



**KAMADGIRI**  
FASHION LIMITED

ANNUAL REPORT 2014-15



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KAMADGIRI FASHION LIMITED

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# 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

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](http://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](mailto: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-eighth Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Friday, 25th day of September 2015 at 10 AM at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai - 400059 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31st March 2015 together with the reports of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Pradip Kumar Goenka (DIN: 00516381), Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify appointment of Auditors.  
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of section 139(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 2015-16 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 149, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Bindu Shah (DIN: 07131459), who was appointed as Additional Director of the Company by the Board of Directors with effect from 21st March 2015 and who holds office upto the date of the ensuing Annual General Meeting, in terms of section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Bindu Shah as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years, not liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of section 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with schedule V to the said Act, consent of the members of the Company be and is hereby accorded for payment of remuneration of ₹ 54,00,000/- per annum to Mr. Pradip Kumar Goenka, Chairman & Managing Director of the Company with effect from 13th February 2015, for the remainder of duration of appointment i.e., upto 25th August 2015.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase as the case may be in within the overall limits specified in schedule V and the relevant provisions of the Companies Act, 2013."

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for time being in force) (the "Act") read with schedule V to the said Act, and the Articles of Association of the Company, the approval be and is hereby given to the reappointment of Mr. Pradip Kumar Goenka as Chairman & Managing Director of the Company for a period of 3 years with effect from 26th August, 2015 on a remuneration of ₹ 54,00,000/- per annum on terms and conditions asset out in the Agreement between him and the Company.

**RESOVLED FURTHER THAT** the Board of Directors be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase as the case may be in within the overall limits specified in schedule V and the relevant provisions of the Companies Act, 2013.”

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

**“RESOLVED THAT** pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, Ms. Ketki D. Visariya, Cost Accountant, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textile products for the financial year ending 31st March 2016, 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.”

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

**“RESOLVED THAT** pursuant to the provisions of section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors (hereinafter referred to as “the Board”, which term shall include any of its duly authorised Committees or one or more Directors) is authorised to accept as it may deem fit, the existing set of Articles of Association of the Company be and is hereby replaced, altered, modified and revised as per the new set of Articles of Association as per Table 'F' of Schedule I of the Companies Act, 2013, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Directors and/or the Company Secretary of the Company be and are hereby jointly or severally authorised to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

By Order of the Board  
For Kamadgiri Fashion Limited

Place: Mumbai  
Date: 11th August, 2015

Pradip Kumar Goenka  
Chairman & Managing Director

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. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted in the Meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books shall remain closed from **Thursday the 17th September 2015 to Friday the 25th September 2015** (both days inclusive).
4. 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.
5. If the dividend is approved at the Annual General Meeting, which shall be payable to members of the Company on or after 25th September 2015 as under:

To all beneficial owners in respect of shares held in electronic form, as per the beneficiary data made available by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as of the close of business hours on 16th September 2015.

To all members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 16th September 2015.

6. Information as required to be provided pursuant to the requirements of clause 49 of the Listing Agreement with regards to the Directors seeking appointment and re-appointment at this Annual General Meeting is given as an Annexure to this Notice.
7. Pursuant to the provision of section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 2007 - 2008 and thereafter, which remain unpaid or unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to section 205C of the Companies Act, 1956

Financial Year Ended	Date of Declaration of Dividend	Last Date For Claiming Unpaid Dividend	Due Date For Transfer to Investor Education & Protection Fund
2007-2008 (Final)	27/09/2008	26/09/2015	26/10/2015
2008-2009 (Final)	29/09/2009	28/09/2016	28/10/2016
2009-2010 (Final)	29/09/2010	28/09/2017	28/10/2017
2010-2011 (Final)	23/08/2011	22/08/2018	22/09/2018
2011-2012 (Final)	18/09/2012	17/09/2019	17/10/2019
2012-2013 (Final)	24/09/2013	23/09/2020	23/10/2020
2013-2014(Final)	26/09/2014	25/09/2021	25/10/2021

Shareholders who have not so far encashed the dividend warrant(s) for the financial year ended 31st March 2008 or any subsequent financial year are requested to make their claim to the office of the Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited.

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 2014-15 and Notice calling the Twenty-eighth 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 2014-15 and Notice of the Twenty-eighth 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-eighth Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the website of the Company's website, [www.kflindia.com](http://www.kflindia.com) for their download.
11. 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.
12. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
13. 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.
14. 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.
15. 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.
16. 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.
17. **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.**
18. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividend. This notice includes an ECS Mandate Form for the benefit of members desiring to receive dividend through the ECS mode.
19. Voting through electronic means
  - I. In compliance with provisions of section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement with Stock Exchanges, the Company is pleased to provide members electronic voting (e-voting) facility to exercise their right to vote at the Twenty-eighth 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](http://www.evotingindia.com)
    - (ii) Click on "Shareholders" tab.
    - (iii) Now, select the "KAMADGIRI FASHION LIMITED" from the drop down menu and click on "SUBMIT"
    - (iv) Now Enter your User ID
      - a. For 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.
    - (v) Next enter the Image Verification as displayed and Click on Login.
    - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



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

For Members Holding Shares in Demat Form and Physical Form	
<b>PAN*</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
<b>DOB</b>	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.
<b>DIVIDEND BANK DETAILS</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut-off date</b> in the <b>Dividend Bank details</b> field.</li> </ul>

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

- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

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

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 Monday, 21st September 2015 at 09:00 AM and ends on Thursday, 24th September 2015 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 18th September 2015, 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 18th September 2015.
- 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](http://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.

20. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours between 11 A.M and 4 P.M. on all working days (except Saturday, Sunday and Holiday) upto the date of Annual General Meeting.
21. The route map of the venue of the AGM is given herein below. The prominent landmark near the venue is Airport Road Metro Station, Mumbai

**Route map of the venue of the AGM**



### Annexure to Notice

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

<b>Name of the Director</b>	Mr. Pradip Kumar Goenka	Ms. Bindu Shah
<b>Age</b>	55 years	40 years
<b>Qualification</b>	Pre-University	B.Com (H), PC S, PGDBM
<b>Expertise in specific functional areas</b>	More than three decades of experience in textile industry. Experienced entrepreneur with hands on experience in operations including production and marketing.	Experienced professional having more than 8 years of experience in corporate compliances.
<b>Directorship in other public companies (excluding foreign and private companies)</b>	Jagruti Synthetics Limited	Nil
<b>Shareholding</b>	7,21,200 shares	Nil

**Annexure to Notice****Explanatory Statement pursuant to Section 102 of the Companies Act, 2013****Item No. 5**

In compliance with the section 149, 152 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Ms. Bindu Shah as Independent Director for a term of 5 years from the conclusion of the ensuing Annual General Meeting and she is not liable to retire by rotation.

The Company has also received declaration from the above mentioned Director that she meets the criteria of independence as prescribed both under sub-section(6) of section 149 of the Companies Act, 2013. Further, she is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013.

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

Ms. Bindu Shah is interested in the resolution set out at Item no. 5 with regard to her appointment. The relatives of the aforesaid Director may be deemed to be interested in the resolution set out at Item nos. 5, to the extent of their shareholding, if any, in the Company. Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in this resolution.

The Board recommends the resolution set out at Item no. 5 for the approval by the shareholders of the Company.

**Item No. 6 & 7**

Mr. Pradip Kumar Goenka is the Chairman & Managing Director of the Company. His present tenure in the office ends on 25th August 2015. He is presently drawing remuneration of ₹ 54 lakh per annum. Subject to approval of members, the Nomination and Remuneration Committee and Board of Directors at their meeting held on 11th August 2015, reappointed Mr. Pradip Kumar Goenka and designating him as Chairman & Managing Director of the Company for further period of three years with effect from 26th August 2015 and also approved remuneration payable to him as ₹ 54 lakh per annum.

Mr. Pradip Kumar Goenka is having more than 32 years of experience in textile and yarn business. With his vast experience in the business, it would be desirable to approve his reappointment as Chairman & Managing Director.

The remuneration payable to the Chairman & Managing Director was duly approved by the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 11th August 2015. The approval of the shareholders is sought for reappointment of Mr. Pradip Kumar Goenka as Chairman & Managing Director of the Company with effect from 26th August 2015 for period of 3 years on the terms and conditions as per agreement between the Company and Mr. Pradip Kumar Goenka.

The Board of Directors recommends the resolution set out at Item nos. 6 & 7 for the approval by the shareholders of the Company.

Since there is an inadequate profit, it is proposed to pay remuneration on the basis of effective capital under clause (B) of section II of part II of schedule V to the Companies Act, 2013 read together with section 197 of the Act. Information as required under schedule V of the Companies Act, 2013 in relation to the appointment and approval of remuneration is given hereunder.

#### I. General Information:

1. Nature of Industry-The Company belongs to the textile industry and carries on the business of manufacturing and trading of fabrics and garments.
2. Date or expected date of commercial production - Commercial production has already commenced with effect from year 1992.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus- Not applicable.
4. Financial performance based on given indicators –

₹ in lakh

Particulars	Financial Year ended 31/03/2015	Financial Year ended 31/03/2014
Income	25,968.95	25,319.79
Profit before tax	356.26	438.19
Profit after tax	217.23	292.58

5. Export performance and net foreign exchange collaborations - The Company is concentrating on domestic market and it is not into exporting. There is no foreign exchange collaboration.

