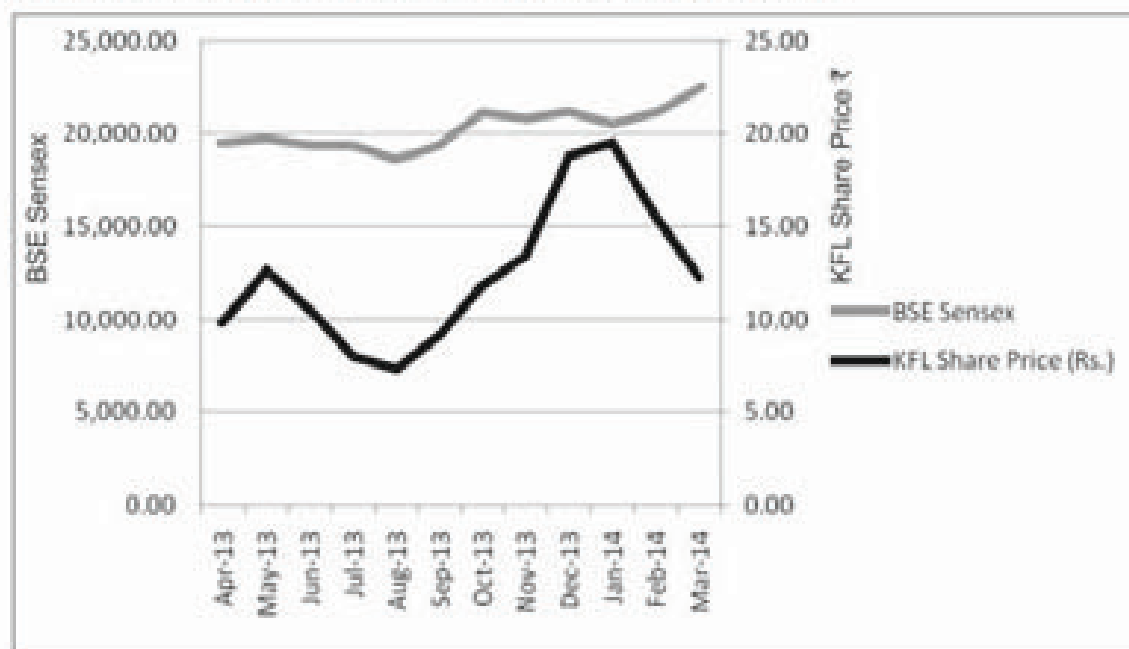
Stock Code at BSE Limited is 514322. ISIN is INE535C01013.

g) Market Price Data

(i) The monthly high and low quotations of shares traded on BSE Limited is as follows:

Month	(Amount in ₹)	
	High	Low
April, 2013	15.30	9.80
May, 2013	12.65	7.75
June, 2013	12.65	10.00
July, 2013	10.55	7.96
August, 2013	7.57	6.85
September, 2013	9.16	7.01
October, 2013	11.85	9.61
November, 2013	13.69	12.44
December, 2013	18.85	14.11
January, 2014	20.80	17.90
February, 2014	20.80	14.75
March, 2014	15.00	12.40

(ii) Performance of the stock in comparison to BSE Sensex



h) Registrar and Share Transfer Agent

The Company has appointed Sharex Dynamic (India) Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

Sharex Dynamic (India) Private Limited
Unit No. 1, Luthra Industrial Premises, Safed Pool
Andheri -Kurla Road, Andheri (East)
Mumbai – 400 072. Phone – 28515606 & 5644 Fax: 28512885.
Concerned officer in charge of the Registry is Mr. T. Shashi Kumar.
Email: sharexindia@vsnl.com

i) Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. All valid transfers are processed and affected within 15 days from the date of receipt.

Shares held in the dematerialised form are electronically transferred by Depositories at the request of beneficial owners (shareholders) and the Registrar and Share Transfer Agents of the Company periodically receive from the Depositories the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

j) Nomination Facility

The facility of nomination is mainly useful for all holders holding the shares in single name. In case securities are held in joint names, the nomination will be effective only in event of death of all the holders.

Investors are advised to avail of this facility, especially those holding securities in single name to avoid the process of transmission by law.

Investors holding shares in physical form may obtain prescribe form from the Registrar and Share Transfer Agent of the Company at Mumbai. However, if the shares are held in dematerialized form, the nomination has to be conveyed to your depository participants directly, as per the format prescribed by them.

k) Distribution of shareholding as on 31st March 2014

Distribution range of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of total Shares
Upto 500	1093	83.95	164630	3.25
501 – 1000	82	6.30	66329	1.31
1001 – 2000	48	3.68	69836	1.38
2001 – 3000	20	1.53	50435	0.99
3001 – 4000	16	1.23	57733	1.14
4001 – 5000	4	0.31	19145	0.38
5001 – 10000	13	1.00	89736	1.77
10001 and above	26	2.00	4547022	89.78
Total	1302	100.00	5064866	100.00

Categories of Shareholders as on 31st March 2014 is as under

Category	Number of shares	%
Promoters	1814459	35.82
Banks/MFs/FIs	900	0.02
Private Bodies Corporate	2448040	48.33
Indian Public	796262	15.72
NRIs/OCBs	5093	0.10
Clearing Members	112	0.01
Total	5064866	100.00

l) Dematerialisation of shares

About 98.37% of the shares have been dematerialised as on 31st March 2014. The equity shares of Kamadgiri Fashion Limited are traded in the BSE Limited.

The equity shares of the Company are permitted to be traded in dematerialized form only.

m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

n) Plant Locations

The Company's plant is located at:

31/3, Ganga Devi Road, Umbergaon – 396 171, Dist. Valsad (Gujarat)

C-4/2/2, MIDC, Tarapur -401 506, Dist. Thane (Maharashtra).

J-72/1, MIDC, Tarapur -401 506, Dist. Thane (Maharashtra).

o) Address for investor correspondence

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, payment of dividend on shares and any other query relating to shares of the Company Registrar & Share Transfer Agent may be contacted at the following address.

Sharex Dynamic (India) Private Limited

Unit No.1, Luthra Industrial Premises, Safed Pool

Andheri Kurla Road, Andheri (East)

Mumbai – 400 072.

Phone – 022 28515606 & 022 28515644 Fax: 022 28512885.

