Kamadgiri Fashion Ltd

Ref.: BSE/AR/Reg34/2016-17

27th September, 2016

Dept. of Corporate Services (CRD)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 514322

Dear Sirs,

Sub.: Submission of Annual Report under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform that the Members of the Company at their Twenty-Ninth Annual General Meeting ("AGM") held on 19th September, 2016 have approved and adopted Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.

We enclose herewith the Annual Report of the Company for the Financial Year 2015-16.

Kindly take the aforesaid on records and acknowledge receipt of the same.

Thanking you,

Yours faithfully,

for **Kamadgiri Fashion Limited**

Siddhant Singh
Company Secretary

Encl.: as above

Regd. Office: The Qube, B-104, OFF M.V. Road, Behind Taj Flight Kitchen, Marol, Andheri (E), Mumbai - 400 059, INDIA. Tel.: 022-71613131 | Fax : 022-71613199
email: mumho@kflindia.com | www.kflindia.com | CIN L17120MH1987PLC042424

WORKS:42/1 & 43/2, Ganga Devi Road, Umbergaon - 396171. Valsad Gujrat. Tel.: 7283800209.

KAMADGIRI
FASHION LIMITED

ANNUAL REPORT 2015-16

KFL
TRUE VALUE
KAMADGIRI FASHION LIMITED
email: truevalue@kflindia.com | www.kflindia.com

CONTENTS

NOTICE OF AGM	2
DIRECTORS' REPORT	7
MANAGEMENT DISCUSSION AND ANALYSIS	23
CORPORATE GOVERNANCE REPORT	25
INDEPENDENT AUDITORS' REPORT	34
BALANCE SHEET	39
STATEMENT OF PROFIT AND LOSS	40
CASH FLOW STATEMENT	41
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	42

KAMADGIRI FASHION LIMITED

CIN: L17120MH1987PLC042424

BOARD OF DIRECTORS

Mr. Pradip Kumar Goenka	:	Chairman & Managing Director
Mr. Lalit Goenka	:	Director
Mr. Rahul Mehta	:	Director
Mr. Sanjeev Maheshwari	:	Director
Mr. Anil Biyani	:	Director
Ms. Bindu Shah	:	Director

CHIEF EXECUTIVE OFFICER	:	Mr. Abhay Kumat
CHIEF FINANCIAL OFFICER	:	Mr. Jagdish Prasad Dave
COMPANY SECRETARY	:	Mr. Siddhant Singh
AUDITORS	:	M/s. Haribhakti & Co.LLP Chartered Accountants, Mumbai.
BANKERS	:	State Bank of Hyderabad Bank of Baroda
REGISTERED OFFICE	:	B-104, The Qube, M.V. Road Marol, Andheri (E), Mumbai - 400 059 Website : www.kflindia.com
FACTORY/PLANT	:	43/2, 42/1, 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-Ninth Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Monday, 19th day of September 2016 at 10:30 AM at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400 059 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31st March, 2016 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. Lalit Goenka (DIN: 01792275), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants (ICAI Registration No. 103523W) as Statutory Auditors of the Company to hold office till the next annual general meeting and to fix their remuneration :

   "**RESOLVED THAT** pursuant to the provisions of Section 139(2) and 142(1) of the Companies Act, 2013 the reappointment of the statutory auditors of M/s. Haribhakti & Co. LLP, Chartered Accountants (ICAI Registration No. 103523W), be and is hereby ratified by the members of the Company for the financial year 2016-17 at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. 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 textiles products for the financial year ending 31st March, 2017, on a remuneration of ₹ 0.90 Lakh 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."

By Order of the Board
For Kamadgiri Fashion Limited

Siddhant Singh
Company Secretary

Place: Mumbai
Date: 30th May, 2016

Registered Office:
B-104, The Qube
M.V. Road, Marol, 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. A 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 Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.

4. The Record date for the purpose of payment of Dividend for the financial year 2015-16 is fixed at 12th September, 2016.

5. Subject to the provisions of the Act, Dividend as recommended by the Board of Directors for the financial year 2015-16, if declared at the Meeting, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members and in list of the beneficial owners as furnished by the Depositories as on 12th September, 2016.

6. Pursuant to the provision of Section 205A (5) of the Companies Act, 1956, dividend for the financial year 2008-09 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	Date of declaration of Dividend	Due date for transfer to Investor Education & Protection Fund
2008-2009 (Final)	29/09/2009	03/11/2016
2009-2010 (Final)	29/09/2010	03/11/2017
2010-2011 (Final)	23/08/2011	28/09/2018
2011-2012 (Final)	18/09/2012	25/10/2019
2012-2013 (Final)	24/09/2013	29/10/2020
2013-2014 (Final)	26/09/2014	31/10/2021
2014-2015 (Final)	25/09/2015	30/11/2022

   Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company/ its Registrar, for obtaining payments thereof, before they are due for transfer to the said fund.

7. Information as required to be provided pursuant to the requirements of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regards to the Directors seeking appointment and re-appointment at this Annual General Meeting is given as an Annexure to this Notice.

8. 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.

9. Electronic copy of Annual Report for the financial year 2015-16 and Notice calling the Twenty-Ninth 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 2015-16 and Notice of the Twenty-Ninth 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.

10. Members may also note that, the Notice of the Twenty-Ninth Annual General Meeting and the Annual Report for the financial year 2015-16 will also be available on the Company's website, www.kflindia.com for their download.

11. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's Registrar and Share Transfer Agents. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

12. 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.

13. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.

14. 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.

15. 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.

16. 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.

17. 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.

18. **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. through E-mail.**

19. Members are encouraged to utilize the National Automated Clearing House (NACH) System for receiving dividend.

20. 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 Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members electronic voting (e-voting) facility to exercise their right to vote at the Twenty-Ninth 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 Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant Company Name, i.e., Kamadgiri Fashion Limited on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If a 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.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) 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 Friday, 16th day of September 2016 at 09:00 AM and ends on Sunday, 18th day of September 2016 at 05:00 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 12th September, 2016, 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 12th September, 2016.

V. Mr. Nitin Sarfare, Practising Company Secretary (ACS no. 36769 and COP no. 13729) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

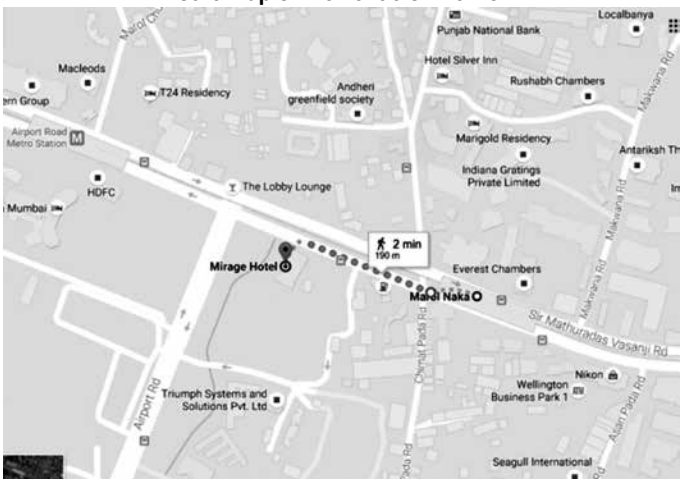
VI. The Scrutiniser shall within a period of three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the 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.

21. All documents referred to in the accompanying Notice and Statement under Section 102 of the Companies Act, 2013 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.

22. The route map of the venue of the AGM is given herein below. The prominent landmark near the venue is Marol Naka Metro Station, Mumbai.

Route map of the venue of the AGM



Annexure to Notice

As required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following information is provided in respect of Directors proposed to be appointed / re-appointed:

Name of the Director	Mr. Lalit Goenka
Age	52 years
Qualification	Pre-University
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.
Directorship and Membership of Committe in other listed entities	None
Shareholding	1,607 shares
Inter-se Relationship	There is no inter-se relationship with any Directors and Key Managerial Personnel of the Company

Statement pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to the Special Business mentioned in the accompanied Notice:

Item No. 5

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, 2017 at a remuneration of ₹ 0.90 lakh 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 Auditor 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. 5 for ratification of remuneration payable to the Cost Auditor.

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. 5 for the approval by the shareholders of the Company.

By Order of the Board
For Kamadgiri Fashion Limited

Siddhant Singh
Company Secretary

Place: Mumbai
Date: 30th May, 2016

Registered Office:
B-104, The Qube
M.V. Road, Marol, Andheri (East)
Mumbai – 400059

KAMADGIRI FASHION LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Twenty-Ninth Annual Report on the business and operation of the Company together with the Audited Financial Statements for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS (₹ **in Lakh**)

Particulars	**Financial Year 2015-16**	**Financial Year 2014-15**
Turnover	**30,058.05**	25,966.75
Other Income	**4.02**	2.20
Profit before tax	**320.20**	356.26
Less: Provision for current tax	**(164.78)**	(107.59)
Less: Net deferred tax liability / (asset)	**(34.72)**	31.44
Profit for the year	**190.14**	217.23
Add: Balance brought forward	**1,091.04**	1,016.16
Profit available for appropriation	**1,281.18**	1,193.34
Appropriation:		
Transferred to General Reserve	**9.51**	10.86
Proposed dividend	**81.60**	75.97
Tax on proposed dividend	**16.61**	15.47
Balance carried forward	**1,173.46**	1,091.04

OPERATIONS

During the year under review, the Company has achieved a turnover of ₹ 30,058.05 lakh as compared to ₹ 25,966.75 lakh in the previous year. Accordingly, there was a topline growth of 15.90%. The Profit after tax for the financial year 2015-16 was ₹ 190.14 lakh as compared to ₹ 217.23 lakh during the previous year. There was decline in the Profit after tax due to higher cost of production comprising of increased cost of labour cost, job charges, material cost and power tariffs.

The Company has been working on various measures to reduce cost and increase the efficiency.

FUTURE PLANS

The Company is identifying its core strength of weaving, manufacturing "value for money" fabrics/garments and marketing same through its distribution network as well as organized retail market. Further, the Company is also concentrating on brand manufacturing contract, which gives lesser margin but at the same time releases marketing pressure. The Company continues to innovate and improve upon its production process to increase its operational efficiency at optimum cost.

The Management is expecting these initiatives to result in better profitability in coming years.

ISSUE OF SECURITIES

During the year under review, the Company has issued and allotted 3,75,000 Equity shares of ₹ 10/- each at a premium of ₹ 52/- per share aggregating ₹ 232.50 lakh and 4,29,505 Compulsorily Convertible Debentures ("CCDs") of ₹ 10/- each at a premium of ₹ 52/- per CCD aggregating ₹ 266.29 lakh convertible on 01st April, 2016.

Through these preferential issues of securities, the Company has raised ₹ 498.79 lakh in aggregate from non-promoter group.

SHARE CAPITAL

During the year, paid up Equity share capital of the Company has been increased from ₹ 506.49 lakh to ₹ 543.89 lakh consequent to issue of 3,75,000 new shares on preferential basis.

On 01st April, 2016, paid up Equity share capital of the Company further increased to ₹ 586.93 lakh on conversion of 429,505 CCDs.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 1.50/- (i.e. 15%) per equity share on the equity capital of the Company for the year under review. The said dividend shall be subject to the approval of the members at the ensuing annual general meeting.

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

RESERVES
During the year under review, the Company has transferred ₹ 9.51 lakh to general reserves.

CORPORATE GOVERNANCE REPORT
As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated in Regulation 17(7) read with Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also enclosed along with the Corporate Governance Report.

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

DISCLOSURE REQUIREMENTS
The process of Familiarisation program for Independent Directors is posted on website of the Company at the link http://kflindia.com/wp-content/uploads/2015/08/KFL-ID-Familiarization.pdf.