#### II. Information about the Appointee

1. Background details – Mr. Pradip Kumar Goenka has been Director of the Company since its inception. He has more than 32 years of experience in textile and yarn business. He is overseeing manufacturing operations of the Company.
2. Past Remuneration – Details of past remuneration paid to the appointee is given below:

₹ per annum

Particulars	Upto 12/02/2015	From 13/02/2015
Basic Salary	12,00,000	21,60,000
House Rent Allowance	7,20,000	13,20,000
Adhoc Allowance	10,25,400	18,65,400
Perquisite per car	39,600	39,600
Medical Reimbursement	15,000	15,000
<b>TOTAL</b>	<b>30,00,000</b>	<b>54,00,000</b>

and in addition to the above, appointee is entitled for following perquisites, which shall not be part of the ceiling of remuneration:



- a) Contribution to provident fund, superannuation fund or annuity fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity: as per the rules of the Company, payable in accordance with the approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) Leave travel concession: Return passage for self and family in accordance with the rules specified by the Company.

Other terms and conditions:

- Remuneration is payable monthly and subject policy of the Company; and
- Other terms and conditions as per the policy of the Company.

### 3. Recognition and Awards- Nil

### 4. Job profile and his suitability- Mr. Pradip Kumar Goenka is entrusted with substantial power of management subject to the supervision of the Board. The job profile includes following responsibilities:

- a. Guiding through strategic directions towards achieving business goals;
- b. Monitoring and guiding on product development and design innovation;
- c. Working on better utilisation of capacity;
- d. Reduction of wastages and controlling of costs.

With his vast experience in the production, trading, procurement, business development and his matching management qualities, he is very much suitable for the above job profile.

### 5. Remuneration proposed- There is no change in remuneration payable to Chairman & Managing Director and he will continue to draw the remuneration of ₹ 54 lakh p.a. (as detailed in sr. no. II (2) above).

### 6. Comparative remuneration profile with respect to industry, size of company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) – Salary proposed to the Chairman & Managing Director is very less as per the industry standards. However, looking at the Company's future business opportunities, growth, profitability and affordability, it is proposed to continue the same remuneration. Accordingly, remuneration proposed for the Managing Director is justified.

### 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Pradip Kumar Goenka has direct/indirect pecuniary relationship with Jagruti Synthetics Limited, other than his remuneration as Chairman & Managing Director:

Jagruti Synthetics Limited, a company wherein managerial personnel has interest, and the Company has the relationship of lessor and lessee for leasing of plant at 42/1, Ganga Devi Road, Umbergaon – 396171 and also, the Company deals with Jagruti Synthetics in the ordinary course of business.

## III. Other information:

1. Reasons of loss or inadequate profits - The Company is operating in a business which is very competitive, fast changing and has now very thin operating margins. Based on various study of market trends and analysis, the Company is working on optimum utilisation of production capacity and modernisation of plants. During the year, due to very high cost of manufacturing, the Company could not generate adequate profits.
2. Steps taken or proposed to be taken for improvement- The Company has initiated steps to control costs, better utilisation of available manufacturing facilities and investing on product innovations. The Company expects the continued focus on said measures, would help the Company to improve its profitability in the coming years.
3. Expected increase in productivity and profits in measurable terms - The Company is continuously working on increasing the productivity. However, it is very difficult to predict the profitability in prevailing scenario such as high and volatile raw material prices, other input cost and finance cost.

**IV. Disclosures:**

1. The remuneration package of the managerial person is given above.
2. Other information as required to be disclosed are given in corporate governance report in Annual Report.

Your Directors recommend this resolution for your approval. None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the above resolution except Mr. Pradip Kumar Goenka as resolution relates to his own reappointment and remuneration proposed to be paid to him.

Copy of the resolution of Nomination and Remuneration Committee approving re-appointment of Mr. Pradip Kumar Goenka and also copy of resolution of Board of Directors reappointing and designating him as Chairman & Managing Director, Agreement executed with Mr. Pradip Kumar Goenka and all other relevant documents would be available for inspection between 11:00 am to 04:00 pm on all working days till the date of Annual General Meeting.

**Item No. 8**

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 2016 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. 8 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. 8 for the approval by the shareholders of the Company.

**Item No. 9**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company need to be re-aligned as per the provisions of the new Act.

The Board of Directors at its meeting held on 11th August 2015 decided to reflect the provisions of the Companies Act, 2013 in the Articles of Association of the Company. As this would require in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association from in place of and in exclusion to the existing Articles of Association of the Company.

The new Articles of Association to be substituted in place of the existing Articles of Association is based on Table "F" of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares. In terms of section 14 of the Companies Act, 2013, the consent of the members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors, Key Managerial Personnel of Company and their relatives are in any way, deemed to be concerned or interested in the Special resolution as set out at Item no. 9 of the notice. The Board recommends the resolution set out at Item no. 9 for the approval by the shareholders of the Company.

Copy of the Articles of Association of the Company and all other relevant documents would be available for inspection between 11:00 am to 04:00 pm on all working days till the date of Annual General Meeting.

By Order of the Board  
For Kamadgiri Fashion Limited

Pradip Kumar Goenka  
Chairman & Managing Director

Place: Mumbai  
Date: 11th August 2015  
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-eighth Annual Report along with the audited Financial Statements for the year ended 31st March 2015.

#### FINANCIAL HIGHLIGHTS

(₹ in Lakh)

PARTICULARS	2014-2015	2013-2014
Turnover	25,966.75	25,310.42
Other Income	2.20	9.37
<b>Profit before tax</b>	<b>356.26</b>	<b>438.19</b>
Less: Provision for current tax	107.59	119.00
Less: Net deferred tax liability	31.44	26.61
<b>Profit for the year</b>	<b>217.23</b>	<b>292.58</b>
Add: Balance brought forward	1016.16	827.09
Profit available for appropriation	1193.34	1119.67
<b>Appropriation:</b>		
Transferred to General Reserve	10.85	14.63
Proposed dividend	75.97	75.97
Tax on proposed dividend	15.47	12.91
<b>Balance carried forward</b>	<b>1091.04</b>	<b>1016.16</b>

#### OPERATIONS

During the year under review, the Company has achieved marginally higher top line compared to previous year. The Company has achieved a turnover of ₹ 25,966.75 lakh during the year as compared to ₹ 25,310.42 lakh during the previous year. The Profit after tax for the financial year 2014-15 was ₹ 217.23 lakh as compared to ₹ 292.58 lakh during the previous year.

The measures took by the Company on cost, capacity utilisation and product innovation have started showing results. The Company believes that working on the said purpose would be continuous pursuit.

#### FUTURE PLANS

The Company plans to strengthen existing business operations by streamlining activities requiring more management thrust for showing improved performance, as per the plan envisaged by the Company. The Company continue its pursuit to reduced operational costs, better utilisation manufacturing facilities and product innovation.

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

## **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.

## **PUBLIC DEPOSIT**

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

## **CORPORATE GOVERNANCE REPORT**

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 clause 49 of the Listing Agreement with stock exchange 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**

Details of programmes for familiarization of Independent Directors with the Company are available on the website of the Company at the link <http://kflindia.com/wp-content/uploads/2015/08/KFL-ID-Familiarization.pdf>

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 clause 49 of the Listing Agreement. Policy on Whistle Blower is available on the website of the Company at the link <http://kflindia.com/wp-content/uploads/2015/08/KFL-Vigil-Machanism.pdf>

## **NUMBER OF BOARD MEETINGS**

The Board of Directors met 5 (Five) times during the financial year 2014-15. 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.

## **PERFORMANCE EVALUATION OF BOARD**

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, 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 directors 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

The Directors express their profound grief at the sad demise of Mr. Ashwani Bhatia, Independent Director on 6th June 2015 and place on record the deep sense appreciation for valuable contribution made by him.

During the year under review, Ms. Bindu Shah was appointed as an Additional Director (Independent) with effect from 21st March 2015. As per the provisions of section 161(1) of the Companies Act, 2013 ('the Act'), she holds office upto the date of the ensuing Annual General Meeting. A Notice under section 160(1) of the Act has been received from a Member signifying its intention to propose Ms. Bindu Shah as an Independent Director of the Company. The Board recommended her appointment as an Independent Director for a term of five years at the ensuing Annual General Meeting.

In terms of section 152 of the Act, Mr. Pradip Kumar Goenka retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment

The Company has received necessary declarations from all the Independent Directors under section 149(7) of the Act that they meet the criteria of independence laid down in section 149(6) of the Act and Clause 49 of the Listing Agreement.

The Board of Directors, subject to approval of members at the ensuing Annual General Meeting, have approved reappointment of Mr. Pradip Kumar Goenka as Chairman & Managing Director with effect from 26th August 2015 for a period of 3 years. The Board, subject to shareholders' approval, in order to comply with section 203(1) of the Act and to continue the dual position held by Mr. Pradip Kumar Goenka as Chairman & Managing Director and also to realign with the provisions of the Companies Act, 2013, the Company proposes to adopt a new set of Articles of Association as per Table 'F' of Schedule I of the Companies Act, 2013

Mr. Jagdish Prasad Dave, Finance Controller of the Company was appointed as Chief Financial Officer with effect from 12th November, 2014.

Additional information on appointment / reappointment of directors as required under clause 49 of the Listing Agreement 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 Mr. Ashwani Bhatia. Mr. Sanjeev Maheshwari is the Chairman of the Audit Committee. Ms. Bindu Shah, Independent Director has been appointed as a member of the Committee with effect from 11th August 2015 in place of Late Mr. Ashwani Bhatia. 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 2015, 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 2015 and of the profit or loss 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, 2015, 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 2014-15 in terms of provisions of section 204 of the Companies Act, 2013. The Secretarial Auditor Report for the year ended 31st March 2015 is annexed to this report as **Annexure A**.

With regards to the observation made by the Secretarial Auditor in his report, we state that though the Company could not appoint a company secretary during the year, on the date of signing of this report, the Company has appointed a company secretary with effect from 1st September 2015.