Concerned officer in charge of the Registry is Mr. T. Shashi Kumar.

Email: sharexindia@vsnl.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs)

11. Compliance with Non-Mandatory Requirements:

The extent of compliance in respect of non-mandatory requirements during the year ended on 31st March 2014 is as follows:

- (a) Chairman of the Board:** The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a non-executive Chairman does not arise. No specific tenure has been specified for the Independent Directors. However, they are liable to retire by rotation and seek re-appointment from the members.
- (b) Remuneration Committee:** Details regarding Remuneration Committee has already been dealt under para 4 of this report.
- (c) Shareholders' Right:** As the financial results of the Company is published every quarter in English and Marathi newspapers having a wide circulation, the same has not been sent to shareholders individually. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.
- (d) Audit Qualifications:** There are no audit qualifications/observations on the Financial Statements for the year 2013-14.

- (e) **Training to Board Members:** No formal training has been provided to the Board Members as on date of this report. The Directors are interacting with management in a very free and open manner on information that may be required by them for orientation with the business of the Company.
- (f) **Mechanism for evaluating Non-executive Board Members:** There is no mechanism for evaluating performance of the non-executive directors at present.
- (g) **Whistle Blower Policy:** The Company has not implemented any formal whistle blower policy as yet.

12. Compliance

A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and attached to this report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Kamadgiri Fashion Limited.

We have examined the compliance with the conditions of Corporate Governance by Kamadgiri Fashion Limited ("the Company") for the year ended 31st March 2014 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Place: Mumbai
Date: 28th May 2014

Atul Gala
Partner
Membership No. 048650

CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR

To,
The Board of Directors,
Kamadgiri Fashion Limited
Mumbai.

We hereby certify that for the financial year, ending 31st March 2014 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a) There have been no significant changes in internal control during the year;
 - b) There have been no significant changes in accounting policies during the year.
 - c) There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Kamadgiri Fashion Limited

Place: Mumbai
Date: 28th May 2014

Pradip Kumar Goenka
Chairman & Managing Director

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, Mr. Abhay Kumar, Chief Executive Officer of the Company hereby declare that all Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct laid down by the Board on an annual basis.

For Kamadgiri Fashion Limited

Place: Mumbai
Date: 28th May 2014

Abhay Kumar
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To the members of Kamadgiri Fashion Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kamadgiri Fashion Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) we have 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 appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act; and
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For and on behalf of
Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Place: Mumbai
Date: 28th May 2014

Atul Gala
Partner
Membership No. 048650

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **Kamadgiri Fashion Limited** on the financial statements for the year ended **March 31, 2014**]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions stated in paragraph 4 (iii) b), c) and d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) None of the transactions made in pursuance of such contracts or arrangements exceed the value of ₹ five lakhs in respect of any one such party in the financial year. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system to be commensurate with the size and nature of its business.

- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs in lacs)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	108.62	1993-94, to 1996-97, 1998-99*	High Court
Income Tax Act, 1961	Income Tax	76.36	2010-11*	CIT (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	36.33	2001-02, 2002-03, 2006-07	Commissioner (Appeals)
*Assessment Year				

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of
Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Place: Mumbai
Date: 28th May 2014

Atul Gala
Partner
Membership No. 048650

BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Lacs)

Particulars	Note	As At 31st March 2014	As At 31st March 2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	1	506.49	506.49
b) Reserves & Surplus	2	2,016.12	1,812.44
		2,522.61	2,318.93
Non-Current Liabilities			
a) Long Term Borrowings	3	999.69	869.02
b) Deferred Tax Liabilities (Net)	4	329.63	303.02
c) Long Term Provisions	5	100.45	94.70
		1,429.77	1,266.74
Current Liabilities			
a) Short Term Borrowings	6	4,477.93	3,922.83
b) Trade Payables	7	5,307.10	3,240.65
c) Other Current Liabilities	8	1,957.93	2,435.39
d) Short Term Provisions	9	103.87	44.72
		11,846.83	9,643.59
TOTAL		15,799.21	13,229.26
II. ASSETS			
Non-Current Assets			
a) Fixed Assets			
(i) Tangible Assets	10	2,854.74	3691.04
(ii) Intangible Assets	10	21.84	30.33
(iii) Capital Work-in-Progress	10	-	24.21
b) Non-current Investments	11	-	50.39
c) Long Term Loans and Advances	12	224.36	238.51
		3,100.94	4,034.48
Current Assets			
a) Current Investments	13	-	0.05
b) Inventories	14	5,569.13	4,064.98
c) Trade Receivables	15	6,509.16	4,421.79
d) Cash and Bank Balances	16	374.03	375.68
e) Short Term Loans and Advances	12	245.95	332.28
		12,698.27	9,194.78
TOTAL		15,799.21	13,229.26
Significant Accounting Policies & Notes on Financials Statements	1 to 32		

As per our attached Report of even date.

For Haribhakti & Co.
Chartered Accountants

For and on behalf of the Board
of Kamadgiri Fashion Limited

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 28th May 2014

Pradip Kumar Goenka
Chairman & Managing Director

Anil Biyani
Director

Jagdish Dave
Finance Controller

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(₹ in Lacs)

Particulars	Note	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
I Income			
Revenue from operations	17	25,310.42	20,959.67
Less : Excise Duty		-	741.99
		25,310.42	20,217.68
II Other income	18	9.37	20.01
Total Revenue		25,319.79	20,237.69
III Expenses			
(a) Cost of Materials Consumed	19	10,152.09	8,612.13
(b) Purchases of Stock-in-Trade		5,357.38	3,712.90
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(1,576.43)	(834.92)
(d) Employee Benefits Expense	21	2,268.98	2,218.73
(e) Finance Costs	22	867.47	694.46
(f) Depreciation and Amortisation Expense	10	343.67	270.88
(g) Other Expenses	23	7,468.44	5,411.68
Total Expenses		24,881.60	20,085.86
IV Profit Before Tax		438.19	151.83
V Tax Expenses:			
a) Current Tax		119.00	30.40
b) Deferred Tax		26.61	60.30
c) MAT Credit Entitlement		-	(30.40)
		145.61	60.30
VI Profit for the Year		292.58	91.53
VII Earnings per Equity Share of Face Value of ₹ 10 each			
Basic and Diluted (in ₹)	24	5.78	1.81
Significant Accounting Policies / Notes on Financial Statements	1 to 32		