Accordingly, the Company provides as part of Board Meeting insight on various business process through specific discussion on business review. As part of familiriasation program the Company has spent about two hours during the year in various Board Meetings on business review and update.

Policy on dealing with related party transactions is available on the website of the Company at the link http://kflindia.com/wp-content/uploads/2015/08/KFL-RPT-Policy.pdf

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4(d)(iv) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Establishment of Vigil Mechanism is available on the website of the Company at the link http://kflindia.com/wp-content/uploads/2015/08/KFL-Vigil-Mechanism.pdf

NUMBER OF BOARD MEETINGS
The Board of Directors met 5 (Five) times during the financial year 2015-16. The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS:
The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act stating that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

PERFORMANCE EVALUATION OF BOARD
Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) and Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Directors individually. At the meeting of the Board all the relevant factors that are material for evaluating the performance of the Committees and of the Board were discussed in detail.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board except the Independent Director being evaluated.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION
The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013, has been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL
In terms of Section 152 of the Companies Act, 2013, Mr. Lalit Genka retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Siddhant Singh was appointed as Company Secretary with effect from 01st September, 2015.

Additional information on appointment/reappointment of Directors as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the Notice convening the ensuing Annual General Meeting.

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE

During the year review, the Audit Committee of the Company comprised of three Independent Directors viz., Mr. Sanjeev Maheshwari, Mr. Rahul Mehta and Ms. Bindu Shah. Mr. Sanjeev Maheshwari is the Chairman of the Audit Committee. There are no instances where the Board did not accept the recommendations of the Audit Committee. The terms of reference, powers and roles of the Committee are disclosed in the Corporate Governance Report, which forms part of the Annual Report.

Details of all the Committees of the Board of the Company along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report, which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement it is hereby confirmed that:

i. in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for that period;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors have prepared the annual accounts for the financial year ended 31st March, 2016, on a going concern basis;

v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

At the Annual General Meeting of the Company held on 26th September, 2014, M/s Haribhakti & Co. LLP, Chartered Accountants, Mumbai was appointed as statutory auditors of the Company to hold office till the conclusion of the 32nd Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013 the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants, Mumbai, as statutory auditors of the Company, placed before for ratification by the shareholders.

The Auditors' Report does not contain any disqualification, reservation or adverse mark.

Secretarial Auditor

The Company has appointed M/s. H. S. Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2015-16 in terms of provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor Report for the year ended 31st March, 2016 is annexed to this report as **Annexure A**. There is no observation or comment which requires your attention.

Cost Auditor

As per the requirement of Central Government pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out Cost Audit of cost records relating to Textile products every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed Ms. Ketki D. Visariya, Cost Accountant, as Cost Auditor to audit the accounts of the Company for the financial year 2016-17 at a remuneration of ₹ 90,000/- plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking ratification of members' for the payment of remuneration to Cost Auditor forms part of the Notice convening the Annual General Meeting.

The Cost Audit report for the financial year 2014-15 was filed with the Ministry of Corporate Affairs.

EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 92 (3) of the Companies Act, 2013, an extract of Annual Return in prescribed format is annexed to this Report as **Annexure B**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were in the ordinary course of business and on an arm's length basis.

There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company.

Disclosure of transactions with related parties as required under the Accounting Standard (AS-18) has been made in the notes forming part of the financial statements. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to your Company.

PARTICULARS OF LOANS GRANTED, GUARANTEE PROVIDED AND INVESTMENTS MADE PURSUANT TO THE PROVISIONS OF SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not granted any loans, not provided any Guarantee and not made any Investments which are covered under the provision of Section 186 of the Companies Act, 2013.

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

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 is given as **Annexure C**. The Company being focusing in Indian market, it has not taken any export initiative.

PARTICULARS OF EMPLOYEES

In terms of provisions of Companies Act, 2013 and disclosure as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 framed there under, the names and other particulars of employees are provided under **Annexure D**, which is annexed to this Report.

Addition to the above, a statement containing the particulars as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 is given as **Annexure E**.

RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Audit Committee of the Board of Directors actively review the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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: 30th May, 2016

Pradip Kumar Goenka
Chairman & Managing Director

ANNERXURE A

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2016.
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KAMADGIRI FASHION LIMITED
B-104, The Qube M.V. Road,
Marol, Andheri (East),
Mumbai – 400059.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2016, to the applicable provisions, if any, of:

I. The Companies Act, 2013 ("T**he Act**") and the Rules made thereunder;
II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"**)** to the extent applicable to the Company: -.

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

We have also examined compliance with the applicable clauses of following:
i) Secretarial Standards issued by The Institute of Company Secretaries of India;
ii) The Listing Agreement entered into by the Company with Stock Exchange;
iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 01st December 2015).

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards and Listing Agreement/Regulations mentioned above.

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
a. The Environment (Protection) Act, 1986 and Rules made thereunder;
b. Air (Prevention and Control of Pollution) Act, 1986 and Rules issued by the State Pollution Control Boards;
c. Water (Prevention and Control of Pollution) Act ,1974 and Rules issued by the State Pollution Control Boards;
d. Industrial (Development & Regulation) Act, 1951;
e. Factories Act, 1948;
f. Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.

We further report that, the Board of Directors was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Key Managerial Personnel that took place

during the period under review were carried out in compliance with the provisions of the Act.

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

All major decisions are carried with majority and accordingly recorded as part of the minutes.

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

We further report that during the audit period the Company has:

1. Issued and allotted 3,75,000 Equity Shares and 4,29,505 Compulsorily Convertible Debentures on Preferential Basis to entities belonging to non-promoter group category, after getting shareholder's approval vide Postal Ballot. The resolution was passed on 10th December, 2015 pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2009 after obtaining In-principle approval from BSE Limited.

2. Declared and paid Final dividend for the financial year ended 31st March, 2015 which was in compliance with the provisions of Section 123 of the Companies Act, 2013 read with Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014.

Date: 30th May 2016
Place: Mumbai

For HS Associates
Company Secretaries

Hemant S. Shetye
Partner
FCS No.: 2827
CP No.: 1483

ANNERXURE B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

i	CIN	L17120MH1987PLC042424
ii	Registration Date	4/2/1987
iii	Name of the Company	Kamadgiri Fashion Limited
iv	Category/Sub-category of the Company	Limited by Shares
v	Address of the Registered office and contact details	B-104, The Qube, M.V. Road, Marol, Andheri (East), Mumbai - 400059. Phone: 022 71613131
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Pvt. Ltd. Luthra Ind Premises, Unit-1, Safeed Pool, Andheri Kurla Road, Andheri East, Mumbai 400 072 Phone : 022 2851 5644

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Ready-made Garments	1410	49.33
2	Weaving, Finish Fabrics	1312	49.44

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary / Associate	% of shares held	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN

(i) Category-wise Share Holding

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on 01st April, 2015				No. of Shares held at the end of the year as on 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group[2]**									
1	**Indian**									
(a)	Individuals/ Hindu Undivided Family	1346080	0	1346080	26.58	1346080	0	1346080	24.74	-1.84
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	468400	0	468400	9.25	468400	0	468400	8.61	-0.64

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on 01st April, 2015				No. of Shares held at the end of the year as on 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Relatives of promoters)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**1814480**	**0**	**1814480**	**35.83**	**1814480**	**0**	**1814480**	**33.36**	**-2.47**
2	**Foreign**									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**1814480**	**0**	**1814480**	**35.83**	**1814480**	**0**	**1814480**	**33.36**	**-2.47**
(B)	**Public shareholding[3]**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions/ Banks	900	0	900	0.02	870	0	870	0.02	0.00
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Other (specify)									

Category code (I)	Category of shareholder (II)	No. of Shares held at the beginning of the year as on 01st April, 2015				No. of Shares held at the end of the year as on 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i-i)	Foreign Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**900**	**0**	**900**	**0.02**	**870**	**0**	**870**	**0.02**	**0.00**
2	**Non-institutions**									
(a)	Bodies Corporate	2475208	0	2475208	48.87	2835432	0	2835432	52.12	3.25
i)	Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	372475	79235	451710	8.92	387434	77235	464669	8.54	-0.38
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	316572	0	316572	6.25	318950	0	318950	5.86	-0.39
(c)	Other (specify)									
(c-i)	Clearing Member	215	0	215	0.00	84	0	84	0.00	0.00
(c-ii)	Non Resident Indians	5681	100	5781	0.11	5281	100	5381	0.10	-0.02
(c-iii)	Director and their Relatives	0	0	0	0.00	0	0	0	0.00	0.00
(c-iv)	Trust	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(2)	**3170151**	**79335**	**3249486**	**64.16**	**3547181**	**77335**	**3624516**	**66.63**	**2.47**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**3171051**	**79335**	**3250386**	**64.18**	**3548051**	**77335**	**3625386**	**66.64**	**2.47**
	TOTAL (A)+(B)	**4985531**	**79335**	**5064866**	**100.00**	**5362531**	**77335**	**5439866**	**100.00**	**0.00**
(C)	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**4985531**	**79335**	**5064866**	**100.00**	**5362531**	**77335**	**5439866**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Share Holding of Promoters/Promoters Group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01st April, 2015			Shareholding at the end of the year as on 31st March, 2016			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Pradip Kumar Goenka	721200	14.24	0.00	721200	13.26	0.00	-0.98
2	Mr. Tilak Pradip Goenka	424102	8.37	0.00	424102	7.80	0.00	-0.58
3	Mrs. Asha Devi Goenka	199171	3.93	0.00	199171	3.66	0.00	-0.27
4	Mr. Lalit Goenka	1607	0.03	0.00	1607	0.03	0.00	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01st April, 2015			Shareholding at the end of the year as on 31st March, 2016			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
5	M/s Jagruti Synthetics Ltd.	31600	0.62	0.00	31600	0.58	0.00	-0.04
6	M/s Ananddeep Cotsyn Pvt Ltd.	436800	8.62	0.00	436800	8.03	0.00	-0.59
	Total	**1814480**	**35.82**	**0.00**	**1814480**	**33.36**	**0.00**	**-2.47**

(iii) Change in Promoters' Shareholding

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Pradip Kumar Goenka	721200	14.24	721200	14.24
	At the end of the year	721200	13.26		
2	Mr. Tilak Pradip Goenka	424102	8.37	424102	8.37
	At the end of the year	424102	7.80		
3	Mrs. Asha Devi Goenka	199171	3.93	199171	3.93
	At the end of the year	199171	3.66		
4	Mr. Lalit Goenka	1607	0.03	1607	0.03
	At the end of the year	1607	0.03		
5	M/s Jagruti Synthetics Ltd.	31600	0.62	31600	0.62
	At the end of the year	31600	0.58		
6	M/s Ananddeep Cotsyn Pvt Ltd.	436800	8.62	436800	8.62
	At the end of the year	436800	8.03		

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company*
1	Loyal Apparels Private Limited	135500	2.68	135500	2.68
	At the End of the year	135500	2.49		
2	Quality Synthetic Industries Limited	69400	1.37	69400	1.37
	At the End of the year	69400	1.28		
3	Blessings Mercantile Private Limited	200000	3.95	200000	3.95
	Less: 03rd April, 2015 - Market Sale	-200000	-3.95	0	0.00
	At the End of the year	0	0.00		
4	PIL Industries Limited	1409884	27.84	1409884	27.84
	Add: 23rd December, 2015 - Preferential Issue	106000	1.95	1515884	27.87
	At the End of the year	1515884	27.87		
5	Abhay Jaswant Singh Kumat	130742	2.58	130742	2.58
	At the End of the year	130742	2.40		
6	Antariksha Agro Farms Private Limited	0	0.00	0	0.00
	Add 03rd April, 2015 - Market Purchase	200000	3.95	200000	3.95
	At the End of the year	200000	3.68		