### 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 2015-16 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 2013-14 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 clause 49 of the Listing Agreement, 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. Particulars of contract or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure C**, which forms part of this Report.

### 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 Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is given as **Annexure D**, Form "A" & "B" is attached and form part of this report. 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 E**, 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 F**

## **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.

## **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: 11th August 2015

Pradip Kumar Goenka  
Chairman & Managing Director

**ANNEXURE A****Secretarial Audit Report**

Form No. MR-3

For Financial Year Ended On 31st March, 2015.

[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.**

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 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, 2015, 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 as mentioned in **Annexure I**, Forms and returns filed and other records maintained by Kamadgiri Fashion Limited ("The Company"), for the year ended on 31st March, 2015 according to the extent applicable provisions of:

- I. The Companies Act, 2013 ("**The Act**") and the Rules made thereunder, as applicable;
- 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.
- 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, 2013;
  - 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 regarding the Companies Act and dealing with client and
- VI. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for Compliances under other applicable Act, Laws and Regulations to the Company as given to us.

**We have also examined compliance with the applicable clauses of the following:**

- I. We report that, since the Secretarial Standard-1 "Meeting of Board of Directors" and Secretarial Standard-2 "General Meetings" are effective from 1st July, 2015, compliance are not mandatorily required for the year ended 31st March, 2015 as per notification dated 23rd April, 2015 issued by the Institute of Company Secretaries of India.

- i) We report that, since the Secretarial Standard-1 "Meeting of Board of Directors" and Secretarial Standard-2 "General Meetings" are effective from 1st July, 2015, compliance are not mandatorily required for the year ended 31st March, 2015 as per notification dated 23rd April, 2015 issued by the Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited. During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards and Listing Agreement's mentioned above.
- iii) The Company has obtained all necessary approvals under various provisions of the Act where necessary; We further report that the Company has complied with the applicable clauses of the Listing Agreement entered into by the Company with BSE limited.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

All majority decisions are carried with the 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.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, and Guidelines, mentioned above subject to the following observations:

- The Company has not appointed Company Secretary for the financial year 2014-2015.

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

1. Recommended Final Dividend of ₹ 1.50 per share by the Board of Directors for the year ended 31st March, 2015.

This Report is to be read with our letter of even date which is annexed as **Annexure 2** and it forms an integral part of this report.

For HS Associates  
Company Secretaries

Place: Mumbai  
Date: 11th August 2015

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

**Annexure – I****BOOKS, PAPERS AND MINUTE BOOKS MAINTAINED BY THE COMPANY**

1. Book containing the Minutes of Board Meeting, General Meeting and Committee Meeting.
2. Book of accounts.
3. Register of Members.
4. Register of Index of Members.
5. Register of Transfer.
6. Register of Directors and Key managerial personnel and their shareholding.
7. Register of Charges.
8. Register of particulars of contracts in which Directors are interested.
9. Register of investments or loans made, guarantee or security provided
10. Attendance Register.

For HS Associates  
Company Secretaries

Place: Mumbai  
Date: 11th August 2015

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

**Annexure – II**

To,  
The Members,  
**KAMADGIRI FASHION LIMITED.**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For HS Associates  
Company Secretaries

Place: Mumbai  
Date: 11th August 2015

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



**ANNEXURE B****Form No. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH, 2015**

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

**I REGISTRATION & 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 & contact details	B-104, The Qube, M.V. Road, Marol, Andheri (East), Mumbai - 400059
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**

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Ready made Garments	1410	39.65%
2	Weaving, Finish Fabrics	1312	58.77%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

There are no Holding, Subsidiary and Associate Company of Kamadgiri Fashion Limited

## 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				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group[2]</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	1346059	0	1346059	26.57	1346080	0	1346080	26.57	0.00
(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	9.25	0.00
(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
	<b>Sub-Total (A)(1)</b>	<b>1814459</b>	<b>0</b>	<b>1814459</b>	<b>35.82</b>	<b>1814480</b>	<b>0</b>	<b>1814480</b>	<b>35.82</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>									
(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
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>1814459</b>	<b>0</b>	<b>1814459</b>	<b>35.82</b>	<b>1814480</b>	<b>0</b>	<b>1814480</b>	<b>35.82</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding[3]</b>									
<b>1</b>	<b>Institutions</b>									
(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	900	0	900	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)									
(i-i)	Foreign Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>900</b>	<b>0</b>	<b>900</b>	<b>0.02</b>	<b>900</b>	<b>0</b>	<b>900</b>	<b>0.02</b>	<b>0.00</b>
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	2448040	0	2448040	48.33	2475208	0	2475208	48.87	0.54
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

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.	399022	82635	481657	9.51	372475	79235	451710	8.92	0.59
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	314605	0	314605	6.21	316572	0	316572	6.25	0.04
(c)	Other (specify)									
(c-i)	Clearing Member	112	0	112	0.01	215	0	215	0.00	(0.01)
(c-ii)	Non Resident Indians	4993	100	5093	0.10	5681	100	5781	0.12	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
	<b>Sub-Total (B)(2)</b>	<b>3166772</b>	<b>82735</b>	<b>3249507</b>	<b>64.16</b>	<b>3170151</b>	<b>79335</b>	<b>3249486</b>	<b>64.16</b>	<b>0.00</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>3167672</b>	<b>82735</b>	<b>3250407</b>	<b>64.18</b>	<b>3171051</b>	<b>79335</b>	<b>3250386</b>	<b>64.18</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>4982131</b>	<b>82735</b>	<b>5064866</b>	<b>100.00</b>	<b>4985531</b>	<b>79335</b>	<b>5064866</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00

## (ii) Shareholding of Promoters

### Share Holding Of Promoters/Promoters Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Pradip Kumar Goenka	7,21,200	14.24	0.00	7,21,200	14.24	0.00	0.00
2	Tilak Pradip Goenka	4,24,102	8.37	0.00	4,24,102	8.37	0.00	0.00
3	Asha Devi Goenka	1,99,171	3.93	0.00	1,99,171	3.93	0.00	0.00
4	Lalit Goenka	1,586	0.03	0.00	1,607	0.03	0.00	0.00
5	Jagruiti Synthetics Ltd.	31,600	0.62	0.00	31,600	0.62	0.00	0.00
6	Ananddeep Consultancy Services Pvt Ltd.	4,36,800	8.63	0.00	4,36,800	8.63	0.00	0.00
	<b>Total</b>	<b>1814459</b>	<b>35.82</b>	<b>0.00</b>	<b>1814480</b>	<b>35.82</b>	<b>0.00</b>	<b>0.00</b>

## (iii) Change in Promoters' Shareholding

Sl. No		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	1814459	35.82	1814459	35.82
	Add : September 05, 2014 Market Purchase	21	0.00	1814480	35.82
	At the End of the year			1814480	35.82

**(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	Abhay Jaswant Singh Kumat	130742	2.58	130742	2.58
	At the End of the year			130742	2.58
2	Blessings Mercantile Pvt. Ltd.	200000	3.95	200000	3.95
	At the End of the year			200000	3.95
3	Jyoti Abhay Kumat	72752	1.43	72752	1.43
	At the End of the year			72752	1.43
4	Motilal Oswal Financial Services Ltd.	115523	2.28	115523	2.28
	(Less) : December 12, 2014 - Market Sale	(2407)	(0.05)	113116	2.23
	(Less) : December 19, 2014 - Market Sale	(2218)	(0.04)	110898	2.19
	At the End of the year			110898	2.19
5	PIL Industries Ltd.	1409884	27.84	1409884	27.84
	At the End of the year			1409884	27.84
6	Quality Synthetic Industries Ltd.	69400	1.37	69400	1.37
	At the End of the year			69400	1.37
7	Srinarayan Rajkumar Merchants Pvt. Ltd.	59000	1.16	59000	1.16
	At the End of the year			59000	1.16
8	Tritoma Hotels Pvt. Ltd.	325000	6.42	325000	6.42
	At the End of the year			325000	6.42
9	Loyal Apparels Pvt. Ltd.	0	0.00	0	0.00
	Add: November 11, 2014	135500	2.68	135500	2.68
	At the End of the year			135500	2.68
10	Sangeetha S.	59015	1.17	59015	1.17
	(Less) : December 12, 2014 - Market Sale	(1525)	(0.03)	57490	1.14
	Add: February 06, 2015 - Market Purchase	492	0.01	57982	1.14
	Add: February 13, 2015 - Market Purchase	441	0.01	58423	1.15
	At the End of the year			58423	1.15

**Notes:**

- 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
- \*The percentage of top 10 shareholders under cumulative % is as on date on the basis of total shares of the company

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year- 1st April, 2014		Change in Shareholding ( No. of Shares )		Shareholding at the end of the year 31st March, 2015		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	Pradip Kumar Goenka	7,21,200	14.24	-	-	7,21,200	14.24	7,21,200	14.24
2	Lalit Goenka	1,586	0.03	-	(21)	1,607	0.03	7,22,807	14.27

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

**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
<b>Indebtedness at the beginning of the financial year 01.04.2014</b>	663.93	457.89	63.00	<b>1,184.82</b>
1) Principal Amount	0.00	0.00	0.00	0.00
2) Interest due but not paid	0.00	0.00	0.00	0.00
3) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total of (1+2+3)</b>	<b>663.93</b>	<b>457.89</b>	<b>63.00</b>	<b>1,184.82</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	81.23	0.00	0.00	81.23
- Reduction	0.00	(19.23)	0.00	(19.23)
Net change	<b>81.23</b>	<b>(19.23)</b>	<b>0.00</b>	<b>62.00</b>
<b>In debtedness at the end of the financial year - 31.3.2015</b>				
1) Principal Amount	745.16	438.66	63.00	<b>1,246.82</b>
2) Interest due but not paid	0.00	0.00	0.00	<b>0</b>
3) Interest accrued but not due	0.00	0.00	0.00	<b>0</b>
<b>Total of (1+2+3)</b>	<b>745.16</b>	<b>438.66</b>	<b>63.00</b>	<b>1,246.82</b>