As per our attached Report of even date:

For and on behalf of the Board
of Kamadgiri Fashion LimitedFor Haribhakti & Co.
Chartered AccountantsAtul Gala
Partner
Membership No. 048650Place : Mumbai
Date : 28th May 2014Pradip Kumar Goenka
Chairman & Managing DirectorAnil Blyani
DirectorJagdish Dave
Finance Controller

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 (₹ in Lacs)

Particulars	For the Year Ended 31st March 2014	For the Year Ended 31st March 2013
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	438.19	151.83
Adjustments:		
Depreciation and Amortisation Expense	343.67	270.88
(Profit) on Sale of Fixed Assets	(131.78)	(88.73)
(Profit) on Sale of Investments	(0.35)	-
Interest Income	(8.85)	(5.97)
Interest Expenses	867.47	694.48
	1,070.16	870.64
Operating Profit Before Working Capital Changes	1,508.35	1,022.47
Inventories	(1,504.15)	(1,426.72)
Sundry Debtors	(2,087.37)	(1,019.82)
Cash & Bank Balances	64.99	(166.39)
Loans & Advances	85.50	(133.47)
Current Liabilities	2,205.35	1,629.93
Provisions	5.64	11.27
	(1,230.64)	(1,105.20)
Cash generated from / (used in) Operations	278.31	(82.73)
Direct Taxes Paid	(164.51)	(38.49)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	173.80	(121.22)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Inflow:		
Proceeds from Sale of Fixed Assets	830.79	137.08
Proceeds from Sale of Investments	50.79	-
Interest Income	9.33	0.07
	890.91	137.15
Outflow:		
Acquisition of Fixed Assets	(694.48)	(569.71)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	196.45	(432.56)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Inflow:		
Proceeds from Long Term Borrowings	328.39	439.72
Proceeds from Short Term Borrowings (Net)	555.10	1,209.48
	883.49	1,649.20
Outflow:		
Repayment of Long Term Borrowings	(293.12)	(237.65)
Interest Paid	(867.47)	(893.55)
Dividend Paid (Including Dividend Distribution Tax)	(29.81)	(29.43)
	(1190.40)	(960.63)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	(306.91)	688.57
Net Increase in Cash And Cash Equivalents (A+B+C)	63.34	134.79
Opening Balance Of Cash And Cash Equivalents	196.45	61.66
Closing Balance Of Cash And Cash Equivalents	259.79	196.45
<u>Notes to Cash Flow Statements:</u>		
Cash & Cash Equivalents Comprise of: (Refer Note No.16)		
Cash on Hand	5.82	4.39
Bank Balances with Scheduled Banks:		
In Current Accounts	251.37	189.28
In Unpaid Dividend Accounts	2.60	2.78
TOTAL	259.79	196.45

As per our attached Report of even date.

For Haribhakti & Co.
Chartered AccountantsFor and on behalf of the Board
of Kamadgiri Fashion LimitedAtul Gala
Partner
Membership No. 048650Place : Mumbai
Date : 28th May 2014Pradip Kumar Goenka
Chairman & Managing DirectorAnil Biyani
DirectorJagdish Dave
Finance Controller

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Company Overview:-

Kamadgiri Fashion Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed at Bombay Stock Exchange in India. The Company is engaged in the manufacturing and job work in textile industries.

B. Significant Accounting Policies

1. Basis of Accounting

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. GAAP comprise mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended) as per section 211(3C) of the Companies Act, 1956 and Guidelines issued by the Securities and Exchange Board of India.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current-non current classification of assets and liabilities.

2. Use of Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on the management's best knowledge of the current events and actions, actual results could differ from the estimates.

3. Fixed Assets, Intangible Assets and Capital Work in Progress

Fixed assets are stated at cost less accumulated depreciation. Cost comprises of purchase price and any attributable cost required for bringing the assets to its working conditions for its intended use. Capital Work-in-Progress includes advances paid to acquire fixed assets, and the costs of fixed assets that are not ready for their intended use at the balance sheet date. Intangible assets are stated at cost less accumulated amortisation. The cost of an intangible asset comprises the consideration paid for acquisition, including any duties and taxes and any directly attributable expenditure on making the asset ready for its intended use.

4. Depreciation

Depreciation on fixed assets is provided on "Straight line method" at the rates specified in schedule XIV to the Companies Act, 1956. Computer software is grouped under "Intangible Assets" and is amortized over its useful life using straight line method in accordance with the rates prescribed against computers in schedule XIV of the Companies Act, 1956. Further,

- Cost of leasehold land is amortized over the period of lease.
- Assets each costing ₹ 5,000 or less are depreciated fully in the year of purchase.
- Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the date on which such assets are capitalized.
- Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the date on which such assets are disposed off.

5. Investments

Investments that are readily realizable and intended to be held generally for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investment are carried at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each investment.

6. Valuation of Inventories

- Raw Materials (including goods in transit) are valued at lower of cost and Net Realisable Value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Stores and Spares are valued at cost.
- Work in process is valued at cost which includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- Finished Stocks are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads.
- Cost is ascertained on the FIFO/Specific Identification basis, as applicable.

7. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue shall be reliably measured.

Sale of goods

Revenue is recognized on transfer of significant risks and rewards of ownership of the goods (which is generally on the dispatch of goods) to the buyer.

Job Work Charges

Incomes from job charges are recognized as and when the services are rendered.

Interest Income

Interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

8. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is an indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Net selling price is the amount obtainable from sale of the asset in an arm length transaction between knowledgeable, willing parties, less the cost of disposal. After impairment the depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

9. Employee Benefits

- a) Employee benefits comprise both defined contribution and defined benefit plans.
- b) **Provident fund is a defined contribution plan**
Each eligible employee and the Company make an equal contribution at a percentage of the basic salary specified under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further obligations under the plan beyond its periodic contributions.
- c) **Gratuity and Leave Encashment are defined benefit plans:-**
The company's liability towards gratuity and leave encashment are charged off to the Statement of Profit & Loss in the period in which the employee has rendered services at the present value of the amounts payable determined using actuarial valuation techniques. The actuarial method used for measuring the liability is the Projected Unit Credit method.
- d) Actuarial gains or losses in respect of post-employment benefits charged to statement of Profit and Loss or Capitalised in case of new projects taken up by the company
- e) All Short-term employee benefits are accounted for an undiscounted basis during the accounting period based on services rendered by employees

10. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate is possible. Provisions are not discounted to its present value and are determined on the basis of the best estimate required to settle the obligation as on the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized in the financial statements but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. Taxes on Income

Provision for current tax is made in accordance with and at the rates and in the manner specified under the Income Tax Act, 1961 as amended from time to time. Income taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax based on the tax liability computed after considering tax allowances and exemptions.

Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

12. Leases

Where the company is lessee:

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as expenses in the Statement of Profit and Loss on a straight line basis over the lease term.

Where the company is lessor:

Assets subject to operating leases are included in fixed assets; lease income is recognised in Statement of Profit and Loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal cost, brokerage, etc. are recognised immediately in the Statement of Profit and Loss.

13. Transaction in Foreign Currencies

a) Initial Recognition:

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion:

Foreign Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of the historical cost denominated in the foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at a fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed on the date the values were determined.

c) Exchange Difference:

The exchange difference arising on the settlement of monetary items or on reporting unsettled monetary items at the rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or as expenses in the period in which they arise.

d) Forward Exchange Contracts:

In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of Profit and Loss in the period in which they occur.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as Income or as expense for that period.

e) Non-monetary foreign currency items such as investments are carried at cost.

14. Cash and Cash Equivalents

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investment with an original maturity of three month or less.

15. Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent they that they were entitled to participate in the dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events like bonus issue, bonus element in a rights issue to the existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity shareholders and the weighted average no. of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. Government Grants:

Government grants in the nature of the promoters' contribution are credited to the capital reserve and treated as a part of the share holders' funds.

17. Borrowing Costs:

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest & borrowing costs are charged to revenue.

18. Application of Securities Premium Account:

Share and debenture issue expenses and Premium payable on Redemption of Debentures, are charged first against available balance in Securities Premium Account.

NOTES TO THE FINANCIAL STATEMENTS

1 SHARE CAPITAL:

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Authorised Share Capital 2,00,00,000 (31st March 2013 : 2,00,00,000) Equity Shares of ₹ 10/- each	2,000.00	2,000.00
Issued, Subscribed and Paid up: 50,64,866 (31st March 2013 : 50,64,866) Equity Shares of ₹ 10/- each	506.49	506.49
TOTAL	506.49	506.49

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period : (₹ in Lacs)

Particulars	Number	31st March 2014	Number	31st March 2013
At the beginning of the period	50.65	506.49	50.65	506.49
Issued during the period	-	-	-	-
Outstanding at the end of the period	50.65	506.49	50.65	506.49

b) Shareholders holding more than 5 percent shares in the Company:

Particulars	31st March 2014		31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ananddeep Consultancy Services Pvt Ltd.	436,800	8.63	436,800	8.63
PIL Industries Ltd.	1,409,884	27.84	1,409,884	27.84
Tritoma Hotels Pvt. Ltd.	325,000	6.42	325,000	6.42
Pradip Kumar Goenka	721,200	14.24	721,200	14.24
Tilak Pradip Goenka	424,102	8.37	424,102	8.37

c) Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Capital Reserves		
As per last Balance Sheet	37.00	37.00
Securities Premium Account		
As per last Balance Sheet	313.32	313.32
General Reserves		
Opening Balance	635.03	635.03
Current Year Transfer	14.63	-
Closing Balance	649.66	635.03
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	827.09	785.18
Add : Profit for the year	292.58	91.53
Less: Short Provision Of Expenses Written Back	-	-
Amount available for appropriation	1119.67	856.71
Less : Appropriation		
Proposed final equity dividend	75.97	25.32
(Amount per share ₹ 1.50/- (31st March 2013 : ₹ 0.50))		
Tax on Proposed dividend	12.91	4.30
Transfer to General Reserve	14.63	-
Total Appropriations	103.51	29.62
Net Surplus in the Statement of Profit and Loss	1,016.16	827.09
TOTAL	2,016.12	1,812.44

3 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	Non - Current Portion		Current Portion	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Secured				
(a) From Bank				
Term Loans	476.06	656.65	183.20	273.20
Vehicle Loans	2.74	4.37	1.93	7.33
Unsecured				
(a) From Body Corporates**	457.89	145.00	-	-
(b) Deposits	63.00	63.00	-	-
	999.69	869.02	185.13	280.53
The above amount includes				
a) Security Deposits from Dealers	-	-	-	-
b) Other Deposits	-	-	-	-
* Other current liabilities * (refer note 8)	-	-	(185.13)	(280.53)
TOTAL	999.69	869.02	-	-

- i. Additional Term loan from bank amounting to ₹ 328.39 lacs sanctioned during the financial year 2013-2014. The same is repayable in 54 Monthly instalments of ₹ 10 Lacs each along with interest. The loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries.

Term Loan of ₹ 105 lacs are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 21 equal monthly instalments of ₹ 5 Lacs each along with interest.

Term Loan of ₹ 14.26 lacs are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 13 equal monthly instalments of ₹ 1.10 Lacs each along with interest.

The rate of interest on the above mentioned Term Loans ranges between 12.50 % p.a to 14.50 % p.a.

- ii. Vehicle loans taken from bank was carried interest @ 10.35% . The loan is repayable in 35 instalments of ₹ 39,857 along with the interest , from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.
- iii. The Company has given premises on operating lease for a 99 year commencing from the 1st January 2007 which is non cancellable for 99 years. Interest free refundable deposit ₹63 lacs received by the Company, has been disclosed under unsecured loan as deposits.