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company*
7	Surplus Finvest Private Limited	0	0.00	0	0.00
	Add: 23rd December, 2015 - Preferential Issue	269000	4.94	269000	4.94
	At the End of the year	269000	4.94		
8	Srinarayan Rajkumar Merchants Pvt. Ltd.	59000	1.16	59000	1.16
	At the End of the year	59000	1.08		
9	Tritoma Hotels Pvt. Ltd.	325000	6.42	325000	6.42
	At the End of the year	325000	5.97		
10	Motilal Oswal Financial Services Limited	110898	2.19	110898	2.19
	Less: 07th August, 2015 - Market Sale	-3400	-0.07	107498	2.12
	Less: 14th August, 2015 - Market Sale	-200	0.00	107298	1.97
	Less: 31st December, 2015 - Market Sale	-1361	-0.03	105937	1.95
	Less: 2nd February, 2016 - Market Sale	-645	-0.01	105292	1.94
	Less: 26th February, 2016 - Market Sale	-400	-0.01	104892	1.93
	At the End of the year	104892	1.93		
11	Jyoti Abhay Kumat	72752	1.44	72752	1.44
	At the End of the year	72752	1.34		
12	Sangeetha S	58423	1.15	58423	1.15
	Add: 05th June, 2015 - Market Purchase	1947	0.04	60370	1.19
	At the End of the year	60370	1.11		
	TOTAL	**2571599**	**50.77**	**3142540**	**57.77**

Note:

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.
2. *The percentage of top 10 shareholders under cumulative % is as on date on the basis of total shares of the company as on 31st March, 2016.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year 01st April, 2015		Change in Shareholding (No. of Shares)		Shareholding at the end of the year 31st March, 2016		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Pradip Kumar Goenka	721200	14.24	-	-	721200	13.26	721200	13.26
2	Mr. Lalit Goenka	1607	0.03	-	-	1607	0.03	722807	13.29
3	Mr. Jagdish Prasad Dave	295	0.01	-	-	295	0.01	723102	13.30

Note: Names of only those Directors & KMPs are mentioned who were held shares at any time during the year.

V. INDEBTEDNESS

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

(₹ in lakh)

PARTICULARS SECURED LOANS	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year - 01.04.2015				
1) Principal Amount	745.16	438.66	63.00	**1,246.82**
2) Interest due but not paid	0.00	0.00	0.00	**0.00**
3) Interest accrued but not due	4.81	0.00	0.00	**4.81**
Total of (1+2+3)	**749.97**	**438.66**	**63.00**	**1,251.63**
Change in Indebtedness during the financial year				
+ Addition	463.72	0.00	0.00	**463.72**
- Reduction	-248.81	-338.66	0.00	**-587.47**
Net change	**214.91**	**-338.66**	**0.00**	**-123.75**
Indebtedness at the end of the financial year - 31.3.2016				
1) Principal Amount	960.07	100.00	63.00	**1,123.07**
2) Interest due but not paid	0.00	0.00	0.00	**0.00**
3) Interest accrued but not due	7.78	0.00	0.00	**7.78**
Total of (1+2+3)	**967.85**	**100.00**	**63.00**	**1,130.85**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD	Total Amount (₹)
		Mr. Pradip Kumar Goenka (Chairman & Managing Director)	
1	**Gross salary**		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax. 1961.	54,00,000*	**54,00,000**
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NIL	**NIL**
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	**NIL**
2	Stock option	NIL	**NIL**
3	Sweat Equity	NIL	**NIL**
4	Commission as % of profit	NIL	**NIL**
5	Others	NIL	**NIL**
	Total (A)	54,00,000*	**54,00,000**
	Ceiling as per the Act	**5% of the Net Profit calculated under Section 198 of the Companies Act, 2013**	

*Payment is as per schedule V of Companies Act, 2013

B. Remuneration of other directors:

Sl. No.	Particulars of Remuneration	Name of the Directors				Total Amount (₹)
1	Independent Directors	Mr. Sanjeev Maheshwari	Mr. Rahul Mehta	Ms. Bindu Shah	Mr. Ashwani Bhatia*	
	(a) Fee for attending board and committee meetings	92,000	1,22,000	98,000	24,000	**3,36,000**
	(b) Commission	NIL	NIL	NIL	-	**NIL**
	(c) Others	NIL	NIL	NIL	-	**NIL**
	Total (1)	**92,000**	**1,22,000**	**98,000**	**24,000**	**3,36,000**

Sl. No.	Particulars of Remuneration	Name of the Directors		Total Amount (₹)
2	Other Non Executive Directors	Mr. Anil Biyani	Mr. Lalit Goenka	
	(a) Fee for attending board and committee meetings	46,000	40,000	**86,000**
	(b) Commission	NIL	NIL	**NIL**
	(c) Others, please specify.	NIL	NIL	**NIL**
	Total (2)	**46,000**	**40,000**	**86,000**
	Total (B)=(1+2)			**4,22,000**
	Total Managerial Remuneration (A+B)			**37,42,000**
	Overall Ceiling as per the Act.	**1% of the Net Profits**. No remuneration is paid other than sitting fees		

*Deceased on 6th June, 2015

C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD

Sr. No	Particulars of Remuneration	Name of KMPs		Total Amount (₹)
		Mr. Jagdish Prasad Dave	Mr. Siddhant Singh	
		Chief Financial Officer	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act	9,99,500	1,89,530*	**11,89,030**
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	NIL	NIL	**NIL**
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	**NIL**
2	Stock Option	NIL	NIL	**NIL**
3	Sweat Equity	NIL	NIL	**NIL**
4	Commission - As % of Profit - Others, specify	NIL	NIL	**NIL**
5	Others, please specify Provident Fund & other Funds	NIL	NIL	**NIL**
	Total	**9,99,500**	**1,89,530**	**11,89,030**

* with effect from 01st September, 2015.

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

By Order of the Board
For Kamadgiri Fashion Limited

Place: Mumbai
Date: 30th May, 2016

Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURE C

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

Information on conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) Conservation of Energy : (i) the steps taken or impact on conservation of energy	The operations of your company are not energy intensive however adequate measures have been taken to reduce energy consumption.
(ii) the steps taken by the company for utilising alternate sources of energy	All efforts are made to use more natural lights in offices/store premises to optimize the consumption of energy.
(iii) the capital investment on energy conservation equipments	NIL
(B) Technology absorption : (i) the efforts made towards technology absorption	N.A.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv) the expenditure incurred on Research and Development.	NIL
(C) Foreign exchange earnings and Outgo :	The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note nos. 25, 26 and 30 of Notes forming part of the Financial Statements.

By Order of the Board
For Kamadgiri Fashion Limited

Place: Mumbai
Date: 30th May, 2016

Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURE D

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of Managing Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2015-16 (₹ in Lakh)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director to MRE for Financial Year 2015-16
Mr. Pradip Kumar Goenka - Chairman & Managing Director	54.00	NIL	45.20
Mr. Jagdish Prasad Dave - Chief Financial Officer	9.99	13.64%	N.A
Mr. Siddhant Singh* - Company Secretary	1.80	NIL	N.A

*Appointed with effect from 01st September, 2015.

II. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 1.19 lakh as compared to ₹ 1.05 lakh in the previous year.

III. The increase in MRE in the financial year 2015-2016, as compared to the financial year 2014-2015 was 13.78%.

IV. There were 1,309 permanent employees on the rolls of Company as on 31st March, 2016.

V. Relationship between average increase in remuneration and company performance: The total turnover of the Company has been increased by 15.76% and the Profit before Tax has been decreased by 10.12% for the financial year ended 31st March, 2016 as compare to the previous financial year, whereas the increase in median remuneration was 13.78%. The average increase in median remuneration was in line with the performance of the Company.

VI. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP)	₹ 65.88 lakh
Revenue	₹ 30,058.05 lakh
Remuneration of KMPs (as % of revenue)	0.22%
Profit before tax (PBT)	₹ 320.20 lakh
Remuneration of KMP (as % of PBT)	20.55%

VII. a) Variations in the market capitalisation of the Company: The market capitalisation as on 31st March, 2016 was ₹ 4,297.49 lakh (₹ 2,253.87 lakh as on 31st March, 2015).

b) Price Earnings ratio of Equity Shares of the Company was 21.47 (on basic EPS) and 21.94 (on diluted EPS) as on 31st March, 2016 and was 10.37 (on basic and diluted EPS) as on 31st March, 2015.

VIII. Average percentage increase made in the salaries of employees other than the managerial personnel in last financial year i.e. 2014-15 was 10.67% whereas there was increase by 14.13% in the managerial remuneration for the same financial year.

IX. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is 0.54 and

XI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

Note: "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one.

ANNEXURE E

INFORMATION AS REQUIRED PURSUANT TO RULE 5 (2) AND (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULE, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016.

(A) Employed throughout the year and were in receipt of remuneration of not less than ₹ 60,00,000 per annum

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
1	Mr. Abhay Kumat	CEO	1,00,00,008/-	M.Com	35 years	29/09/2009	NA	56	Stripes Apparels Ltd.
(B) Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹ 5,00,000 per month									
	N.A								

Note:

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 and Manager 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 sector in India is one of the oldest industries, representing rich and diverse spectrum of activities and it plays a key role in Indian economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings. Thus textile industry is one of the largest source of employment generation in the country. The global focus is shifting to India due to cost and stability factors in Textile industry. The Government's positive steps are also expected to help this shift. The consumption of the textile products in the domestic as well as international market is expected to increase in the years to come.

The encouragement for manufacturing through "Make in India programme", development of infrastructure for textile through scheme for integrated textile parks, technological upgradation fund schemes, skill development scheme and various other initiatives of Government are expected to boost textile industry in the Country. Development in the sector will eventually lead to more employment generation to unskilled or semi skilled labour and this would help to improve GDP and overall development of the society at large.

OPPORTUNITIES AND THREATS:

The Company is poised for the GST, being one nation one tax system, which would eventually create manufacturing hubs and need for location wise / state wise distribution of the manufacturing facilities would go away. This will in turn create demand for specialised and expert manufacturing facilities. The Company is already in niche area of garment manufacturing for private brands and is having state of art manufacturing facilities, including availability of backend support from its weaving division. The Company can consider expanding its manufacturing facilities, in view of the future demand by various private brands for manufacturing facilities. In apparels, the large organised manufacturing facility with latest technology is advantage of the Company but it has to compete with small and large manufacturers.

One of the threat, which all companies in this sector would be facing introduction of capital intensive new investment to take care of centralised specialised manufacturing hub by big private brands or industrial houses. However, such an investment would take some time for final implementation and such hubs would be catering to the needs of those specific private brands / industrial houses only, leaving enough pie of cake for other operators in form of smaller private brands.

The Company continues to concentrate on the domestic market and cater to products, primarily in the 'value for money' segment. The management is confident that Company's tie ups with various brands and organised retailers, would ensure continuity of orders in apparel manufacturing as well as finished fabric marketing for the Company. The Company's own brands in fabrics viz., 'True Value', and 'True Linen' have good recall value and is being continuously in demand in retail market.

Increasing costs of various input services and products is affecting the overall profitability as well as capability of the Company as well as industry to provide finished products at competitive costs in comparison to the other imported products of similar quality and specifications. The Company is doing all around efforts to minimise the effect of the increasing costs by achieving better efficiency through various employees initiative and continuous technological upgradation.

PRODUCT AND PERFORMANCE:

Textile weaving unit continues to show good performance and 'True Linen' linen fabric brand of the Company is now established brand and has a good recall value with the customers. Though 'Lombard' premium fabric brand launched couples years back received well by the customers, it was not able to scale the expected line of growth. Accordingly, the Company is taking corrective action by marketing the brand with other brands of the Company in lieu of earlier strategy of nourishing and growing the brand separately. The business of readymade garmenting unit of the Company is showing improvement.