## 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 (₹)
		Pradip Kumar Goenka	
1	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	33,02,240*	<b>33,02,240</b>
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NIL	<b>NIL</b>
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	<b>NIL</b>
2	Stock option	NIL	<b>NIL</b>
3	Sweat Equity	NIL	<b>NIL</b>
4	Commission as % of profit	NIL	<b>NIL</b>
5	Others	NIL	<b>NIL</b>
	<b>Total (A)</b>	33,02,240	<b>33,02,240</b>
	<b>Ceiling as per the Act</b>	<b>5% of the Net Profits</b>	

\* Payment is in accordance with schedule V of the Companies Act, 2013

### B. Remuneration of other directors:

Sl.No	Particulars of Remuneration	Name of the Directors			Total Amount (₹)
1	Independent Directors	Mr. Ashwani Bhatia	Mr. Sanjeev Maheshwari	Mr. Rahul Mehta	
	(a) Fee for attending board and committee meetings	1,26,000	94,000	1,26,000	<b>3,46,000</b>
	(b) Commission	NIL	NIL	NIL	<b>NIL</b>
	(c) Others	NIL	NIL	NIL	<b>NIL</b>
	<b>Total (1)</b>	<b>1,26,000</b>	<b>94,000</b>	<b>1,26,000</b>	<b>3,46,000</b>
2	Other Non Executive Directors	Mr. Anil Biyani	Mr. Lalit Goenka	Ms. Bindu Shah	
	(a) Fee for attending board committee meetings	58,000	10,000	10,000	<b>78,000</b>
	(b) Commission	NIL	NIL	NIL	<b>NIL</b>
	(c) Others, please specify.	NIL	NIL	NIL	<b>NIL</b>
	<b>Total (2)</b>	<b>58,000</b>	<b>10,000</b>	<b>10,000</b>	<b>78,000</b>
	<b>Total (B)=(1+2)</b>	<b>1,84,000</b>	<b>1,04,000</b>	<b>1,36,000</b>	<b>4,24,000</b>
	<b>Total Managerial Remuneration(A+B)</b>				<b>37,44,000</b>
	<b>Overall Ceiling as per the Act.</b>	<b>1% of the Net Profits.</b> No remuneration paid other than sitting fees			

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

Sr. No	Particulars of Remuneration	Name of KMP (CFO)	Total Amount (₹)
		Mr. Jagdish Prasad Dave	
	Gross Salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	8,79,500	8,79,500
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission -As % of Profit -Others, specify	NIL	NIL
5	Others, please specify Provident Fund & other Funds	NIL	NIL
	Total (C)	8,79,500	8,79,500

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act 2013 against the Company or its Directors or other officers in default, if any, during the year.

By Order of the Board  
For Kamadgiri Fashion Limited

Place: Mumbai  
Date: 11th August 2015

Pradip Kumar Goenka  
Chairman & Managing Director

**ANNEXURE C****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

**1.Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2015, which were not at arm's length basis.

**2.Details of material contracts or arrangement or transactions at arm's length basis:**

Name of the Related Party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms	Date(s) of Approval by the Board, if any	(Amount) (₹)
Jagruiti Synthetics Ltd.	Director Hold more than 2% Shareholding	Purchase	1-Apr-14 to 15-Aug-14	As per Purchase orders placed from time to time	Refer Note below	5 crore
		Sales	16-Aug-14 to 31-May-14	As per Sales orders placed from time to time		5 lakh
		Job doubling work	16-Nov-14 to 15-Feb-15	As per Agreement		6 crore
		Lease of certain machineries	11 Months from 01-Dec-2014	As per Agreement		2.84 lakh
		Purchase	1-Apr-15 to 31-Mar-16	As per Purchase orders placed from time to time		12.45 lakh
		Purchase	1-Jul-15 to 30-Sep-15	As per Purchase orders placed from time to time		12.45 lakh

Note: Approval of the Audit Committee / Board of Directors has been obtained from time to time

By Order of the Board  
For Kamadgiri Fashion Limited

Place: Mumbai  
Date: 11th August 2015

Pradip Kumar Goenka  
Chairman & Managing Director

## ANNEXURE D

**ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:****Form A**

Disclosure of particulars with respect to Conservation of Energy:

**1. Conservation of Energy**

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

**A. Power & Fuel Consumption**

	2014-15	2013-14
1. Electricity		
(a) Purchases		
Units (KWH)	6636263	5818093
Total Amount (₹)	44519503	39503486
Rate per unit (Average rate in ₹)	6.71	6.79
(b) Own Generation Through		
D. Generator		
Quantity (Litres)	50294	63392
Unit Generated	183374	207860
Total Cost (₹)	3188963	2970327
Rate per unit (Average rate in ₹)	17.39	14.29

**B. Consumption per unit of production**

(1) Electricity (KWH)		
Fabrics 100 mtr.	71.90	65.87
Readymade Garments 100 Pcs.	50.62	70.74

**2. Technology Absorption:**

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

**Form B****Disclosure of particulars with respect to Technology Absorption:**

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

**B. Technology absorption, adaptation and innovation:**

- (i) Efforts, in brief made towards technology absorption, adaptation and innovation
- (ii) Benefit derived as a result of efforts e.g. product development, import substitution.
- (iii) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year.

Efforts have been made for up gradation of technology Wherever feasible.

As a result of above effort, the quality of the product may improve.

The Company has not imported any technology at any time during the last five years except modern technology based machines.

**3. Foreign Exchange Earnings & Outgo:**

Total Foreign Exchange Used & Earned:

	Current year 2014 - 15	Previous year 2013 - 14
Used (in ₹ Lakh)	1.54	-
Earned (in ₹ Lakh)	45.69	-

By Order of the Board  
For Kamadgiri Fashion Limited

Place: Mumbai  
Date: 11th August 2015

Pradip Kumar Goenka  
Chairman & Managing Director

**ANNEXURE E****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 and Chief Financial Officer during the financial year 2014-15, ratio of the remuneration of Managing Director to the Median Remuneration of the Employees (MRE) of the Company for the financial year 2014-15 and the comparison of remuneration of Key Managerial Personnel (KMP) against the performance of the Company are as under:

Designation Name of Director/KMP and	Remuneration of Managing Director/KMP for financial year 2014 - 15 (₹ in Lakh)	% increase in Remuneration in the Financial Year 2014 - 15	Ratio of Remuneration of Managing Director/KMP to MRE for Financial Year 2014 - 15
Mr. Pradip Kumar Goenka - Managing Director	33.20	10.67	31.51
Mr. Jagdish Prasad Dave - Chief Financial Officer	4.30*	-	4.08

\* w.e.f. 12th November, 2014

- II. The Median Remuneration of Employees (MRE) of the Company during the financial year was ₹ 1.05 lakh previous year it was ₹ 0.96 lakh
- III. The increase in MRE in the financial year 2014-15, as compare to the financial year 2013-14 is 0.10%.
- IV. There were 1088 permanent employees on the rolls of Company as on 31st March, 2015.
- V. Relationship between average increase in remuneration and company performance: - The total turnover of the Company has been increased by 2.60 % and the Profit before Tax has been decreased by 18.70 % for the financial year ended 31st March, 2015 as compare to the previous financial year, whereas the increase in median remuneration was 0.10% The average increase in median remuneration was in line with the performance of the Company.

## VI. Comparison of Remuneration of the Key Managerial Personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP)	₹ 37.50 lakh
Revenue	₹ 25,966.75 lakh
Remuneration of KMP (as % of revenue)	0.001%
Profit before tax (PBT)	₹ 356.26 lakh
Remuneration of KMP (as % of PBT)	0.11%

VII. a) Variations in the market capitalisation of the Company: The market capitalisation as on 31st March 2015 was ₹ 2253.87 lakh (₹ 628.04 lakh as on 31st March, 2014)

b) Price Earnings ratio of Equity Shares of the Company was 10.37 as on 31st March, 2015 and was 2.15 as on 31st March, 2014

VIII. Average percentage increase made in the salaries of employees other than the managerial personnel in last financial year i.e. 2013-14 was 8.27% whereas there was increase by 10.67% 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 0.33 and

XI. The Company affirms that the remuneration is as per the Remuneration Policy of the Company. For and on behalf of the Board of Directors,

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 F

**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, 2015.**

**(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	34 years	29/09/2009	NA	55	Stripes Apparels Ltd.
<b>(B) Employed for the part of the year and were in receipt of remuneration aggregating to not less than ₹ 5,00,000 per month</b>									
1	N.A								

## Notes:

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

## CERTIFICATION

To  
The Board of Directors,  
Kamadgiri Fashion Limited  
Mumbai

We hereby certify that for financial year, ending 31st March 2015 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee;
  - (i) significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Pradip Kumar Goenka  
Chairman & Managing Director

Jagdish Prasad Dave  
Chief Financial Officer

Place: Mumbai  
Date: 29th May 2015

## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, Pradip Kumar Goenka, Chairman & Managing Director 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

Pradip Kumar Goenka  
Chairman & Managing Director

Place: Mumbai  
Date: 29th May 2015



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The textile sector plays a key role in the Indian economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings. The global focus is shifting to India due to cost and stability factors in Textile industry. The Government's positive steps are expected to help this shift and if foreign investments in textiles materialises, the consumption of the textile products in the domestic market should increase in the years to come.

India has the second largest manufacturing capacity globally. Abundant raw material, skilled manpower and lower cost of production are some of the key features that contribute to the success of Indian textile industry.