**** Loans from Related Party**

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Enterprises having voting power of the Company	130.00	145.00
TOTAL	130.00	145.00

4 DEFERRED TAX LIABILITY (Net)

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Deferred Tax Liability		
Related to Fixed Assets	376.41	350.76
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	46.78	47.74
TOTAL	329.63	303.02

5 LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Provision for employee benefits		
Gratuity	83.25	74.12
Unavailed leave	17.20	20.58
TOTAL	100.45	94.70

6 SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Secured		
Loans repayable on demand		
Cash credit from bank	4,053.26	3,585.19
	4,053.26	3,585.19
Unsecured		
Loans repayable on demand		
From Body Corporates	-	50.00
Bills discounting	424.67	287.64
	424.67	337.64
TOTAL	4,477.93	3,922.83

7 TRADE PAYABLES

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Outstanding dues of Micro, Small and Medium Enterprises	-	-
Others	5,307.10	3,240.65
TOTAL	5,307.10	3,240.65

No interest is paid / payable during the year to any enterprise registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). The above information has been determined to the extent such parties could be identified on the basis of the status of suppliers under MSMED.

8 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Current Maturities of long term borrowings (refer note 3)	185.13	280.53
Creditors for capital goods	13.45	534.22
Interest accrued and due on borrowings	-	0.30
Acceptance	452.17	407.04
Unclaimed dividend	2.60	2.78
	-	-
Deposit from Customers	379.69	342.08
Other payables*	924.89	868.43
TOTAL	1957.93	2,435.38

*Includes statutory dues, advances from customers and provisions for expenses

9 SHORT TERM PROVISIONS:

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Provision for employee benefits		
Gratuity	9.26	8.24
Leave Encashment	5.73	6.86
Others Provision		
Proposed Dividend	75.97	25.32
Tax on Proposed Dividend	12.91	4.30
TOTAL	103.87	44.72

10 FIXED ASSETS

(₹ in Lacs)

	Description	Original cost				Depreciation and amortization				Net book value	
		As at 1st April 2013	Additions during the year	Deductions/ Retirement during the year	As at 31st March 2014	As at 1st April 2013	For the Year	Deductions during the year	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
a	Tangible Assets										
	Land	49.91	-	-	49.91	-	-	-	-	49.91	49.91
	Land under lease	333.67	-	312.22	21.45	12.63	0.22	10.64	2.31	19.14	321.04
	Buildings	647.16	8.63	256.71	399.08	94.39	25.98	32.97	87.40	311.68	652.77
	Residential Flat	65.90	-	-	65.90	20.33	1.07	-	21.40	44.50	45.57
	Plant and Equipment	3,190.21	141.48	146.77	3,184.92	817.43	254.98	21.87	1,050.54	2,134.38	2372.78
	Electrical Installation	129.38	3.80	13.71	119.47	59.88	6.51	2.00	64.39	55.08	69.50
	Furniture and Fixtures	207.00	17.64	23.10	201.54	84.28	12.84	-	97.12	104.42	122.72
	Vehicles	38.92	-	-	38.92	10.17	3.15	-	13.33	25.59	28.75
	Office Equipment	68.40	12.15	8.38	72.17	20.28	3.69	1.20	22.77	49.40	48.14
	Computers	198.92	12.85	8.49	203.28	119.04	27.93	4.33	142.64	60.64	79.86
	Sub Total (A)	4,929.47	196.55	769.38	4,356.64	1,238.43	336.37	72.91	1,501.90	2,854.74	3,691.04
b	Intangible Assets										
	Software	49.60	1.40	3.48	47.52	19.27	7.30	0.88	25.68	21.84	30.33
	Sub Total (B)	49.60	1.40	3.48	47.52	19.27	7.30	0.88	25.68	21.84	30.33
	Total (A+B)	4,979.07	197.95	772.86	4,404.16	1,257.70	343.67	73.79	1,527.58	2,876.58	3,721.37
	Previous Year	4,237.46	921.75	180.14	4,979.07	1,118.58	270.88	131.76	1,257.70	3,721.37	

11 NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Investment in Equity Instruments		
(Unquoted Trade)		
i) Jagruti Synthetics Ltd (Equity Shares of ₹ 10 Each) *	-	50.09
Nil (31 March 2013 4,86,000 Nos.)		
(Other Unquoted Non-Trade)		
i) Bombay Mercantile Co-op Bank Ltd (Equity Shares of ₹ 10 Each)	-	0.06
190 Nos (31st March 2013 : 190 Nos)		
ii) Janakalyan Sahakari Bank Limited (Equity Shares of ₹ 10 Each)	-	0.01
100 Nos (31st March 2013 : 100 Nos)		
Investment in Government securities		
i) National Saving Certificates	-	0.23
TOTAL	-	50.39

*Investment held in the shares of Jagruti Synthetics Limited, being of long term nature, is stated at cost of acquisition and no adjustment has been made in respect of diminution in the value of such investment.

12 LOANS AND ADVANCES

(₹ in Lacs)

Particulars	Long Term		Short Term	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Security Deposits				
Unsecured, considered good				
Rental Deposit*	63.50	61.92	-	-
Electricity deposits	32.73	33.96	-	-
	96.23	95.88	-	-
Other Loans and Advances				
Unsecured, considered good				
Prepaid Expenses	-	-	30.35	29.66
Interest accrued but not due	-	-	9.43	9.91
Advance Income tax (net of provision for taxation)	128.13	112.23	-	-
MAT Credit Entitlement	30.40	30.40	-	-
MAT Credit Entitlement	(30.40)	-	-	-
Other loans and advances**	-	-	206.18	292.71
	128.13	142.63	245.95	332.28
TOTAL	224.36	238.51	245.95	332.28

* Deposits with Related Party

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Director	10.00	10.00
Company in which director is a member	40.00	40.00
TOTAL	50.00	50.00

** Includes advances to employees and advances to suppliers.

13 CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Investment in Mutual Fund		
(quoted Trade):		
PNB Principal Junior Cap Fund 500 Units (31st March 2013: 500 Units)	-	0.05
((Market Value of ₹ Nil (31st March 2013 ₹ 8,395))		
TOTAL	-	0.05

14 INVENTORIES

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Raw Materials and components (Includes in transit ₹ 25.38 lacs)	1,111.32	1,182.57
(31st March 2013 ₹ 88.49 lacs)		
Work-in-progress	970.42	1,040.04
Finished goods	3,322.60	1,676.55
Stores, Spares and Others	164.79	165.63
TOTAL	5,569.13	4,064.99

14.1 Details of Raw Materials

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Yarn	660.07	402.24
Stitching Materials	119.81	65.81
Fabrics	331.44	714.52
TOTAL	1,111.32	1,182.57