OUTLOOK:

The Company expects to improve its performance in weaving and fabric business. In view of the better outlook for economy and in expectation of increase in overall consumption for consumer goods, the Company expects its readymade garmenting business to contribute better returns for the current financial year.

RISKS AND CONCERNS:

With change in economic scenario and prospect of the further big investment in the textile sector, the Company would be required to ensure that it delivers the value for money product at optimum price. To achieve this, the Company will have to strive hard to control its in cost of production and finance cost, hence would constrain its margin and profitability, which continues to remain the major area of concern. The said risk has been countered by better production management, innovation and tie up with various brands, organised retailers to ensure maximum capacity utilisation. The risk from competition has also been mitigated by continuing strategic partnership with the leading organised retailers.

INTERNAL CONTROL SYSTEM AND THEIR 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. The senior officials have been delegated authority to closely watch and monitor all expenses incurred on various heads. Internal auditors periodically conduct audit and give their report periodically to the Audit Committee. The Audit Committee periodically reviews reports of the internal auditors and also the design and adequacy of the internal control systems and requisite corrective actions were taken wherever required. 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.

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 23.11 lakh meters and lakh meters respectively as against 67.00 lakh meters and 33.56 lakh meters in the previous financial year.

Sales

The Company's Sales and Other Operating Income has increased to ₹ 30,095.68 lakh for the financial year ended 31st March, 2016 as against ₹ 25,966.75 lakh in the previous year.

Profit Before Tax

Profit Before Tax of the Company for the financial year ended 31st March, 2016 stood at ₹ 320.20 lakh as against ₹ 356.26 lakh in the previous financial year.

Interest

Interest & other borrowing cost outflow is ₹ 827.17 lakh for the financial year ended 31st March, 2016 as against ₹ 940.36 lakh in the previous financial year.

Net Profit

Net Profit of the Company for the financial year ended 31st March, 2016 stood at ₹ 190.14 lakh as against ₹ 217.23 lakh in the previous financial year.

Dividend

The Company has proposed a dividend of ₹ 1.50/- (15%) per Equity Share for the financial year ended 31st March, 2016 which remained same as ₹ 1.50/- (15%) in the previous year.

Capital Employed

The capital employed in the business is ₹ 4,828.31 as at 31st March, 2016. Return on Capital employed during 2015-16 is 23.76% as compared to 29.30% during 2014-15.

Surplus Management

The Company generate a cash profit of ₹ 562.87 lakh for the financial year ended 31st March, 2016 as compared to ₹ 566.19 lakh in the previous financial year. The balance amount, after cash outflow on account of proposed dividend, is ploughed back into the business to fund growth. The growth of the Company has been party 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 decreased from 2.02 in the previous year to 1.79 as at 31st March, 2016.

Earnings Per Share (EPS)

The Company's Basic Earnings Per Share (EPS) has decreased from ₹ 4.29/- in the previous year to ₹ 3.68/- and Diluted Earnings Per Share (EPS) has decreased from ₹ 4.29/- in the previous year to ₹ 3.60/- for the financial year ended as on 31st March, 2016.

MATERIAL DEVELOPMENT IN HUMAN RESOURCE/INDUSTRIAL RELATIONS FRONTS:

As on 31st March, 2016 the Company has permanent employee strength of 1,309. As the Company has now 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 climate in your Company was harmonious and constructive.

CAUTIONARY STATEMENT

Statement in the report of management discussion and analysis and/or elsewhere in this report contains "forward looking statement" 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 and forward looking statements, on the basis of any subsequent development, information or events.

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Thus, Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2016, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the year under review, the Company has complied with all the provisions as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, which came into effect from 01st December, 2015 and corresponding provisions of erstwhile Listing Agreement for the period between 01st April, 2015 and 30th November, 2015. All reference to the Listing Regulations would also be deemed to be regarded as reference to the corresponding provisions of the erstwhile Listing Agreement for the relevant period.

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, 2013 and Regulation 17 of Listing Regulations. The strength of the Board as on 31st March 2016 is 6 Directors comprising of 2 Promoter Directors, 1 Non-Executive Director and 3 Independent Non-Executive Directors.

Board Meeting

During the financial year 2015 - 2016, 5 (Five) Board Meetings were held i.e. on 29th May, 2015, 11th August, 2015, 6th November, 2015, 9th February, 2016 and 31st March, 2016 and the time gap between the two meetings did not exceed maximum period mentioned under the Section 173 of the Companies Act, 2013 and Regulation 17(2) of Listing Regulations. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

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 in public limited companies	^No. of Committee Memberships	No. of Board meetings attended	Attendance at last AGM	Shares held
Mr. Pradip Kumar Goenka	Promoter & Executive	1	-	5	Present	721200
Mr. Lalit Goenka	Promoter & Non-Executive	-	-	3	Present	1607
Mr. Anil Biyani	Non-Independent & Non-Executive	5	-	4	Present	NIL
Mr. Ashwani Bhatia*	Independent & Non- Executive	-	-	1	-	NIL
Mr. Rahul Mehta	Independent & Non- Executive	2	-	5	Absent	NIL
Mr. Sanjeev Maheshwari	Independent & Non- Executive	2	-	4	Absent	NIL
Ms. Bindu Shah	Independent & Non-Executive	-	-	4	Present	NIL

#Alternate directorships and directorships in private companies, foreign companies and Section 8 companies are excluded.
^In accordance with Regulation 26 of Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies except Kamadgiri Fashion Limited have been considered.
*Deceased on 6th June 2015.

There are no Nominees or Institutional Directors in the Company. None of the Directors have pecuniary or business relationship with the Company except to the extent as disclosed in note no. 28 of notes on Financial Statement. None of the 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. None of the Directors on the Company is serving as an Independent Director in more than seven / three Listed entities, as specified in Regulation 25 of the Listing Regulations.

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 abided by all of them. The Annual report contains declaration to this effect from the Chairman & Managing Director.

Familiarisation Programme for Directors

The process of Familiarisation program for Independent Directors is posted on website of the Company at the link http://kflindia.com/wp-content/uploads/2015/08/KFL-ID-Familiarization.pdf.

Accordingly, the Company provides as part of Board Meeting insight on various business process through specific discussion on business review. As part of familiriasation program the Company has spent about two hours during the year in various Board Meetings on business review and update.

3. Audit Committee

The Company has an Audit Committee at the Board level with powers and role that are in accordance with the provisions of the Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. 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 Non-Executive 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 Regulations. 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 5 (five) times during the year under report on 29th May, 2015, 11th August, 2015, 6th November, 2016, 9th February, 2016 and 31st March, 2016. The time gap between the two meetings was not more than one hundred and twenty days shall elapse between two meetings.

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	4
2.	Mr. Rahul Mehta	Independent & Non- Executive	Member	5
3.	Ms. Bindu Shah	Independent & Non- Executive	Member	4
4.	Mr. Ashwani Bhatia*	Independent & Non- Executive	Member	1

*Deceased on 6th June, 2015

The terms of reference of the Audit Committee include:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Examination of financial statement and the auditor's report thereon.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans & investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Evaluation of internal financial controls and risk management system.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing the functioning of the Whistle Blower mechanism.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

4. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee 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 2015-2016, the Committee met 4 (four) times i.e., on 29th May, 2015, 11th August, 2015, 6th November, 2015 and 9th February, 2016.

Composition of Stakeholders Relationship Committee and details of the meeting attended:

Sr. No.	Name of the Directors	Category	Designation in the Committee	No. of Meetings attended
1.	Ms. Bindu Shah	Independent & Non- Executive	Chairperson	3
2.	Mr. Rahul Mehta	Independent & Non- Executive	Member	4

Sr. No.	Name of the Directors	Category	Designation in the Committee	No. of Meetings attended
3.	Mr. Anil Biyani	Non-Independent & Non- Executive	Member	3
4.	Mr. Ashwani Bhatia*	Independent & Non- Executive	Member	1

*Deceased on 6th June, 2015

The Committee's composition is in line with the provisions of Section 178(5) of the Act and Regulation 20 of the Listing Regulations.

Compliance Officer
Mr. Siddhant Singh, Company Secretary of the Company is the Compliance Officer of the Company.

During the year 2015-2016 the Company had received two complaints from SEBI (Securities and Exchange Board of India) and shareholders/investors which were redressed. There was no complaint pending as on 31st March, 2016. There was also no request for transfer and dematerialisation was pending as on the said date.

5. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee presently comprises of 3 Non-Executive Independent Directors. Kamadgiri Fashion Limited's remuneration policy is based on three 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.

During the year 2015-2016, the Committee met 2 (two) times i.e., on 29th May, 2015 and 11th August, 2015.

Composition of Nomination & Remuneration Committee and details of the meeting attended:

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

*Deceased on 6th June, 2015

The terms of reference of the Nomination & Remuneration Committee includes:

- Recommendation of salary (including annual increments), perquisites and allowances, performance linked remuneration, to the Board, if any.
- Commission to be paid to the Company's Executive/Whole-Time Director (ED/WTD).
- Finalisation of perquisites and allowances package within the overall ceiling fixed by the Board.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Formulation of policy on diversity of Board of Directors.

Remuneration Policy:
The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retirement benefits. The remuneration policy is in consonance with the existing industry practice.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Managing Director and CEO, as approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee (NRC) evaluates the remuneration paid by the comparable organization and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on revision of remuneration payable to the Managing Director and CEO as per terms of appointment and based on the performance of the individual as well as the Company.

Non-Executive Directors are paid sitting fees of ₹ 10,000/- for attending any Meeting of the Board Audit Committee and Meeting of Independent Directors and ₹ 2,000/- for attending any meeting of Nomination and Remuneration Committee, Stakeholders Relationship Committee and the Board shall from time to time decide sitting fees payable to any new committees, if constituted or revision of sitting fees, if any.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analytical, quality of decision-making, Interaction, Governance, etc.

Remuneration of Directors:

The Company has no pecuniary relationship or transaction with its non-executive 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, 2016 are given as under:

	Particulars	Unit	2015-16
a)	Salary p.a.	₹	54,00,000/-
b)	Fixed Component – Contribution to Provident Fund	₹	2,59,200/-
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 ₹ 1,22,000/- to Mr. Rahul Mehta, ₹ 92,000/- to Mr. Sanjeev Maheshwari, ₹ 46,000/- to Mr. Anil Biyani, ₹ 40,000/- to Mr. Lalit Goenka, ₹ 98,000/- to Ms. Bindu Shah and ₹ 24,000/- to Mr. Ashwani Bhatia, Non-Executive Directors of the Company.

6. Committee of Directors

The Board of Directors has constituted a Committee of Directors and delegated powers to transact certain regular matters relating to the business of the company. A total of 4 (four) meetings were held during the financial year 2015-16.

7. Risk Management Committee

The Company has voluntarily constituted the Risk Management Committee. The Committee's constitution comprises of Mr. Sanjeev Maheshwari, Mr. Pradip Kumar Goenka and Mr. Anil Biyani. During the year under review, there was no meeting held.

8. General Body Meetings

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

Financial Year	Date	Time	Venue	No. of Special Resolution(s) passed
2014-15	25.09.2015	10:00 am	Hotel Mirage International Airport Approach Road, Marol, Andheri (East), Mumbai - 400059	Three
2013-14	26.09.2014	11:00 am	Hotel Mirage International Airport Approach Road, Marol, Andheri (East), Mumbai - 400059	Two
2012-13	24.09.2013	10:30 am	Hotel Kohinoor Continental Andheri - Kurla Road, J.B. Nagar, Andheri (East), Mumbai - 400 059	NIL

Postal Ballot

During the year under review, the Company had successfully completed the process of obtaining the approval of its Members through Postal Ballot as per provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof) ("the Rules"), pertaining to:-

a) Issue of 375,000 Equity shares to entities belonging to non-promoter group each at price of ₹ 62/- per Equity Share (including premium of ₹ 52/- per Equity Share) on preferential basis on 06th November, 2015 and

b) Issue of 429,505 Compulsorily Convertible Debentures ("CCDs") to entities belonging to non-promoter group each at price of ₹ 62/- per CCD (including premium of ₹ 52/- per CCD) on preferential basis on 06th November, 2015.