Increasing power, labour and other operational costs are pushing up cost of production. However, the Company has been taking necessary steps to improve its performance keeping in mind economic and other developments which affect the textile industry.

### OPPORTUNITIES AND THREATS:

There is scope for growth in the textile industry. The free trade environment is a good opportunity for Indian textile industry to increase its share in the global market.

The growing organised retail market, rising income levels, increasing awareness of fashion, changing consumption trends are auguring well for the industry as well as the Company. The Company is concentrating on the domestic market and catering mostly products in the 'value for money' segment. The Company's tie ups with various brands and organised retailers are helping the Company in continuity of orders in apparel manufacturing as well as finished fabric marketing. The Company's own brands in fabrics viz., 'True Value', 'Lombard' and 'True Linen' have good recall value.

Increase in the power costs, labour cost and volatile input costs are all hindering progress of the industry. Volatile input costs and high interest rates are affecting the profitability of the Company. Through efficient production management system and better product mix, the Company has been minimising the effect of the same.

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 and accordingly, had to work at bare minimum margins.

### PRODUCT AND PERFORMANCE:

Textile weaving unit has shown a good performance and 'True Linen' linen fabric brand of the Company has been received well by the customers. The business of readymade garmenting unit of the Company is showing improvement. The Company continues its marketing efforts to improve the performance the 'Lombard' brand

### OUTLOOK:

The Company expects to do reasonably well in weaving and fabric business. The Company is also hopeful that the readymade garmenting business would improve its performance as the business environment improves.

### RISKS AND CONCERNS:

The increase in cost of production, interest cost and constrained margin continues to remain the major area of concern. The said risk has been countered by better production management and tie up with various brands and organised retailers. The risk from competition has also been mitigated by having strategic partnership with the leading organised retailers.

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

Your Company is following a proper and adequate system of internal control in respect of all its activities including safeguarding and protecting its assets against loss or unauthorized use or disposition. Further all transactions entered into by the Company are duly authorised, recorded correctly. The senior personnel appointed and having delegated authority from the Board closely watches and monitors all expenses incurred on various heads. The attempt is made on continual basis to reduce costs. 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 67.00 lakh meters and 33.56 lakh meters respectively as against 74.55 lakh meters and 24.68 lakh meters in the previous financial year.

### Sales

The Company's Sales and Other Operating Income has increased to ₹ 25,966.75 lakh for the financial year ended 31st March 2015 as against ₹ 25,310.42 lakh in the previous year.

### Profit Before Tax

Profit Before Tax of the Company for the financial year ended 31st March, 2015 stood at ₹ 356.26 lakh as against ₹ 438.19 lakh in the previous financial year.

### Interest

Interest & other borrowing cost outflow is ₹ 940.36 lakh for the financial year ended 31st March, 2015 as against ₹ 867.47 lakh in the previous financial year.

### Net Profit

Net Profit of the Company for the financial year ended 31st March, 2015 stood at ₹ 217.23 lakh as against ₹ 292.58 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, 2015 which remained same as ₹ 1.50(15%) in the previous year.

### Capital Employed

The capital employed in the business is ₹ 8849.05 as at 31st March 2015. Return on Capital employed during 2014-15 is 14.65% as compared to 16.13% during 2013-14.

### Surplus Management

The Company generate a cash profit of ₹ 566.19 lakh for the financial year ended 31st March, 2015 as compared to ₹ 636.25 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 partly been funded by the cash generated from the business as well as from additional funds borrowed.

### Debt- Equity

Debt Equity ratio of the Company has increased from 1.96 in the previous year to 2.02 as at 31st March, 2015.

### Earnings Per Share (EPS)

The Company's Basic Earnings Per Share (EPS) has decreased from ₹ 5.78 in the previous year to ₹ 4.29 for the financial year ended as on 31st March 2015.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCE/INDUSTRIAL RELATIONS FRONTS:

As on 31st March 2015 the Company has permanent employee strength of 1088. 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.

## CORPORATE GOVERNANCE REPORT

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

### 1. Company's philosophy on code of Governance:

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

### 2. Board of Directors:

The Board composition is in conformity with the provisions of the Companies Act, 2013 and clause 49 of the listing agreement. The strength of the Board as on 31st March 2015 is 7 Directors comprising of 2 Promoter Directors, 1 Non-Executive Director and 4 Independent Non-Executive Directors.

#### Board Meeting

During the financial year 2014 - 2015, 5 (Five) Board Meetings were held i.e. on 28th May 2014, 12th August 2014, 12th November 2014, 13th February 2015 and 21st March, 2015 and the time gap between the two meetings did not exceed maximum period mentioned under the section 173 of the Companies Act, 2013 and clause 49 of the listing agreement. 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
Mr. Pradip Kumar Goenka	Promoter & Executive	1	-	5	Present
Mr. Lalit Goenka	Promoter & Non - Executive	-	-	2	Present
Mr. Anil Biyani	Non-Independent & Non-Executive	7	-	5	Present
Mr. Ashwani Bhatia	Independent & Non- Executive	-	-	5	Present
Mr. Rahul Mehta	Independent & Non- Executive	2	-	5	Absent
Mr. Sanjeev Maheshwari	Independent & Non- Executive	2	-	3	Absent
Ms. Bindu Shah*	Independent & Non-Executive	-	-	1	NA

#Alternate directorships and directorships in private companies, foreign companies and section 8 companies are excluded.

^In accordance with Clause 49 of Listing Agreement, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

\*Appointed as Additional Director w.e.f. 21st March 2015.

There are no nominees or Institutional Directors in the Company. None of Directors have pecuniary or business relationship with the Company except to the extent as disclosed in note no. 26 of Notes on Financial Statements. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director. There is no inter se relationship between directors.

### 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.

### 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 clause 49 of the listing agreement. 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 Agreement with the Stock Exchanges. 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 times during the year under report on 28th May 2014, 12th August 2014, 12th November 2014, 13th February 2015 and 21st March 2015. The time gap between the two meetings was not more than 4 months.

#### Composition of Audit Committee and details of the meeting attended:

Sr. No.	Name of the Directors	Category	Designation in the Committee	No. of Meeting attended
1.	Mr. Sanjeev Maheshwari	Independent & Non- Executive	Chairman	3
2.	Mr. Ashwani Bhatia	Independent & Non- Executive	Member	5
3.	Mr. Rahul Mehta	Independent & Non- Executive	Member	5

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 Shareholders/Investors Grievance Committee was renamed as Stakeholders Relationship Committee pursuant to section 178 of the Companies Act, 2013. The 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 2014-2015, the Committee met 4 times i.e., on 28th May 2014, 12th August 2014, 12th November 2014 and 13th February 2015.

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

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

During the year 2014-2015 the Company had received no complaint from SEBI (Securities and Exchange Board of India) and shareholders/investors. There was no complaint pending as on 31st March 2015. Also, no request for transfer and dematerialization 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 3 factors, pay for responsibility, pay for performance and potential and pay for growth.

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

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

During the year 2014-2015, the Committee met 4 times i.e., on 28th May 2014, 12th November 2014, 13th February 2015 and 21st March 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 Meeting attended
1.	Mr. Rahul Mehta	Independent & Non - Executive	Chairman	4
2.	Mr. Ashwani Bhatia	Independent & Non - Executive	Member	4
3.	Mr. Sanjeev Maheshwari	Independent & Non - Executive	Member	2

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

#### 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.

#### 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 Company has one Executive Director who is Mr. Pradip Kumar Goenka, Chairman & Managing Director. The details of remuneration paid to him during the year ended 31st March 2015 are given as under:

	Particulars	Unit	Upto 12/02/2015	From 13/02/2015
a)	Salary p.a.	₹	30,00,000/-	54,00,000/-
b)	Fixed Component - Contribution to provident Fund.	₹	1,44,000/-	2,59,200/-
c)	Bonus, Benefits & Other Allowances	₹	Nil	Nil
d)	Service contract	Years	3	3
e)	Notice Period	Months	3	3
f)	Severance Fees	₹	Nil	Nil

The Company has also paid sitting fees of ₹ 1,26,000 /- to Mr. Ashwani Bhatia, ₹ 1,26,000 /- to Mr. Rahul Mehta, ₹ 94,000 /- to Mr. Sanjeev Maheshwari, ₹ 58,000 /- to Mr. Anil Biyani, ₹ 10,000 /- to Mr. Lalit Goenka and ₹ 10,000 /- Ms. Bindu Shah, 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 3 meetings were held during the financial year.

## 7. Risk Management Committee

The Committee functions in accordance with the terms of reference as specified under the Listing Agreement and as may be specified by the Board from time to time, which inter-alia includes implementing and monitoring of risk management plan and policy of the Company. The Committee's constitution which comprise of Mr. Sanjeev Maheshwari, Mr. Pradip Kumar Goenka and Mr. Anil Biyani meets with the requirements of clause 49 of the Listing Agreement. During the year under review there was no meeting held.

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company.

The Committee reviews the risk assessment and minimization procedures and ensures that executive management controls risk through means of a properly defined framework.

## 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	Special Resolution(s)
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
2011 - 12	18.09.2012	10:30 am	Hotel The Mirador 131 - B, New Link Road Opp. Solitaire Corporate Park Chakala, Andheri (East) Mumbai - 400 099	One

## 9. Disclosures:

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. 26 of Notes to Financial Statements.

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

The Company has a Whistle Blower Mechanism in 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.

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.