14.2 Details of Work in Progress

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Grey Fabrics	88.42	67.62
Fabrics	235.96	271.02
Garment	646.04	701.40
TOTAL	970.42	1,040.04

14.3 Details of Finished Goods

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Fabrics	2,969.80	1,377.07
Readymade Garment	352.80	299.48
TOTAL	3,322.60	1,676.55

15 TRADE RECEIVABLE (Unsecured, Considered good) :

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	168.93	58.01
	168.93	58.01
Trade receivables outstanding for a period less than six months from the date they are due for payment	6,340.23	4,363.78
	6,340.23	4,363.78
TOTAL	6,509.16	4,421.79

16 CASH AND BANK BALANCES:

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Cash and Cash Equivalents		
Cash on Hand	5.82	4.39
On Current Accounts	251.37	189.28
On Unclaimed Dividend Account	2.60	2.78
	259.79	196.45
Other Bank Balances		
Balances with Banks to the extent held as margin money	101.99	85.77
Fixed Deposit with original maturity for more than 12 months	12.25	93.46
TOTAL	374.03	375.68

17 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	From the year ended 31st March 2014	From the year ended 31st March 2013
Sales of Products	23,591.35	19,452.83
Sales of services (Job charges Received)	1,477.36	1,327.37
Other operating revenues	241.72	179.47
	25,310.42	20,959.67
Less : Excise Duty	-	741.89
TOTAL	25,310.42	20,217.68

17.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in Lacs)

Particulars	From the year ended 31st March 2014	From the year ended 31st March 2013
Finish Fabrics	11,150.71	9,788.14
Readymade garments	12,422.79	9,640.42
Others	17.93	24.27
TOTAL	23,591.35	19,452.83

18 OTHER INCOME

(₹ in Lacs)

Particulars	From the year ended 31st March 2014	From the year ended 31st March 2013
Interest Income on Bank FD	8.85	5.97
Others	-	-
Other non operating income	0.52	14.04
TOTAL	9.37	20.01

*Other non operating income includes duty drawback claim received ₹ Nil (31st March 2013 ₹ 13.86 Lacs)

19 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	From the year ended 31st March 2014	From the year ended 31st March 2013
Inventory at the beginning of the year	1,182.57	598.57
Add: purchases	10,080.84	9,196.13
	11,263.41	9,794.70
Less : Inventory at the end of the year	1,111.32	1,182.57
TOTAL	10,152.09	8,612.13

19.1 PARTICULARS OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	From the year ended 31st March 2014	From the year ended 31st March 2013
Yarn	436.50	241.71
Accessories	313.81	367.22
Finished Fabrics	9,401.78	8,003.20
TOTAL	10,152.09	8,612.13

20 CHANGES IN INVENTORIES STOCK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	From the year ended 31st March 2014	From the year ended 31st March 2013
Inventories at the end of the year		
Work-in-Progress	970.42	1,040.04
Finished goods	3,322.60	1,676.55
	4,293.02	2,716.59
Inventories at the beginning of the year		
Work-in-Progress	1,040.04	748.96
Finished goods	1,676.55	1,132.71
	2,716.59	1,881.67
TOTAL	(1,576.43)	(834.92)

21 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	From the year ended 31st March 2014	From the year ended 31st March 2013
Salaries, wages and bonus	2,086.21	2,027.62
Contributions to Provident, Gratuity and Other funds	71.69	83.64
Gratuity fund contributions	34.63	23.96
Leave Encashment	20.13	11.37
Staff welfare expenses	56.32	72.14
TOTAL	2,268.98	2,218.73

21.1 Defined Benefit Plan

Contribution to Defined Contribution Plans, recognized as expense for the year as under.

(₹ in Lacs)

Particulars	From the year ended 31st March 2014	From the year ended 31st March 2013
Employer's Contribution to Provident Fund	71.69	83.64

Defined Benefit Plan

The employees' gratuity fund scheme is unfunded. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized in the same manner as gratuity.

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
	Gratuity (unfunded)	Gratuity (unfunded)
Defined Benefit obligation at beginning of year	82.36	72.17
Current Service Cost	20.72	20.76
Interest Cost	6.59	5.77
Actuarial (gain) / loss	7.32	(2.58)
Benefit Paid	24.48	13.77
Defined Benefit obligation at year end	92.51	82.36

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
	Leave Encashment	Leave Encashment
Defined Benefit obligation at beginning of year	27.43	26.35
Current Service Cost	13.35	14.39
Interest Cost	2.19	2.11
Actuarial (gain) / loss	14.07	(5.13)
Benefit Paid	34.12	10.29
Defined Benefit obligation at year end	22.93	27.43

ii) Reconciliation of Fair value of assets and obligation

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
	Gratuity (unfunded)	Gratuity (unfunded)
Fair value of Plant assets	-	-
Present Value of obligation	92.51	82.36
Amount recognized in Balance Sheet	92.51	82.36

ii) Reconciliation of Fair value of assets and obligation

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
	Leave Encashment	Leave Encashment
Fair value of Plant assets	-	-
Present Value of obligation	22.93	27.43
Amount recognized in Balance Sheet	22.93	27.43

iii) Expenses recognized in the Statement of Profit & Loss

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
	Gratuity (unfunded)	Gratuity (unfunded)
Current service cost	20.72	20.76
Interest Cost	6.59	5.77
Excepted return on plan assets	-	-
Actuarial (gain)/ loss	7.32	(2.58)
Net Cost	34.63	23.95

iii) Expenses recognized in the statement of profit & loss

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
	Leave Encashment	Leave Encashment
Current service cost	13.35	14.39
Interest Cost	2.19	2.11
Excepted return on plan assets	-	-
Actuarial (gain)/ loss	4.58	(5.13)
Net Cost	20.13	11.37

iv) Actuarial assumption

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
	Gratuity (unfunded)	Gratuity (unfunded)
Mortality Table (LIC)		
Discount Rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%

iv) Actuarial assumption

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
	Leave Encashment	Leave Encashment
Mortality Table (LIC)		
Discount Rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%

Experiences	2009 In Rs.	2010 In Rs.	2011 In Rs.	2012 In Rs.	2013 In Rs.
Defined Benefit Obligation	•	46.64	51.48	82.36	92.51
Plan Assets (includes bank balance)	•	N.A.	N.A	N.A	N.A
Surplus / (Deficit)	•	N.A.	N.A	N.A	N.A
Experience adjustments on Plan Liabilities [Gain / (Loss)]	•	(0.13)	N.A	2.58	(7.32)
Experience on Plan Assets	•	N.A.	NIL	NIL	NIL

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.
The above information is certified by the actuary.