Voting Pattern and Procedure for Postal Ballot:

(i) The Board of Directors of the Company at its meeting held on 06th November, 2015, had appointed Mr. Hemant S Shetye, Practicing Company

Secretary as the Scrutinizer for conducting the postal ballot voting process.

(ii) The Postal Ballot process was carried out in a fair and transparent manner. The postal ballot forms had been kept under safe custody in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.

(iii) All postal ballot forms received up to the close of working hours on 10th December, 2015, the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny. Envelopes containing postal ballot forms received after close of working hours on 10th December, 2015, had not been considered for scrutiny.

(iv) The results of the Postal Ballot were announced on 12th December, 2015, at the Registered Office of the Company as per the Scrutinizer's Report as under:

Resolution No.	No. of Share held	No. of Vote polled	% of votes polled on outstanding shares	No. of votes in favour	No. of Votes against	% of votes in favour on votes pooled	% of votes against on votes polled
	(1)	(2)	(3)={(2)/1}*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
1	5064866	4105751	81.063	4102823	2928	99.929	0.077
2	5064866	4105751	81.063	4105748	03	100.000	0.000

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 "Lakshadweep" 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.

A separate dedicated section under "Investor" on the Company's website gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public.

10. General Shareholders Information:

a) Annual General Meeting

Day, Date and Time: Monday the 19th September, 2016 at 10:30 AM

Venue: Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai - 400 059

b) Financial Calendar for 2016-17:

Results for the quarter ending 30th June, 2016

On or before 14th August, 2016

Results for quarter ending 30th September, 2016

On or before 14th November, 2016

Results for quarter ending 31st December, 2016

On or before 14th February, 2017

Results for year ending 31st March, 2017

On or before 30th May, 2017

Annual General Meeting:

On or before 30th September, 2017

c) Financial Year

The financial year covers the period from 1st April of every year to 31st March, of the next year.

d) Record Date / Book Closure

The Company has fixed 12th September, 2016 as the Record Date for the purpose of 29th Annual General Meeting and the matters related thereto.

e) Dividend payment Date

Dividend will be paid on or before 18th October, 2016

f) Listing on Stock Exchanges.

The Company's shares are listed on:
BSE Limited (BSE), Phrioze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

g) Listing Fees

Listing fees as prescribed has been paid to BSE Limited where the shares of the Company are listed.

h) Stock Code & ISIN

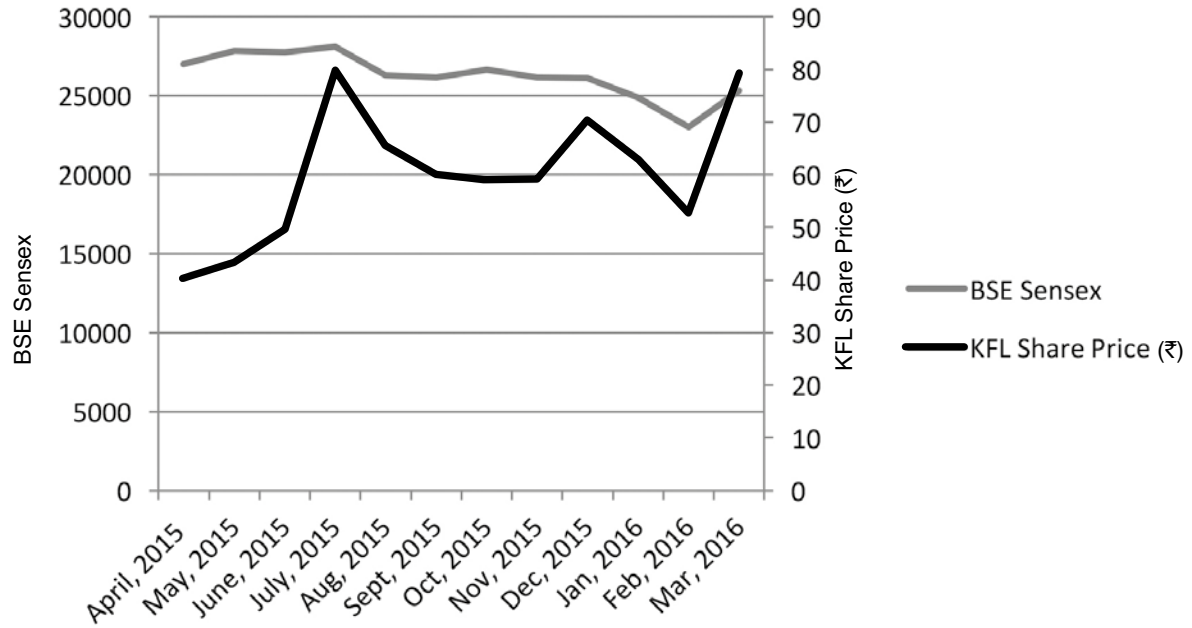
Stock Code at BSE Limited is 514322. ISIN is INE535C01013.

i) Market Price Data

(i) The monthly high and low quotations of shares traded on BSE Limited for the financial year of 12 months from 01st April, 2015 to 31st March, 2016 was as follows:

Month	(Amount in ₹)		
	High	Low	Volume
April, 2015	52.00	36.00	6900
May, 2015	47.85	28.15	10779
June, 2015	61.90	38.30	20603
July, 2015	85.00	47.15	44353
August, 2015	115.00	61.85	108290
September, 2015	68.75	56.10	5052
October, 2015	69.90	54.30	7215
November, 2015	64.80	52.10	13560
December, 2015	70.35	58.10	18344
January, 2016	90.10	60.85	6953
February, 2016	62.90	48.50	7833
March, 2016	83.00	48.15	8878

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



j) 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

k) Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars 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 dematerialized form are electronically traded by Depository Participants and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

Physical shares received for dematerialisation requests.

l) Distribution of shareholding as on 31st March, 2016

No. of Shares	No. of Share -holders	% of Shareholders	Shareholding (₹)	% of Shareholding
Upto 500	1236	85.89	173567	3.19
501–1000	93	6.46	75958	1.40
1001–2000	37	2.57	54695	1.01
2001–3000	23	1.60	57981	1.07
3001–4000	11	0.76	38214	0.70
4001–5000	6	0.42	27033	0.50
5001–10000	9	0.63	72916	01.34
10001 and above	24	1.67	4939502	90.80
Total	**1439**	**100.00**	**5439866**	**100.00**

Categories of Shareholders as on 31st March, 2016

Category	Number of shares	%
Promoters	1814480	33.355
Banks/MFs/FIs	870	0.016
Private Bodies Corporate	2835432	52.123
Indian Public	783619	14.405
NRIs/OCBs	5381	0.099
Clearing Members	84	0.002
Total	**5439866**	**100.000**

m) Dematerialisation of shares

About 98.58% of the shares have been dematerialised as on 31st March, 2016. 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 dematerialised form only.

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

The Company has issued 429,505 Compulsorily Convertible Debentures ("CCDs") of ₹ 10/- each convertible into same number of Equity shares of ₹ 10/- each on 01st April, 2016.

o) Plant Locations

The Company's plant is located at:

- 43/2, 42/1, 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).

p) Address for investor correspondence

For any assistance regarding dematerialization 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 incharge 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. CEO/CFO Certification

As per requirement of Part B of Schedule II of Regulation 17(8) of Listing Regulations, the Managing Director and CFO of the Company have certified to the Board regarding Financial Statements for the year ended 31st March, 2016.

12. Disclosures

a) There were no other related party transactions of material nature with the Promoters, Directors, the management 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. 28 of Notes to Financial Statements.

b) 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.

c) The Company has a Whistle Blower Mechanism in its place. The Board affirms that no personnel have been denied access to the Audit Committee during the year in terms of the Whistle Blower Policy.

d) The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance. A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and attached to this report.

e) The web link of policy on dealing with related party transactions is available on the website of the Company at the link http://kflindia.com/wp-content/uploads/2015/08/KFL-RPT-Policy.pdf

f) The policy on dealing with material subsidiaries is not applicable to the Company as there are no subsidiaries.

13. Discretionary Requirements

a) 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.

b) Shareholders' Right: As the financial results of the Company is published every quarter in English and Marathi newspapers having a wide circulation, the same need not be sent to shareholders individually. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

c) Audit Qualifications: There are no audit qualifications or observations on the Financial Statements for the year 2015-16.

d) Separate posts of Chairman and CEO: The position of Chairman and Managing Director is not separately held.

e) Reporting of Internal Auditor: The Internal auditors are invited to Audit Committee Meetings to make their presentation directly to the Audit Committee.

14. Compliance

A certificate from the Statutory Auditors of the Company regarding compliance of corporate governance and a declaration signed by the Chief Executive Officer stating that the members of Board of Directors and senior management personnel have affirmed compliance with the code of conduct of Board of Directors and senior management has been obtained and attached to this report.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Kamadgiri Fashion Limited

We have examined the compliance of conditions of Corporate Governance by Kamadgiri Fashion Limited ('the Company'), for the year ended on March 31, 2016 as stipulated in:

- Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreement(s) of the Company with stock exchange(s)) for the period April 1, 2015 to November 30, 2015;
- Clause 49 (VII) (E) of the Listing Agreement(s) of the Company with stock exchange(s) for the period April 1, 2015 to September 1, 2015;
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding Regulation 23 (4)) and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 Clause 49 of the Listing Agreement(s) and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified above, during the year ended March 31, 2016.

We further state that 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.LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Atul Gala
Partner
Membership No.: 048650

Place: Mumbai
Date: 30th May, 2016

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, Abhay Kumat, 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

Abhay Kumat
Chief Executive Officer

Place: Mumbai
Date: 30th May, 2016

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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 on Contingent Liabilities to the financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W

Atul Gala
Partner
Membership No. 048650

Mumbai, May 30, 2016

ANNEXURE 1 TO THE 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, 2016.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) As informed, the Company has not granted any loans, guarantees or securities falling within the provisions of Section 185 and 186 of the Act.

(v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ (in lakh)	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	112.07	2010-11* 2011-12* 2012-13* 2013-14*	CIT (Appeals)	
Gujarat Sales Tax Act, 1969	Sales Tax	31.02	2001-02 2002-03	Commissioner (Appeals)	
*Assessment Year					

(vii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks.

(viii) According to the information and explanations given to us, the money raised by way of term loans have been applied by the Company for the purposes for which those are raised. The Company has not raised any money during the year by way of public offer.

(ix) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(x) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xi) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in

compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiii) The Company has made preferential allotment of shares and fully convertible debentures during the year under review and in our opinion and according to the information and explanations given to us, the requirement of Section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.

(xiv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xv) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W

Atul Gala
Partner
Membership No. 048650

Mumbai, May 30, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 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 standalone* financial statements for the year ended March 31,2016.