## 10. Means of Communication:

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

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

## 11. General Shareholders Information:

### a) Annual General Meeting

**Day, Date and Time:** Friday the 25th September 2015 at 10:00 AM

**Venue:** Hotel Mirage, International Airport Approach Road, Marol, Andheri (East) Mumbai - 400059

### b) Financial Calendar for 2015-16

**Results for the quarter ending 30th June 2015**

On or before 14th August 2015

**Results for quarter ending 30th September 2015**

On or before 14th November 2015

**Results for quarter ending 31st December 2015**

On or before 14th February 2016

**Results for year ending 31st March 2016**

On or before 30th May 2016

**Annual General Meeting:**

September 2016

### c) Financial Year

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

### d) Date of Book Closure

Book Closure dates are from Thursday the 17th day of September 2015 to Friday the 25th September 2015 (both days inclusive).

### e) Dividend payment Date

Dividend will be paid on or before 25th October 2015

### f) Listing on Stock Exchanges

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

### g) Listing Fees

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

### h) Stock Code & ISIN

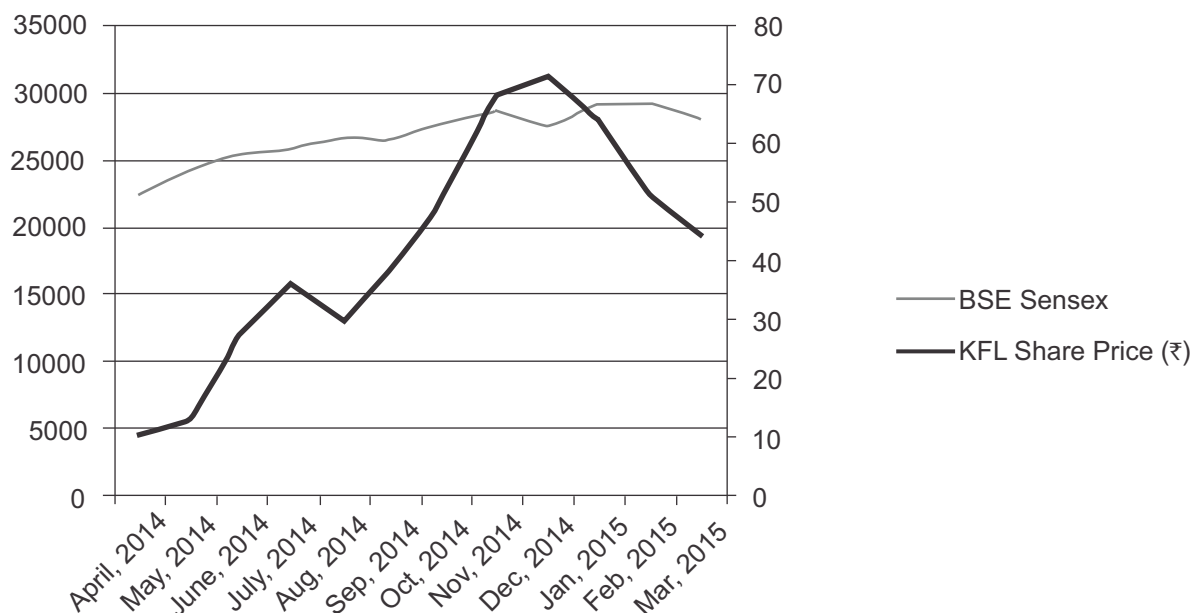
Stock Code at BSE Limited is 514322. ISIN is INE535C01013.

### 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 2014 to 31st March 2015 was as follows:

Month	(Amount in ₹)		Volume
	High	Low	
April, 2014	13.01	10.60	2080
May, 2014	12.74	10.00	2879
June, 2014	27.97	13.37	18586
July, 2014	36.45	28.50	34011
August, 2014	37.50	29.90	14337
September, 2014	42.00	29.35	23645
October, 2014	56.00	38.50	29174
November, 2014	79.95	49.70	204307
December, 2014	112.80	63.00	337530
January, 2015	81.90	59.00	13387
February, 2015	78.45	47.20	28477
March, 2015	52.80	37.70	14101

## (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 through 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 dematerialization requests.

(l) **Distribution of shareholding as on 31st March 2015**

No. of Shares	No. of Share holders	% of Shareholders	Shareholding (₹)	% of Shareholding
Upto 500	1164	85.40	168980	3.34
501 - 1000	82	6.02	66593	1.31
1001 - 2000	46	3.37	67175	1.33
2001 - 3000	21	1.54	52913	1.04
3001 - 4000	11	0.81	38885	0.77
4001 - 5000	7	0.51	31643	0.62
5001 - 10000	8	0.59	59303	1.17
10001 and above	24	1.76	4579374	90.41
	<b>1363</b>	<b>100.00</b>	<b>5064866</b>	<b>100.00</b>

**Categories of Shareholders as on 31st March 2015 is as under**

Category	Number of shares	%
Promoters	1814480	35.82
Banks/MFs/FIs	900	0.02
Private Bodies Corporate	2475208	48.87
Indian Public	768282	15.17
NRIs/OCBs	5781	0.11
Clearing Members	215	0.01
<b>Total</b>	<b>5064866</b>	<b>100.00</b>

**(m) Dematerialisation of shares**

About 98.43% of the shares have been dematerialised as on 31st March 2015. The equity shares of Kamadgiri Fashion Limited are traded in the BSE Limited.

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

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

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

**(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).

**12. CEO/CFO Certification**

As per requirement of Clause 49 of Listing Agreement with Stock Exchange, the Managing Director and CEO of the Company have certified to the Board regarding Financial Statements for the year ended 31st March, 2015.

**13. Compliance with Non-Mandatory Requirements:**

The extent of compliance in respect of non-mandatory requirements is as follows:

- 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.
- 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/observations on the Financial Statements for the year 2014-15.
- (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 has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and attached to this report.

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Kamadgiri Fashion Limited.

We have examined the compliance with the conditions of Corporate Governance by Kamadgiri Fashion Limited ("the Company") for the year ended 31st March 2015 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges.

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

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

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

Atul Gala  
Partner  
Membership No.048650

Place: Mumbai,  
Date: 11th August, 2015

## INDEPENDENT AUDITOR'S 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 31st March, 2015, 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.

#### Auditor's 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, 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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the other matters to be included in the Auditor's 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 29 on Contingent Liabilities in 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, 29th May, 2015

## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kamadgiri Fashion Limited on the financial statements for the year ended 31st March, 2015]

- (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.
- (ii) (a) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. 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 or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) 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. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs 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, wealth tax, service tax, value added tax, customs 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, wealth tax, service tax, value added tax, customs duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where pending
Income Tax Act, 1961	Income Tax	97.78	2010 - 11, 2011 -12, 2012 - 13*	CIT (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	31.04	2001 - 02, 2002 - 03	Commissioner (Appeals)

\*Assessment Year

- (c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

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

Atul Gala  
Partner  
Membership No. 048650

Mumbai, 29th May, 2015

## BALANCE SHEET AS AT 31ST MARCH 2015

(₹ in Lacs)

Particulars	Note	As At 31st March 2015	As At 31st March 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
a) Share capital	1	506.49	506.49
b) Reserves & Surplus	2	2,101.87	2,016.12
		<b>2,608.36</b>	<b>2,522.61</b>
<b>Non-Current Liabilities</b>			
a) Long-term borrowings	3	1,024.69	999.69
b) Other Long Term Liabilities	4	336.83	379.69
c) Deferred tax liabilities (Net)	5	341.83	329.63
d) Long-term provisions	6	114.10	100.45
		<b>1,817.45</b>	<b>1,809.46</b>
<b>Current Liabilities</b>			
a) Short-term borrowings	7	4,313.97	4,477.93
b) Trade payables	8	3,939.24	5,759.27
c) Other current liabilities	9	1,390.76	1,126.07
d) Short-term provisions	10	109.27	103.87
		<b>9,753.24</b>	<b>11,467.14</b>
<b>TOTAL</b>		<b>14,179.05</b>	<b>15,799.21</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
a) Fixed assets			
(i) Tangible assets	11	2,673.19	2,854.74
(ii) Intangible assets	11	23.76	21.84
(iii) Capital work-in-progress	11	0.13	-
b) Long-term loans and advances	12	230.36	224.36
		<b>2,927.44</b>	<b>3,100.94</b>
<b>Current assets</b>			
a) Inventories	13	5,434.83	5,569.13
b) Trade receivables	14	5,197.90	6,509.16
c) Cash and bank balances	15	313.53	374.03
d) Short-term loans and advances	12	305.35	245.95
		<b>11,251.61</b>	<b>12,698.27</b>
<b>TOTAL</b>		<b>14,179.05</b>	<b>15,799.21</b>
The notes form an integral part of these financial statements		1 to 31	

As per our Report of even date.