* The Details of the same is not received from actuary.

22 FINANCE COST

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Interest Expenses	812.91	654.58
Other borrowing cost	54.56	39.68
TOTAL	867.47	694.46

23 OTHER EXPENSES

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Manufacturing Expenses		
Consumption of Stores, spare parts and others (Refer note 23.1)	383.37	374.04
Consumption of Packing materials	452.14	323.62
Power and fuel	514.48	494.43
Machine hire charges	14.56	14.56
Job charges	2,766.95	1,860.72
Labour charges	164.67	224.19
Repairs to Buildings	36.11	26.37
Repairs to Machinery	29.51	25.57
Repairs to Others	100.27	109.74
TOTAL	4,462.06	3,453.24
Selling and Distribution Expenses		
Travelling and conveyance	166.15	95.83
Brokerage and commission	319.56	199.93
Advertisement and marketing expenses	373.91	136.12
Incentives and discount	1,202.59	834.96
Freight outward charges	368.62	181.79
TOTAL	2,430.83	1,448.63
Establishment Expenses		
Printing and Stationery	30.51	31.89
Communication Cost	23.84	21.65
Legal and professional fees	174.21	162.89
Postage, telegram and courier charges	30.45	17.73
Exchange differences (net)	6.42	(0.03)
Sundry balance written off	28.03	41.59
Rent	165.74	145.35
Insurance	12.10	7.18
Rates and taxes, excluding, taxes on income	28.25	20.63
Payment to the auditor (Refer note 23.2)	14.96	12.14
Miscellaneous expenses	67.05	48.79
TOTAL	575.55	509.81
TOTAL	7,468.44	5,411.68

23.1 VALUE OF STORES & SPARES CONSUMED

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Imported	36.89	39.70
% of Consumption	9.62%	10.62%
Indigenous	346.48	334.33
% of Consumption	90.38%	89.38%
TOTAL	383.37	374.03

23.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Stores and Spare parts	36.89	70.16
Capital Goods	-	533.29

23.3 PAYMENT TO THE AUDITORS

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
As Auditor		
Audit fees	7.87	7.30
Tax audit fees	1.35	1.12
Limited review	4.55	2.81
In other capacity		
Company law matters	0.84	0.56
Certification fees	-	-
Reimbursement of expenses	0.35	0.10
TOTAL	14.96	11.89

24 EARNING PER SHARE (EPS)

Particulars	31st March 2014	31st March 2013
(i) Net profit after taxes as per statement of profit and loss attributed to equity shareholders (₹ in Lacs)	292.58	91.53
(ii) Number of equity shares used as denominator for calculation of EPS	5,064,866	5,064,866
(iii) Basic and Diluted earning per share (amount in ₹)	5.78	1.81
(iv) Face value per equity share (amount in ₹)	10.00	10.00

25 RELATED PARTY DISCLOSURES:

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below.

i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
1. PIL Industries Ltd	Enterprises having voting power of the company
2. Jagruti Synthetics Ltd	Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders)
3. Mr. Pradip Kumar Goenka	Key Management Personnel (KMP)
4. Mr. Abhay Kumar	
5. Mr. Tilak Goenka	Relatives of Key Management Personnel (KMP)
6. Mrs. Jyoti Kumar	
7. Sriшти Mall Management Company Pvt. Ltd.	Other Related Parties (Enterprises - KMP having significant influence)

ii) Related Party Transactions

(₹ in Lacs)

Particulars	Transaction during the year 2013-14		31st March 2014		31st March 2013	
	31st March 2014	31st March 2013	Receivable	Payable	Receivable	Payable
a) Sales: Jagruti Synthetics Limited	3.63	0.14	-	-	-	-
b) Purchase: Jagruti Synthetics Limited	846.69	410.79	-	293.94	-	19.87
c) Job Charges Paid: Jagruti Synthetics Limited	79.53	38.33	-	14.58	-	3.38
d) Interest Paid : Jagruti Synthetics Limited	1.30	0.60	-	-	-	0.10
e) Rent Expenses: PIL Industries Limited	60.94	60.67	-	-	-	65.06
Jagruti Synthetics Limited	58.59	57.03	-	11.18	-	4.42
Mr. Pradip Kumar Goenka	3.72	3.72	-	4.42	-	-
Mr. Abhay Kumar	4.14	3.08	-	-	-	-
Mrs. Jyoti Kumar	8.11	3.08	-	-	-	-
f) Electricity Expenses: Jagruti Synthetics Limited	-	0.73	-	-	-	-
g) Managerial Remuneration: Mr. Pradip Kumar Goenka	30.00	31.44	-	-	-	-
Mr. Lalit Kumar Goenka	-	0.60	-	-	-	-
Mr. Abhay Kumar	62.89	62.89	-	-	-	-
h) Salary : Mr. Tilak Goenka	5.67	5.67	-	-	-	-
i) Deposit Given : Mr. Pradip Kumar Goenka	-	-	-	-	-	10.00
Jagruti Synthetics Limited	-	-	-	10.00	-	40.00
j) Advances Repaid : PIL Industries Limited	-	50.00	-	-	-	-
k) Loan Taken : PIL Industries Limited	15.00	145.00	-	130.00	-	145.00
Shrishti Mall Management Company Pvt. Ltd.	52.42	-	-	52.42	-	-

- 26 The company is engaged in manufacturing (in-house and outsourced) fabrics, ready to wear garments, Considering the overall nature, the management is of the opinion that the entire operation of the company falls under one segment i.e. Textiles and as such there is no separate reportable segment for the purpose of disclosure as required under

27 UNHEDGED FOREIGN CURRENCY EXPOSURE

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Payable : 6,27,829 (31st March 2013, Nil)	6.28	-

28 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Contingent Liabilities		
a) Claims against the company not acknowledged as debt	241.34	454.70
b) Guarantees	79.48	79.48
	320.82	534.18
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
b) Other commitments - pending obligation under EPCG scheme	318.00	334.45
	318.00	334.45
TOTAL	638.82	868.63

29 DETAILS OF FOREIGN SHAREHOLDING AND DIVIDEND PAID

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
No. of non-resident shareholders	7	7
No. of shares held by them on which dividend was paid	5,093.00	4,693.00
Gross Dividend (₹)	2,547.00	2,347.00

* Dividend for the F.Y. 2012-13 was declared in AGM held on 24th September 2013 and paid on 30th September 2013.