Para 1 - Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kamadgiri Fashion Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Para 2 - Management's Responsibility for Internal Financial Controls

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

Para 3 - Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Para 4 - Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide

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

Para 5 - Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Para 6- Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W

Atul Gala
Partner
Membership No. 048650

Mumbai, May 30, 2016

BALANCE SHEET AS AT 31ST MARCH 2016

(₹ in Lakh)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
a) Share capital	1	**543.99**	506.49
b) Reserves & Surplus	2	**2,612.14**	2,101.87
		3,156.13	2,608.36
Non-Current Liabilities			
a) Long-term borrowings	3	**783.44**	961.69
b) Deferred tax liabilities (Net)	4	**307.11**	341.83
c) Other Long Term Liabilities	5	**418.48**	399.83
d) Long-term provisions	6	**163.14**	114.10
		1,672.17	1,817.45
Current Liabilities			
a) Short-term borrowings	7	**4,596.49**	4,313.97
b) Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		**-**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**3,381.05**	3,939.24
c) Other current liabilities	9	**1,462.41**	1,390.76
d) Short-term provisions	10	**129.56**	109.27
		9,569.51	9,753.24
TOTAL		**14,397.81**	14,179.05
II. ASSETS			
Non-Current Assets			
a) Fixed assets			
(i) Tangible assets	11	**2,976.74**	2,673.19
(ii) Intangible assets	11	**18.84**	23.76
(iii) Capital work-in-progress	11	**3.66**	0.13
b) Long-term loans and advances	12	**180.02**	230.36
		3,179.26	2,927.44
Current assets			
a) Inventories	13	**5,627.55**	5,434.83
b) Trade receivables	14	**5,179.12**	5,197.90
c) Cash and bank balances	15	**122.43**	313.53
d) Short-term loans and advances	16	**201.39**	227.77
e) Other current assets	17	**88.06**	77.58
		11,218.55	11,251.61
TOTAL		**14,397.81**	**14,179.05**
Notes along with significant accounting policies form an integral part of the financial statements	1 to 34		

As per our Report of even date.

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W

For and on behalf of the Board

Pradip Kumar Goenka
Chairman & Managing Director
DIN 00516381

Lalit Goenka
Director
DIN 01792275

Atul Gala
Partner
Membership No. 048650

Jagdish Prasad Dave
Chief Financial Officer

Siddhant Singh
Company Secretary

Mumbai, 30th May 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in Lakh)

	Particulars	Note	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
I	**Income**			
	Revenue from operations (Gross)	18	**30,095.68**	25,966.75
	Less : Excise Duty		**37.63**	-
			30,058.05	25,966.75
II	**Other income**	19	**4.02**	2.20
III	**Total Revenue (I+II)**		**30,062.07**	25,968.95
IV	**Expenses:**			
	(a) Cost of materials consumed	20	**13,295.77**	9,815.66
	(b) Purchases of Stock-in-Trade		**3,769.08**	4,636.68
	(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	**33.88**	207.41
	(d) Employee benefits expense	22	**2,915.52**	2,461.65
	(e) Finance costs	23	**827.17**	940.36
	(f) Depreciation and amortization expense	11	**372.73**	348.96
	(g) Other expenses	24	**8,527.72**	7,201.97
	Total expenses		**29,741.87**	25,612.69
V	**Profit before Tax (III-IV)**		**320.20**	356.26
VI	**Tax Expense:**			
	a) Current tax		**163.00**	74.30
	Less: Mat Credit Entitlement		**1.78**	(1.78)
	b) Deferred tax		**(34.72)**	31.44
	c) Tax in respect of earlier years		**-**	35.07
			130.06	139.03
VII	**Profit for the year (V-VI)**		**190.14**	217.23
VIII	**Earnings per equity share of face value of ₹ 10 each (Previous Year ₹ 10)**			
	Basic (in ₹)	27	**3.68**	4.29
	Diluted (in ₹)		**3.60**	4.29
Notes along with significant accounting policies form an integral part of the financial statements		1 to 34		

As per our Report of even date:

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W

For and on behalf of the Board

Pradip Kumar Goenka
Chairman & Managing Director
DIN 00516381

Lalit Goenka
Director
DIN 01792275

Atul Gala
Partner
Membership No. 048650

Jagdish Prasad Dave
Chief Financial Officer

Siddhant Singh
Company Secretary

Mumbai, 30th May 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(₹ in Lakh)

	PARTICULARS	For the Year Ended 31st March 2016	For the Year Endedl 31st March 2015
(A)	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Net Profit before tax	**320.20**	356.27
	Adjustments:		
	Depreciation and amortisation expense	**372.73**	348.96
	(Profit) on sale of fixed assets	**(43.95)**	(282.84)
	Interest income	**(3.47)**	(1.21)
	Interest Expenses	**780.33**	865.12
		1,105.64	930.03
	Operating Profit before Working Capital changes	**1,425.84**	1,286.30
	Inventories	**(192.72)**	134.31
	Trade Receivable	**18.78**	1,311.26
	Fixed deposits and Margin Money with Bank	**14.28**	58.06
	Loans & Advances	**(3.26)**	(125.69)
	Trade Payable	**(558.19)**	(1,831.07)
	Current Liabilities	**35.32**	197.93
	Provisions	**56.83**	16.50
		(628.96)	(238.70)
	Cash generated from operations	**796.88**	1,047.60
	Direct Taxes Paid	**(86.75)**	(51.93)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	**710.13**	995.67
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Inflow:		
	Proceeds From Sale of Fixed Assets	**44.09**	569.47
	Interest income	**0.50**	5.84
		44.59	575.31
	Outflow:		
	Acquisition of Fixed Assets	**(675.04)**	(517.78)
	NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**(630.45)**	57.53
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Inflow:		
	Proceeds from Long Term Borrowings	**463.72**	279.38
	Proceeds from Short Term Borrowings (Net)	**239.57**	-
	Issued of Equity Shares & CCD	**498.80**	-
		1,202.09	279.38
	Outflow:		
	Repayment of Long Term Borrowings	**(587.13)**	(217.39)
	Repayment of Short Term Borrowings	**-**	(163.96)
	Unclaimed Dividend Account	**(0.32)**	(0.34)
	Interest Paid	**(780.33)**	(865.12)
	Dividend Paid (Including Dividend Distribution Tax)	**(91.13)**	(88.55)
		(1,458.91)	(1,335.36)
	NET CASH (USED IN) FINANCING ACTIVITIES	**(256.82)**	(1,055.98)
	Net Increase In Cash And Cash Equivalents (A+B+C)	**(177.14)**	(2.78)
	Opening Balance Of Cash And Cash Equivalents	**254.41**	257.19
	Closing Balance Of Cash And Cash Equivalents	**77.27**	254.41
	Notes to Cash Flow Statements:		
	Cash & Cash Equivalents comprise of: (Refer Note.15)		
	Cash on hand	**9.86**	8.13
	Bank Balances with Scheduled Banks:		
	In Current Accounts	**67.41**	246.28
	TOTAL	**77.27**	**254.41**

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W

Atul Gala
Partner
Membership No. 048650

Mumbai, 30th May 2016

For and on behalf of the Board

Pradip Kumar Goenka
Chairman & Managing Director
DIN 00516381

Lalit Goenka
Director
DIN 01792275

Jagdish Prasad Dave
Chief Financial Officer

Siddhant Singh
Company Secretary

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, 2013. Its shares are listed on BSE in India. The company is engaged in the manufacturing and job work in Textile Industry.

B. Significant accounting policies

1. Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. Use of Estimates

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

Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

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

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. 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 acquisition cost less accumulated amortization and accumulated impairment losses if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. 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 and Amortization

Depreciation on fixed assets is provided on “Straight line method” at the rates specified in Scheduled II to the Companies Act, 2013. Further,

- Cost of leasehold land is amortized over the period of lease.
- Cost of software capitalised is amortised over a period of three years.
- 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.
- Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act.

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 and/or losses in respect of post-employment benefits are 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 on 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 in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease or other systematic basis more representative of the time pattern of the user's benefits.

Where the company is lessor:

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 share holders 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

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of promoter's contribution are credited to Capital Reserve. Revenue Grants are recognised in the Profit and Loss Account in accordance with the related scheme and in the period in which these are realisation.

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 ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1 SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Authorised Share Capital		
2,00,00,000 (Previous Year : 2,00,00,000) Equity Shares of ₹ 10/- each	**2,000.00**	2,000.00
Issued, Subscribed and Paid up:		
54,39,866 (Previous Year : 50,64,866) Equity Shares of ₹ 10/- each	**543.99**	506.49
TOTAL	**543.99**	506.49

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

(₹ in Lakh)

Particulars	Number	As at 31st March 2016	Number	As at 31st March 2015
At the beginning of the period	**50.65**	**506.49**	50.65	506.49
Issued during the period	**3.75**	**37.50**	-	-
Outstanding at the end of the period	**54.40**	**543.99**	50.65	506.49

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Share held	% of Holding	No. of Share held	% of Holding
Ananddeep Cotsyn Pvt Ltd.	**4,36,800**	**8.03**	4,36,800	8.63
PIL Industries Ltd.	**15,15,884**	**27.87**	14,09,884	27.84
Tritoma Hotels Pvt. Ltd.	**3,25,000**	**5.97**	3,25,000	6.42
Pradip Kumar Goenka	**7,21,200**	**13.26**	721,200	14.24
Tilak Pradip Goenka	**4,24,102**	**7.80**	424,102	8.37

c) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL (PY - NIL)

d) 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 Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Capital Reserves		
As per last Balance sheet	**37.00**	37.00
Current Year Transfer	**-**	-
Written Back in Current Year	**-**	-
Closing Balance	**37.00**	37.00
Securities Premium Reserve		
Opening Balance	**313.32**	313.32
Addition during the year on issue of Securities	**418.34**	-
Closing Balance	**731.66**	313.32
General Reserves		
Opening Balance	**660.51**	649.65
Current Year Transfer	**9.51**	10.86
Written Back in Current Year	**-**	-
Closing Balance	**670.02**	660.51

Contd....

Particulars	As at 31st March 2016	As at 31st March 2015
Surplus in the statement of profit and loss		
Balance as per last Balance Sheet	**1,091.04**	1,016.17
Add : Profit for the year	**190.14**	217.23
Less : Additional Depreciation net off tax ₹ 19.23 Lakh) pursuant to enactment of schdule II of the Company Act 2013	**-**	40.06
Amount available for appropriation	**1,281.18**	1,193.34
Less : Appropriation		
Proposed final equity dividend - amount per share ₹ 1.50/- (Previous Year : ₹ 1.50/-)	**81.60**	75.97
Tax on Proposed dividend	**16.61**	15.47
Transfer to General Reserve	**9.51**	10.86
Total appropriations	**107.72**	102.30
Net surplus in the statement of profit and loss	**1,173.46**	1,091.04
TOTAL	**2,612.14**	**2,101.87**

3 LONG TERM BORROWINGS (₹ in Lakh)

Particulars	Non - Current Portion		Current Portion	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Secured				
(a) From Bank				
Term Loans	**683.06**	521.02	**275.04**	219.42
Vehicle Loans	**0.38**	2.01	**1.59**	2.71
Unsecured				
(a) From Body Corporates**	**100.00**	438.66	**-**	-
	783.44	961.69	**276.63**	222.13
The above amount includes				
"Other current liabilities" (Refer Note 9)	**-**	-	**(276.63)**	(222.13)
TOTAL	**783.44**	**961.69**	**-**	**-**

i) Additional Term loan from bank amounting to ₹ 375 Lakh sanctioned during the financial year 2015-2016. The same is repayable in 60 Monthly instalments of ₹ 6.25 Lakh 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 ₹ 283.10 Lakh are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 43 equal monthly instalments of ₹ 6.67 Lakh each along with interest.

Term Loan of ₹ 300 Lakh are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 30 equal monthly instalments of ₹ 10 Lakh each along with interest.

The rate of interest on the above mentioned Term Loans ranges between 12.50 % p.a to 12.75 % p.a.

ii) Vehicle loans taken from bank was carried interest @ 10.35% p.a. The loan is repayable in 14 instalments of ₹ 13,892 along with the interest, from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.