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

**Atul Gala**  
Partner  
Membership No. 048650

Mumbai, 29th May 2015

KAMADGIRI FASHION LIMITED

For and on behalf of the Board

**Pradip Kumar Goenka**  
Chairman & Managing Director

**Jagdish Prasad Dave**  
Chief Financial Officer

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

(₹ in Lacs)

Particulars	Note	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
<b>I Income</b>			
Revenue from operations (Gross)	16	<b>25,966.75</b>	25,310.42
Less : Excise Duty		-	-
		<b>25,966.75</b>	25,310.42
<b>II Other income</b>	17	<b>2.20</b>	9.37
<b>III Total Revenue (I+II)</b>		<b>25,968.95</b>	25,319.79
<b>IV Expenses:</b>			
(a) Cost of materials consumed	18	<b>10,060.65</b>	10,152.09
(b) Purchases of Stock-in-Trade		<b>4,636.68</b>	5,357.38
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	<b>207.41</b>	(1,576.43)
(d) Employee benefits expense	20	<b>2,461.65</b>	2,268.98
(e) Finance costs	21	<b>940.36</b>	867.47
(f) Depreciation and amortization expense	10	<b>348.96</b>	343.67
(g) Other expenses	22	<b>6,956.98</b>	7,468.44
<b>Total expenses</b>		<b>25,612.69</b>	24,881.60
<b>V Profit before Tax (III-IV)</b>		<b>356.26</b>	438.19
<b>VI Tax Expenses:</b>			
a) Current tax		<b>74.30</b>	119.00
Less: Mat Credit Entitlement		<b>(1.78)</b>	-
b) Deferred tax		<b>31.44</b>	26.61
c) Tax in respect of earlier years		<b>35.07</b>	-
		<b>139.03</b>	145.61
<b>VII Profit for the year (V-VI)</b>		<b>217.23</b>	292.58
<b>VIII Earnings per equity share of face value of ₹10 each</b>			
Basic and Diluted (in ₹)	23	<b>4.29</b>	5.78
The notes form an integral part of these financial statements	1 to 31		

As per our Report of even date:

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

**Atul Gala**  
Partner  
Membership No. 048650

Mumbai, 29th May 2015

For and on behalf of the Board

**Pradip Kumar Goenka**  
Chairman & Managing Director

**Jagdish Prasad Dave**  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
<b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	356.27	438.19
Adjustments:		
Depreciation and amortisation expense	348.96	343.67
(Profit) on sale of fixed assets	(282.84)	(131.78)
(Profit) on sale of Investments	-	(0.35)
Interest income	(1.21)	(8.85)
Finance Cost	940.36	867.47
	<b>1,005.27</b>	<b>1,070.16</b>
Operating Profit before Working Capital changes	1,361.54	1,508.35
Inventories	134.31	(1,504.15)
Trade Receivable	1,311.26	(2,087.37)
Cash & Bank Balances	57.72	62.39
Loans & Advances	(125.69)	85.50
Current Liabilities	(1,633.14)	2,205.35
Provisions	16.50	5.64
	<b>(239.04)</b>	<b>(1,232.64)</b>
Cash generated from / (used in) operations	1,122.50	275.71
Direct Taxes Paid	(51.93)	(104.51)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>1,070.57</b>	<b>171.20</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Inflow:		
Proceeds From Sale of Fixed Assets	569.47	830.79
Proceeds from sale of Investments	-	50.79
Interest income	5.84	9.33
	<b>575.31</b>	<b>890.91</b>
Outflow:		
Acquisition of Fixed Assets	(517.78)	(694.46)
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>57.53</b>	<b>196.45</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Inflow:		
Proceeds from Long Term Borrowings	279.38	328.39
Proceeds from Short Term Borrowings (Net)	(163.96)	555.10
	<b>115.42</b>	<b>883.49</b>
Outflow:		
Repayment of Long Term Borrowings	(217.39)	(293.12)
Interest Paid	(940.36)	(867.47)
Dividend Paid (Including Dividend Distribution Tax)	(88.55)	(29.81)
	<b>(1,246.30)</b>	<b>(1,190.40)</b>
<b>NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES</b>	<b>(1,130.88)</b>	<b>(306.91)</b>
Net Increase In Cash And Cash Equivalents (A+B+C)	(2.78)	60.74
Opening Balance Of Cash And Cash Equivalents	257.19	196.45
Closing Balance Of Cash And Cash Equivalents	254.41	257.19
<u>Notes to Cash Flow Statements:</u>		
Cash & Cash Equivalents comprise of: (Refer Note.16)		
Cash on hand	8.13	5.82
Bank Balances with Scheduled Banks:		
In Current Accounts	246.28	251.37
<b>TOTAL</b>	<b>254.41</b>	<b>257.19</b>

As per our attached report of even date:

For and on behalf of the Board

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

**Pradip Kumar Goenka**  
Chairman & Managing Director

**Atul Gala**  
Partner  
Membership No. 048650  
Mumbai, 29th May 2015

**Jagdish Prasad Dave**  
Chief Financial Officer



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. Company overview:-

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

### B. Significant accounting policies

#### 1. Basis of Accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 read shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Sanction 211(3C) of Companies Act, 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current-non-current classification of assets and liabilities.

#### 2. Use of Estimates

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

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

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

Fixed assets are stated at cost less accumulated depreciation. Cost comprises of purchase price and any attributable cost required for bringing the assets to its working conditions for its intended use.

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

#### 4. Depreciation

Depreciation on fixed assets is provided on "Straight line method" at the rates specified in Scheduled II to the Companies Act, 2013. Computer software is grouped under "Intangible Assets" and is amortized over its useful life using straight line method in accordance with the rates prescribed against computers in Schedule II of the Companies Act, 2013. Further,

- Cost of leasehold land is amortized over the period of lease.
- 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, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956

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

Where the company is lessor:

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

## 13. Transaction in Foreign Currencies

### a) Initial Recognition:

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

### b) Conversion:

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

### c) Exchange Difference:

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

**d) Forward Exchange Contracts:**

In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.

Exchange differences on such contracts are recognised in the statement of Profit and Loss in the period in which they occur.

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

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

**14. Cash and Cash Equivalents**

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

**15. Earnings per Share (EPS)**

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

For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity 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 TO THE FINANCIAL STATEMENTS

## 1 SHARE CAPITAL:

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b>Authorised Share Capital</b> 2,00,00,000 (Previous Year : 2,00,00,000) Equity Shares of ₹ 10/- each	<b>2,000.00</b>	2,000.00
<b>Issued , Subscribed and Paid up</b> 50,64,866 (Previous Year : 50,64,866) Equity Shares of ₹ 10/- each	<b>506.49</b>	506.49
<b>TOTAL</b>	<b>506.49</b>	506.49

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

Particulars	Number	31st March 2015	Number	31st March 2014
At the beginning of the period	<b>50.65</b>	<b>506.49</b>	50.65	506.49
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>50.65</b>	<b>506.49</b>	50.65	506.49

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

Particulars	31st March 2015		31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ananddeep Consultancy Services Pvt Ltd.	<b>436,800</b>	<b>8.63</b>	436,800	8.63
PIL Industries Ltd.	<b>1,409,884</b>	<b>27.84</b>	1,409,884	27.84
Tritoma Hotels Pvt. Ltd.	<b>325,000</b>	<b>6.42</b>	325,000	6.42
Pradip Kumar Goenka	<b>721,200</b>	<b>14.24</b>	721,200	14.24
Tilak Pradip Goenka	<b>424,102</b>	<b>8.37</b>	424,102	8.37

## c) Terms/rights attached to equity shares :

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

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

## 2 RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b>Capital Reserves</b>		
As per last Balance sheet	<b>37.00</b>	<b>37.00</b>
Current Year Transfer		
Written Back in Current Year		
As per last Balance Sheet	<b>37.00</b>	<b>37.00</b>
<b>Securities Premium Account</b>		
Opening Balance	<b>313.32</b>	<b>313.32</b>
Add: Securities premium credited on Share issue		
Add: Received Allotment Money in Arrear		
As per last Balance Sheet	<b>313.32</b>	<b>313.32</b>
<b>General Reserves</b>		
Opening Balance	<b>649.66</b>	<b>635.03</b>
Current Year Transfer	<b>10.85</b>	<b>14.63</b>
Closing Balance	<b>660.51</b>	<b>649.66</b>

Cont...

## 2 RESERVES AND SURPLUS

Particulars	31st March 2015	31st March 2014
<b>Surplus in the statement of profit and loss</b>		
Balance as per last Balance Sheet	<b>1,016.16</b>	<b>827.09</b>
Add : Profit for the year	<b>217.24</b>	<b>292.58</b>
Less : Additional Depreciation net off tax ₹ 19.24 lacs) pursuant to enactment of schedule II of the Company Act 2013	<b>40.06</b>	<b>-</b>
Amount available for appropriation	<b>1,193.34</b>	<b>1,119.67</b>
Less : Appropriation		
Proposed final equity dividend (amount per share ₹ 1.50/- (Previous Year : ₹ 1.50)	<b>75.97</b>	<b>75.97</b>
Tax on Proposed dividend	<b>15.47</b>	<b>12.91</b>
Transfer to General Reserve	<b>10.86</b>	<b>14.63</b>
Total appropriations	<b>102.30</b>	<b>103.51</b>
<b>Net surplus in the statement of profit and loss</b>	<b>1,091.04</b>	<b>1,016.16</b>
<b>TOTAL</b>	<b>2,101.87</b>	<b>2,016.12</b>

## 3 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	Non - Current Portion		Current Portion	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
<b>Secured</b>				
<b>(a) From Bank</b>				
Term Loans	<b>521.02</b>	476.06	<b>219.42</b>	183.20
Vehicle Loans	<b>2.01</b>	2.74	<b>2.71</b>	1.93
<b>Unsecured</b>				
<b>(a) From Body Corporates**</b>	<b>438.66</b>	457.89	-	-
<b>(b) Deposits</b>	<b>63.00</b>	63.00	-	-
	<b>1,024.69</b>	999.69	<b>222.13</b>	185.13
<b>The above amount includes</b>				
Other Deposits	-	-		
" Other current liabilities " (refer note 8)	-	-	<b>(222.13)</b>	(185.13)
<b>TOTAL</b>	<b>1,024.69</b>	<b>999.69</b>		

- i) Additional Term loan from bank amounting to ₹ 274.38 lacs sanctioned during the financial year 2014-2015. The same is repayable in 41 Monthly instalments of ₹ 6.67 Lacs each along with interest. The loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries.

Term Loan of ₹ 420 lacs are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 42 equal monthly instalments of ₹ 10 Lacs each along with interest.

Term Loan of ₹ 45 lacs are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 9 equal monthly instalments of ₹ 5 Lacs each along with interest.

Term Loan of ₹ 1.06 lacs are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 1 equal monthly instalments of ₹ 1.06 Lacs each along with interest.