30 DERIVATIVES CONTRACTS ENTERED INTO BY THE COMPANY OUTSTANDING AS ON 31st MARCH 2014

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Forward Contracts	-	503.42

- 31 Previous year's figures have been regrouped wherever considered necessary to make them comparable with current year's figure.

For and on behalf of the Board
of Kamadgiri Fashion Limited

Place : Mumbai
Date : 28th May 2014

Pradip Kumar Goenka
Chairman & Managing Director

Anil Blyani
Director

Jagdish Dave
Finance Controller

KAMADGIRI FASHION LIMITED

Regd. Office: 28, Y.A. Chunawala Industrial Estate, Kondivita Lane, Andheri (East), Mumbai – 400 059.

Telephone: +91 22 6731 3140; Fax: +91 22 6731 3199; CIN: L17120MH1987PLC042424

Website : www.kfindia.com; Email: cs@kfindia.com**ANNUAL GENERAL MEETING – FRIDAY 26TH SEPTEMBER 2014 AT 11:00 AM****ATTENDANCE SLIP**

(to be handed over at the entrance of the Meeting Hall)

DP ID	REGD. FOLIO NO.
CLIENT ID	NO. OF EQUITY SHARES HELD

I hereby record my presence at the 27th Annual General Meeting of the Company at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 on Friday, 26th September 2014 at 11:00 AM.

Name of the Shareholder_____
Signature_____
Name of the Proxy_____
Signature

Note: No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

EVSN (E-Voting Sequence No.)**140828016**

Note: Please read the instructions given at note number 18 of notice of the Annual General Meeting carefully before voting electronically.



NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

Mandate Form

Shareholder's authorisation to receive dividends through National Electronic Credit Clearing Mechanism

1. Name of the First / Sole Shareholder:.....
2. Regd. Folio No. / DP ID / Client ID:.....
3. Particulars of Bank account of First / Sole Shareholder:.....
 - a. Name of the Bank:.....
 - b. Branch:.....
Address of the Branch:.....
Telephone no. of the Branch:.....
 - c. 9-digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank:.....
 - d. Account Number (as appearing on the cheque book / passbook):.....
 - e. Account Type (please ✓): S. B. account (10) ☐ / Current account (11) ☐ / Cash Credit account (13) ☐
 - f. Ledger no. / Ledger folio no. (if appearing on the cheque book / passbook):.....
(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque, or photocopy of a cheque or the front page of the savings bank passbook issued to you by your bank, for verification of the above particulars)
4. Date of Effect:.....

I hereby declare that the particulars give above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company/ Registrar & Share Transfer Agent of the Company responsible.

Place:

Date:

.....
Signature of the First / Sole Shareholder

We Certify that the particulars furnished above are correct as per our records.

Bank's Stamp

.....
Signature of the Authorised Official
From the Bank

Date:

Notes:

1. Please fill in the Mandate Form and send it to:
 - i) the Depository Participant (DP) who is maintaining your demat account in case your shares are dematerialised;
 - ii) the address of our Registrars & Share Transfer Agents (RTA), Sharex Dynamic (India) Private Limited Unit No.1, Luthra Industrial Premises Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072. Tel: 022 2851 5606/28515644, Fax: 022 2851 2885 in case you are holding physical share certificates.
2. In case of more than one folio please complete the detail on separate sheets.
3. In case of any change in your bank account particulars, please update the same with your DP or RTA as applicable.

KAMADGIRI FASHION LIMITED

Regd. Office: 28, Y.A. Chunawala Industrial Estate, Kondivita Lane, Andheri (East), Mumbai – 400 059.

Telephone: +91 22 6731 3140; Fax: +91 22 6731 3199; CIN: L17120MH1987PLC042424

Website : www.kflindia.com; Email: cs@kflindia.com

Form No. MGT-11

PROXY FORM

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

Name of the member(s): _____
 Address: _____

 E-mail id: _____
 Folio No./ DP id: _____ Client id: _____

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

- (1) Name: _____
 Address: _____

 E-mail id: _____ Signature _____ Or failing him;
- (2) Name: _____
 Address: _____

 E-mail id: _____ Signature _____ Or failing him;
- (3) Name: _____
 Address: _____

 E-mail id: _____ Signature _____

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Twenty-seventh Annual General Meeting of the Company, to be held on Friday, 26th September, 2014 at 11:00 AM at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Matter of resolution
Ordinary Business	
1.	Adoption of the audited Financial Statements of the Company for the year ended 31st March 2014 including audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the year ended on that date together with the reports of Directors and Auditors thereon
2.	Declaration of dividend on Equity shares.
3.	Appoint a Director in place of Mr. Pradip Kumar Goenka (DIN: 00516381), Director of the company who retires by rotation and being eligible offers himself for re-appointment
4.	Appoint a Director in place of Mr. Lalit Goenka (DIN: 01792275), Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
5.	Appoint a Director in place of Mr. Anil Bhatnagar (DIN: 005804), Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
6.	Appoint M/s. Haribhakti & Co., Chartered Accountants (ICAI Registration No. 103523W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of Thirty-second Annual General Meeting and to fix their remuneration
Special Business	
7.	Appoint Mr. Ashwani Bhatia as an Independent Director of the Company.
8.	Appoint Mr. Rahul Mehta as an Independent Director of the Company.
9.	Appoint Ms. Sanjeev Maheshwari as an Independent Director of the Company.
10.	Ratification of remuneration payable to Cost Auditors of the Company.
11.	Special Resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing upto ₹ 150 crores
12.	Special Resolution under section 180(1)(a) of the Companies Act, 2013 for creating charges, mortgages and hypothecations in connection with borrowing upto ₹150 crores

Signed this _____ day of _____, 2014.

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

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.

Notes

Notes



TRUE LINEN

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This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectation or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

KAMADIGI FASHION LIMITED

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