**** Loans from Related Party** (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Enterprises having substantial voting power of the company	100.00	100.00
TOTAL	**100.00**	**100.00**

4 DEFERRED TAX LIABILITY (Net) (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Deferred Tax Liability		
Related to Fixed Assets	**399.19**	397.14
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	**92.08**	55.31
TOTAL	**307.11**	**341.83**

5 OTHER LONG TERM LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Deposits from Dealers, Agent	**355.48**	336.83
Deposits against Lease Premises	**63.00**	63.00
TOTAL	**418.48**	**399.83**

6 LONG TERM PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits		
Gratuity	**129.41**	90.89
Unavalied leave	**33.73**	23.21
TOTAL	**163.14**	114.10

7 SHORT TERM BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Secured		
Loans repayable on demand		
Cash credit from bank *	**4,553.54**	4,073.24
	4,553.54	**4,073.24**
Unsecured		
Compulsorily Convertible Debentures	**42.95**	-
Bills Discounting	**-**	240.73
	42.95	240.73
TOTAL	**4,596.49**	**4,313.97**

* Cash credit from banks is secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable and carries interest @ 12.00% p.a to 13.50% p.a and the same is repayable on demand.

8 TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Outstanding dues of Micro and Small Enterprises	**-**	-
Outstanding dues of Creditors other than the Micro and Small Enterprises	**3,381.05**	3,939.24
TOTAL	**3,381.05**	3,939.24

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.

9 OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Current Maturities of long term borrowings (refer note 3)	**276.63**	222.13
Unclaimed dividend	**3.25**	2.93
Statutory Dues	**175.84**	121.75
Employees Dues	**227.75**	130.87
Advance Received from Customers	**14.12**	14.11
Others	**764.82**	898.97
TOTAL	**1,462.41**	**1,390.76**

10 SHORT TERM PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for employee benefits		
Gratuity	**14.38**	10.10
Leave Encashment	**11.24**	7.73
Other Provisions		
Provision for Income Tax (Net of Advance Tax of ₹ 758.90, Previous Year ₹ NIL)	**5.73**	-
Proposed dividend	**81.60**	75.97
DDT on Proposed dividend	**16.61**	15.47
TOTAL	**129.56**	109.27

11 FIXED ASSETS

(₹ in Lakh)

	Description	Original cost				Accumulated Depreciation and amortisation					Net book value	
		As at April 1, 2015	Additions during the year	Deductions/ Retirement during the year	As at March 31, 2016	As at April 1, 2015	For the Year	Deductions during the year	Retained Earnings	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
a	Tangible Assets											
	Land	49.91	-	-	49.91	-	-	-		-	49.91	49.91
	Land under lease	21.45	-	-	21.45	2.74	0.20	-		2.94	18.51	18.71
	Buildings	457.80	21.61	-	479.41	98.08	14.73	-		112.81	366.60	359.71
	Residential Flat	65.90	-	-	65.90	22.20	0.78	-		22.98	42.92	43.72
	Plant and Equipment	3,097.81	588.53	53.54	3,632.80	1,142.60	287.92	53.54		1,376.98	2,255.82	1,955.16
	Electrical Installation	144.53	13.75	-	158.28	83.98	12.62	-		96.60	61.68	60.57
	Furniture and Fixtures	204.99	6.72	-	211.71	101.12	18.93	-		120.05	91.66	103.89
	Vehicles	45.46	1.12	-	46.58	18.25	5.03	-		23.28	23.30	27.23
	Office equipment	80.96	13.20	-	94.16	50.37	12.65	-		63.02	31.14	30.60
	Computers	211.56	26.45	-	238.01	187.87	14.94	-		202.81	35.20	23.69
	Sub Total (A)	**4,380.37**	**671.38**	**53.54**	**4,998.21**	**1,707.21**	**367.80**	**53.54**	**-**	**2,021.47**	**2,976.74**	**2,673.18**
b	Intangible Assets											
	Software	63.73	-	-	63.73	39.96	4.93	-	-	44.89	18.84	23.76
	Sub Total (B)	**63.73**	**-**	**-**	**63.73**	**39.95**	**4.93**	**-**	**-**	**44.89**	**18.84**	**23.76**
c	Capital Work In Progress	0.13	3.66	0.13	3.66	-	-	-		-	3.66	0.13
	Sub Total (C)	**0.13**	**3.66**	**0.13**	**3.66**	**-**	**-**	**-**	**-**	**-**	**3.66**	**0.13**
	TOTAL	**4,444.23**	**675.04**	**53.67**	**5,065.60**	**1,747.16**	**372.73**	**53.54**	**-**	**2,066.35**	**2,999.24**	**2,697.07**
	Previous Year	4,404.26	517.77	477.79	4,444.23	1,527.68	348.96	70.18	59.30	1,747.16	2,697.08	

12 LONG TERM LOANS AND ADVANCES

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Security Deposits		
Unsecured, considered good		
Rental Deposit*	**113.08**	123.38
Electricity deposits	**36.54**	32.73
	149.62	**156.11**
Other Loans and Advances		
Unsecured, considered good		
Advance Income tax (net of provision for taxation of ₹ NIL,Previous Year ₹ 590.36)	**-**	74.25
Mat Credit Entitlement	**30.40**	32.18
Less Mat Credit Utilised	**-**	(32.18)
	30.40	**74.25**
TOTAL	**180.02**	**230.36**

* Deposits with Related Party

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Company in which director is a member	**40.00**	40.00
TOTAL	**40.00**	**40.00**

13 INVENTORIES

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Raw Materials and components - Includes in transit ₹ 60.55 Lakh (Previous Year ₹ 70.14 Lakh)	**1,363.63**	1,135.26
Work-in-progress	**1,367.51**	772.87
Finished goods	**2,684.22**	3,312.74
Stores,Spares and Others	**212.19**	213.96
TOTAL	**5,627.55**	5,434.83

For mode of valuation, refer Accounting Policy

13.1 Details of Raw Materials

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Yarn	**833.51**	739.46
Stitching Materials	**175.96**	126.50
Fabrics	**354.16**	269.30
TOTAL	**1,363.63**	1,135.26

13.2 Details of Work in Progress

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Grey Fabrics	**139.12**	93.48
Fabrics	**253.17**	166.79
Garment	**975.22**	512.60
TOTAL	**1,367.51**	772.87

13.3 Details of Finished Goods (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Fabrics	**2,405.09**	3,119.56
Readymade Garment	**279.13**	193.18
TOTAL	**2,684.22**	3,312.74

14 TRADE RECEIVABLE (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	**303.76**	435.87
Unsecured, considered doubtful	**11.70**	-
Less: Provision for Doubtful Debts	**(11.70)**	-
	303.76	435.87
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Unsecured, considered good	**4,875.36**	4,762.03
	4,875.36	4,762.03
TOTAL	**5,179.12**	5,197.90

15 CASH AND BANK BALANCES (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Cash and Cash equivalents :-		
Balance with banks		
Current Accounts	**67.41**	246.28
Cash on hand	**9.86**	8.13
	77.27	254.41
Other Bank Balances :		
Unclaimed Dividend account	**3.25**	2.93
Balances with banks to the extent held as margin money (Refer Note No. 31)	**32.93**	49.70
Fixed deposits with original maturity for more than 12 months	**8.98**	6.49
TOTAL	**122.43**	313.53

16 SHORT TERM LOANS AND ADVANCES (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured, Considered Good		
Prepaid Expenses	**53.54**	38.59
Withholding and other Taxes receivable	**55.36**	57.56
Advance to Suppliers	**54.40**	120.43
Staff Loan & Advances	**3.35**	4.67
Advnace Receivable in Cash and Kind	**34.74**	6.52
TOTAL	**201.39**	227.77

17 OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
Interest Subsidy & Interest Receivable	**80.28**	72.77
Interest Accured But Not Due	**7.78**	4.81
TOTAL	**88.06**	77.58

18 REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Sales of Products	**29,380.97**	24,828.80
Sales of services (Job charges Received)	**530.28**	749.06
Other operating revenues	**184.43**	388.89
	30,095.68	25,966.75
Less : Excise Duty	**37.63**	-
TOTAL	**30,058.05**	25,966.75

18.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Finish Fabrics	**14,595.49**	14,593.80
Readymade garments	**14,773.03**	10,218.30
Others	**12.45**	16.70
TOTAL	**29,380.97**	24,828.80

19 OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Interest Income on		
Bank FD	**3.47**	1.21
Other non operating income	**0.55**	0.99
TOTAL	**4.02**	**2.20**

20 COST OF MATERIALS CONSUMED

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Inventory at the beginning of the year	**1,135.26**	1,111.31
Add: purchases	**13,524.14**	9,839.61
	14,659.40	10,950.92
Less : Inventory at the end of the year	**1,363.63**	1,135.26
TOTAL	**13,295.77**	9,815.66

20.1 PARTICULARS OF MATERIALS CONSUMED

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Yarn	**2,334.62**	2,073.47
Accessories	**1,370.86**	815.56
Finished Fabrics	**9,590.29**	6,926.63
TOTAL	**13,295.77**	9,815.66

21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS STOCK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Inventories at the end of the year		
Work-in-Progress	**1,367.51**	772.87
Finished goods	**2,684.22**	3,312.74
	4,051.73	4,085.61
Inventories at the beginning of the year		
Work-in-Progress	**772.87**	970.42
Finished goods	**3,312.74**	3,322.60
	4,085.61	4,293.02
TOTAL	**33.88**	**207.41**

22 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Salaries,wages and bonus	**2,612.30**	2,278.35
Contributions to Provident and Other funds	**154.55**	76.23
Gratuity	**58.38**	24.46
Leave Encashment	**28.13**	18.26
Staff welfare expenses	**62.16**	64.35
TOTAL	**2,915.52**	2,461.65

22.1 Defined Contribution Plan

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

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Employer's Contribution to Provident Fund	**154.55**	**76.23**

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 Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
	Gratuity (unfunded)	Gratuity (unfunded)
Defined Benefit obligation at beginning of year	**100.99**	92.51
Current Service Cost	**27.72**	19.72
Interest Cost	**8.08**	7.40
Actuarial (gain) / loss	**22.58**	(2.65)
Benefit Paid	**15.58**	15.98
Defined Benefit obligation at year end	**143.79**	100.99

i) Reconciliation of opening and closing balances of Defined Benefit Obligation (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Defined Benefit obligation at beginning of year	**30.94**	22.93
Current Service Cost	**15.11**	13.06
Interest Cost	**2.48**	1.83
Actuarial (gain) / loss	**10.54**	3.37
Benefit Paid	**14.10**	10.25
Defined Benefit obligation at year end	**44.97**	30.94

ii) Reconciliation of Fair value of assets and obligation (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
	Gratuity (unfunded)	Gratuity (unfunded)
Fair value of Plant assets	**-**	-
Present Value of obligation	**143.79**	100.99
Amount recognized in balances sheet	**143.79**	100.99

ii) Reconciliation of Fair value of assets and obligation (₹ in Lakh)

Particulars	As at 31st March 2016	As at 31st March 2015
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Fair value of Plant assets	**-**	-
Present Value of obligation	**44.97**	30.94
Amount recognized in balances sheet	**44.97**	30.94

iii) Expenses recognized in the statement of profit & loss (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
	Gratuity (unfunded)	Gratuity (unfunded)
Current service cost	**27.72**	19.72
Interest Cost	**8.08**	7.40
Excepted return on plan assets	**-**	-
Actuarial (gain)/ loss	**22.58**	(2.65)
Net Cost	**58.38**	24.46

iii) Expenses recognized in the statement of profit & loss (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Current service cost	**15.11**	13.06
Interest Cost	**2.48**	1.83
Excepted return on plan assets	**-**	-
Actuarial (gain)/ loss	**10.54**	3.37
Net Cost	**28.13**	18.26

iv) Actuarial assumption (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
	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 Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
	Leave Encashment (unfunded)	Leave Encashment (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%

Experiences	2011-12 In ₹	2012-13 In ₹	2013-14 In ₹	2014-15 In ₹	2015-16 In ₹
Defined Benefit Obligation	51.48	82.36	92.51	100.99	143.79
Plan Assets(includes bank balance)	N.A	N.A	N.A	N.A	N.A
Surplus / (Deficit)	N.A	N.A	N.A	N.A	N.A
Experience adjustments on Plan Liabilities[Gain/(Loss)]	N.A	2.58	(7.32)	2.65	22.58
Experience on Plan Assets	N.A	N.A	N.A	N.A	N.A

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.

23 FINANCE COST (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Interest Expenses	**784.56**	877.18
Other borrowing cost	**42.61**	63.18
TOTAL	**827.17**	940.36

(Net of Subsidy of ₹ 23.20 Lakh (Previous year ₹ 26.27 Lakh)

24 OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Manufacturing Expenses		
Consumption of stores,spare parts and others. (Refer Note 24.1)	**313.59**	268.90
Consumption of Packing Materials	**480.27**	463.29
Power and fuel.	**529.32**	505.25
Machine Hire Charges	**3.66**	14.56
Job Work	**4,390.61**	2,976.09
Labour Charges	**133.56**	125.65
Repairs to buildings.	**28.34**	30.21
Repairs to machinery.	**17.45**	21.19
Repairs to others.	**104.28**	98.03
TOTAL	**6,001.08**	4,503.17
Selling and Distribution Expenses		
Travelling and conveyance	**131.65**	145.41
Brokerage and commission	**370.95**	366.45
Advertisement and marketing expenses	**141.02**	259.88
Incentives and discount	**896.42**	1,078.51
Freight outward charges	**341.93**	250.14
TOTAL	**1,881.97**	2,100.39
Establishment Expenses		
Printing and Stationery	**30.66**	38.05
Communication Cost	**27.11**	25.92
Legal and professional fees	**152.19**	192.20
Postage,telegram and courier charges	**26.68**	31.20
Provision for Doubtful Debts	**11.70**	-
Exchange Difference (net)	**-**	(2.14)
Sundry balance written off	**1.20**	5.23
Rent.	**255.86**	194.59
Insurance	**28.93**	20.94
Rates and taxes, excluding, taxes on income.	**23.55**	14.17
Payment to the auditor (Refer note 24.3)	**18.64**	16.90
Miscellaneous expenses,	**68.15**	61.35
TOTAL	**644.67**	598.41
TOTAL	**8,527.72**	7,201.97

24.1 IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS CONSUMED

Particulars	For the Year Ended 31st March 2016		For the Year Ended 31st March 2015	
	(₹ in Lakh)	%	(₹ in Lakh)	%
Raw Materials				
Imported	**-**	**-**	-	-
Indigenous	**13,295.77**	**100%**	9,815.66	**100%**
TOTAL	**13,295.77**	**100%**	**9,815.66**	**100%**
Store & Spare Parts				
Imported	**15.35**	**4.89%**	21.94	**8.16%**
Indigenous	**298.24**	**95.11%**	246.96	**91.84%**
TOTAL	**313.59**	**100%**	268.90	100%

24.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Raw Materials	**-**	-
Stores and Spares parts	**15.35**	21.94
Capital Goods	**29.36**	150.35

24.3 PAYMENT TO THE AUDITORS (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
As Auditor		
Audit fees	**8.59**	8.43
Tax audit fees	**2.00**	2.53
Limited review	**5.14**	5.06
In other capacity		
Company law matters	**0.86**	0.84
Certification fees	**1.72**	-
Reimbursement of expenses	**0.33**	0.04
TOTAL	**18.64**	16.90

• The payment made to auditors are inclusive of service tax.

25 EXPENDITURE IN FOREIGN CURRENCY (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Travelling Expenses	**11.11**	1.54

26 EARNINGS IN FOREIGN CURRENCY (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Revenue from Exports on FOB Basis	**42.84**	45.69

27 EARNING PER SHARE (EPS)

	Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
(i)	Net profit after taxes as per statement of profit and loss attributed to equity shareholders (₹ in Lakh)	**190.14**	217.23
(ii)	Weighted Average Number of equity shares used as denominator for calculation of EPS	**51,66,578**	50,64,866
	Weighted Average Number of equity shares (including dilutive shares) used as denominator for calculation of DPS	**52,83,074**	50,64,866
(iii)	Basic Earning per share (amount in ₹)	**3.68**	4.29
(iv)	Diluted Earning per share (amount in ₹)	**3.60**	4.29
(v)	Face value per equity share (amount in ₹)	**10.00**	10.00

28 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 were control exists and related parties with whom transactions have taken place and relationships:

	Name of the Related Party	
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 Kumat , Jagdish Prasad Dave & Siddhant Singh	
5	Mr. Tilak Goenka	Relatives of Key Management Personnel (KMP) with whom the transaction exist
6	Mrs. Jyoti Kumat	
7	Srishti Mall Management Company Private Limited	Other Related Parties (Enterprises - KMP having significant influence)

(e) Related Party Transactions

(₹ in Lakh)

	Particulars	Transaction during the year 2015-16		Outstading Balance 31st March 2016		Outstading Balance 31st March 2015	
		31st March 2016	31st March 2015	Receivable	Payable	Receivable	Payable
a)	**Sales:**						
	Jagruti Synthetics Limited	**3.15**	1.23	**-**	**-**	-	-
	PIL Industries Limited	**-**	0.25	**-**	**-**	-	-
b)	**Purchase:**						
	Jagruti Synthetics Limited	**788.30**	833.45	**-**	**-**	-	83.04
c)	**Job Charges Paid:**						
	Jagruti Synthetics Limited	**154.12**	146.99	**-**	**-**	-	19.91
d)	**Interest Paid :**						
	Jagruti Synthetics Limited	**18.68**	51.19	**-**	**-**	-	0.91
e)	**Rent Expenses:**						
	PIL Industries Limited	**68.35**	67.42	**-**	**5.23**	-	-
	Jagruti Synthetics Limited	**57.83**	56.71	**-**	**-**	-	4.42
	Mr. Pradip Kumar Goenka	**-**	3.81	**-**	**-**	-	-
	Mr. Abhay Kumat	**-**	0.85	**-**	**-**	-	-
	Mrs. Jyoti Kumat	**5.20**	6.05	**-**	**-**	-	-
f)	**Electricity Expenses:**						
	Jagruti Synthetics Limited	**1.88**	1.48	**-**	**-**	-	-
g)	**Managerial Remuneration:**						
	Mr. Pradip Kumar Goenka	**54.00**	33.20	**-**	**-**	-	-
	Mr. Abhay Kumat	**100.00**	100.00	**-**	**-**	-	0.93
	Mr. Jagdish Prasad Dave	**10.00**	4.30	**-**	**-**	-	-
	Mr. Siddhant Singh	**1.82**	-	**-**	**-**	-	-
h)	**Salary :**						
	Mr. Tilak Goenka	**21.36**	11.08	**-**	**-**	-	0.12
i)	**Deposit Given :**						
	Mr. Pradip Kumar Goenka	-	10.00	**-**	**-**	-	-
	Jagruti Synthetics Limited	**-**	-	**-**	**40.00**	-	40.00
j)	**Loan Repaid :**						
	PIL Industries Limited	**-**	30.00	**-**	**-**	-	-
k)	**Loan Taken :**						
	PIL Industries Limited	**-**	-	**-**	**100.00**	-	100.00
	Srishti Mall Management Company Private Limited	**5.21**	6.60	**-**	**-**	-	59.02

29 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 Accounting Standard - 17 segment reporting.

30 UNHEDGED FOREIGN CURRENCY EXPOSURE (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016		For the Year Ended 31st March 2015	
	USD	INR	USD	INR
Trade Payable	-	-	$0.10	6.27
Trade Receivable	**$0.26**	**18.39**	$0.83	45.69

31 CONTINGENT LIABILITIES AND OTHER COMMITMENTS (₹ in Lakh)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Contingent Liabilities		
a) Claims against the company not acknowledged as debt	**143.09**	130.30
b) Guarantees	**50.56**	41.36
c) Bonus Payable (As Per Revised Bonus Act) F.Y 2014-15	**23.64**	-
	217.29	171.66
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	**319.85**	373.47
	319.85	373.47
TOTAL	**537.16**	545.13

32 DETAILS OF FOREIGN SHAREHOLDING AND DIVIDEND PAID

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
No. of non resident shareholders	**9**	6
No. of shares held by them on which dividend was paid	**5,381**	4,331
Gross Dividend (₹)	**8,072.00**	6,497.00

* Dividend for the F.Y. 2014-2015 was declared in AGM held on 25th September 2015 and paid on 30th September 2015

33 The Company has not entered into any non-cancelable lease during the year. Lease rental expense aggregating to ₹ 255.86 Lakh (previous year ₹ 194.59 Lakh) recognised in Statement of Profit & Loss

34 Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year's figure.

For and on behalf of the Board

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI FRN No. 103523W

Pradip Kumar Goenka
Chairman & Managing Director
DIN 00516381

Lalit Goenka
Director
DIN 01792275

Atul Gala
Partner
Membership No. 048650

Jagdish Prasad Dave
Chief Financial Officer

Siddhant Singh
Company Secretary

Mumbai, 30th May 2016

TRUE LINEN
KAMADGIRI FASHION LIMITED
email: truevalue@kflindia.com | www.kflindia.com

KAMADGIRI

FASHION LIMITED

The Qube, B-104, Off M.V. Road, Behind Taj Flight Kitchen, Marol, Andheri (E), Mumbai 400 059, INDIA.
Tel:- 022-71613131 | Fax:-022-71613199 | email: cs@kflindia.com | www.kflindia.com

Printed By : D. J. Logistic Solution Pvt. Ltd. djprint260@gmail.co

KAMADGIRI FASHION LIMITED

Regd. Office: B-104, The Qube, M.V. Road, Marol, Andheri (East), Mumbai – 400059.
Telephone: +91 22 7161 3131; Fax: +91 22 7161 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…… Or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Twenty-ninth Annual General Meeting of the Company, to be held on Monday, 19th day of September 2016 at 10:30 AM at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400 059 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, 2016 together with the reports of Directors and Auditors thereon
2.	Declaration of dividend on Equity shares.
3.	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.
4.	Ratification of appointment of Statutory Auditors and fix their remuneration.
	Special Business
5.	Ratification of remuneration payable to Cost Auditors of the Company.

Signed this ……..... day of ……. 2016.

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

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.

KAMADGIRI FASHION LIMITED

CIN: L17120MH1987PLC042424
Registered Office: B-104, The Qube, M.V. Road, Marol, Andheri (East), Mumbai – 400059.
Website: www.kflindia.com; Email: cs@kflindia.com
Telephone: +91 22 7161 3131; Fax: +91 22 7161 3199

ATTENDANCE SLIP
29th ANNUAL GENERAL MEETING – 19th September 2016

DP ID - Client ID / Folio No. :	
Name & Address of sole : Member	
Name of Joint Holder (s), if any (in BLOCK LETTER)	
No. of shares held :	

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the 29th ANNUAL GENERAL MEETING of the Company at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400 059 at 10:30 am on 19th September 2016

Signature of Member/Proxy

---------- Cut Here ----------

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	User ID	PAN/Sequence Number

NOTE: Please read the complete instructions given under the Note (The instructions for shareholders voting electronically) to the Notice of 29th Annual General Meeting. The voting time starts from Friday, 16th September, 2016 at 9:00 AM and ends on Sunday, 18th September, 2016 at 5:00 PM. The voting module shall be disabled by CDSL for voting thereafter.