The rate of interest on the above mentioned Term Loans ranges between 12.00 % p.a to 14.00 % p.a.

- ii) Vehicle loans taken from bank was carried interest @ 10.50%. The loan is repayable in 26 instalments of ₹ 45341 along with the interest, from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.
- iii) The Company has given premises on operating lease for a 99 year commencing from the 1st January 2007 which is non cancellable for 99 years. Interest free refundable deposit ₹ 63 lacs received by the Company, has been disclosed under unsecured loan as deposits.



**\*\* Loans from Related Party**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Enterprises having voting power of the Company	100.00	130.00
<b>TOTAL</b>	<b>100.00</b>	<b>130.00</b>

**4 OTHER LONG TERM LIABILITIES**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Deposits from Dealers, Agent, e.t.c	336.83	379.69
<b>TOTAL</b>	<b>336.83</b>	<b>379.69</b>

**5 DEFERRED TAX LIABILITY (Net)**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	397.14	376.41
<b>Deferred Tax Assets</b>		
Disallowance under Income Tax Act, 1961	55.31	46.78
<b>TOTAL</b>	<b>341.83</b>	<b>329.63</b>

**6 LONG TERM PROVISIONS**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b>Provision for employee benefits</b>		
Gratuity	90.89	83.25
Unavailed leave	23.21	17.20
<b>TOTAL</b>	<b>114.10</b>	<b>100.45</b>

**7 SHORT TERM BORROWINGS**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b><u>Secured</u></b>		
<b>Loans repayable on demand</b>		
Cash credit from bank*	4,073.24	4,053.26
	<b>4,073.24</b>	<b>4,053.26</b>
<b><u>Unsecured</u></b>		
<b>Loans repayable on demand</b>		
Bills discounting	240.73	424.67
	<b>240.73</b>	<b>424.67</b>
<b>TOTAL</b>	<b>4,313.97</b>	<b>4,477.93</b>

\*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 @ 11.25% p.a to 14.00% p.a and the same is repayable on demand

**8 TRADE PAYABLES**

(₹ in Lacs)

Particulars	31st March 2014	31st March 2013
Outstanding dues of Micro, Small and Medium Enterprises	-	-
Others	3939.24	5759.27
<b>TOTAL</b>	<b>3939.24</b>	<b>5759.27</b>

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 Lacs)

Particulars	31st March 2015	31st March 2014
Current Maturities of long term borrowings (refer note 3)	222.13	185.13
Creditors for capital goods		13.45
Unclaimed dividend	2.93	2.60
Other payables*	1,165.70	924.89
<b>TOTAL</b>	<b>1,390.76</b>	<b>1,126.07</b>

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

**10 SHORT TERM PROVISIONS**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b>Provision for employee benefits</b>		
Gratuity	10.10	9.26
Leave Encashment	7.73	5.73
<b>Others Provision</b>		
Proposed Dividend	75.97	75.97
DDT on Proposed Dividend	15.47	12.91
<b>TOTAL</b>	<b>109.27</b>	<b>103.87</b>

**11 FIXED ASSETS**

(₹ in Lacs)

Description	Gross Block				Depreciation and amortization				Net Block	
	As at 1st April 2014	Additions during the year	Deductions/ Adjustment during the year	As at 31st March 2015	As at 1st April 2014	For the Year	Deductions/ Adjustment during the year	As at 31st March 2015	As at 31st March 2015	As at 31st March 2014
<b>a Tangible Assets</b>										
Land	49.91	-	-	49.91	-	-	-	-	49.91	49.91
Land under lease	21.45	-	-	21.45	2.30	0.44	-	2.74	18.71	19.15
Buildings	399.08	58.72	-	457.80	87.39	10.70	-	98.09	359.71	311.68
Residential Flat	65.90	-	-	65.90	21.40	0.78	-	22.18	43.72	44.50
Plant and Equipment	3,184.92	361.61	448.84	3,097.69	1,050.54	264.86	172.87	1,142.53	1,955.16	2,134.38
Electrical Installation	119.47	25.06	17.75	126.78	64.39	10.95	9.13	66.21	60.57	55.08
Furniture and Fixtures	201.54	29.00	26.81	203.73	97.10	18.67	15.93	99.84	103.89	104.42
Vehicles	38.92	6.55	-	45.47	13.33	4.91	-	18.24	27.23	25.59
Office Equipment	72.17	11.99	35.14	49.02	22.85	14.65	19.09	18.41	30.61	49.40
Computers	203.28	8.52	120.49	91.31	142.59	8.72	83.69	67.62	23.69	60.64
<b>Sub Total ( A )</b>	<b>4,356.64</b>	<b>501.45</b>	<b>649.03</b>	<b>4,209.06</b>	<b>1,501.89</b>	<b>334.68</b>	<b>300.71</b>	<b>1,535.86</b>	<b>2,673.20</b>	<b>2,854.74</b>
<b>b Intangible Assets</b>										
Software	47.52	16.20	-	63.73	25.69	14.28	-	39.97	23.76	21.84
<b>Sub Total ( B )</b>	<b>47.52</b>	<b>16.20</b>	<b>-</b>	<b>63.73</b>	<b>25.69</b>	<b>14.28</b>	<b>-</b>	<b>39.97</b>	<b>23.76</b>	<b>21.84</b>
<b>Total ( A+B )</b>	<b>4,404.16</b>	<b>517.65</b>	<b>649.03</b>	<b>4,272.79</b>	<b>1,527.58</b>	<b>348.96</b>	<b>300.71</b>	<b>1,575.83</b>	<b>2,696.96</b>	<b>2,876.58</b>
<b>Previous Year</b>	<b>4,979.07</b>	<b>197.95</b>	<b>772.86</b>	<b>4,404.16</b>	<b>1,257.70</b>	<b>343.67</b>	<b>73.79</b>	<b>1,527.58</b>	<b>2,876.58</b>	
<b>c Capital Work In Progress</b>									<b>0.13</b>	

(a) In accordance with the provisions of Schedule II of the Act, In case of fixed assets which have completed their useful life as at 1st April, 2014, the carrying value (net of residual value) amounting to ₹ 40.05 lacs (net of deferred tax of ₹ 19.24 lacs) as a transitional provision has been recognised in the Retained Earnings.

**12 LOANS AND ADVANCES**

(₹ in Lacs)

Particulars	Long Term		Short Term	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
<b>Security Deposits</b>				
<b>Unsecured, considered good</b>				
Rental Deposit*	123.38	63.50	-	-
Electricity deposits	32.73	32.73	-	-
	156.11	96.23	-	-
<b>Other Loans and Advances</b>				
<b>Unsecured, considered good</b>				
Prepaid Expenses	-	-	38.59	30.35
Interest accrued but not due	-	-	4.81	9.43
Advance Income tax (net of provision for taxation)	74.25	128.13	-	-
MAT Credit Entitlement	32.18	30.40	-	-
Less Mat Credit Utilised	(32.18)	(30.40)	-	-
Other (unsecured, considered good)	-	-	261.95	206.17
	74.25	128.13	305.35	245.95
<b>TOTAL</b>	<b>230.36</b>	<b>224.36</b>	<b>305.35</b>	<b>245.95</b>

**\* Deposits with Related Party**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Director	-	10.00
Company in which director is a member	40.00	40.00
<b>TOTAL</b>	<b>40.00</b>	<b>50.00</b>

\*\* Includes advances to employees and advances to suppliers.

**13 INVENTORIES**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Raw Materials and components (Includes in transit ₹ 70.14 lacs (Previous Year ₹ 25.38 lacs))	1,135.26	1,111.32
Work-in-progress	772.87	970.42
Finished goods	3,312.74	3,322.60
Stores, Spares and Others	213.96	164.79
<b>TOTAL</b>	<b>5,434.83</b>	<b>5,569.13</b>

For mode of valuation, refer Accounting Policy

**13.1 Details of Raw Materials**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Yarn	739.46	660.07
Stitching Materials	126.50	119.81
Fabrics	269.30	331.44
<b>TOTAL</b>	<b>1,135.26</b>	<b>1,111.32</b>

**13.2 Details of Work in Progress**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Grey Fabrics	93.48	88.42
Fabrics	166.79	235.96
Garment	512.60	646.04
<b>TOTAL</b>	<b>772.87</b>	<b>970.42</b>

**13.3 Details of Finished Goods**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Fabrics	3,119.56	2,969.80
Readymade Garment	193.18	352.80
<b>TOTAL</b>	<b>3,312.74</b>	<b>3,322.60</b>

**14 TRADE RECEIVABLE ( Unsecured, Considered good) :**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	435.87	168.93
	435.87	168.93
Trade receivables outstanding for a period less than six months from the date they are due for payment.	4,762.03	6,340.23
	4,762.03	6,340.23
<b>TOTAL</b>	<b>5,197.90</b>	<b>6,509.16</b>

**15 CASH AND BANK BALANCES:**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Cash and Cash Equivalents		
Cash on Hand	8.13	5.82
Balance with banks	246.28	251.37
	254.41	257.19
Other Bank Balances		
On Unclaimed Dividend account	2.93	2.60
Balances with banks to the extent held as margin money (Refer Note No.29)	49.70	101.99
Fixed Deposit with original maturity for more than 12 months	6.49	12.25
<b>TOTAL</b>	<b>313.53</b>	<b>374.03</b>

**16 REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Sales of Products	24,828.80	23,591.35
Sales of services (Job charges Received)	749.06	1,477.36
Other operating revenues	388.89	241.72
	25,966.75	25,310.42
Less : Excise Duty	-	-
<b>TOTAL</b>	<b>25,966.75</b>	<b>25,310.42</b>

**16.1 PARTICULARS OF SALE OF PRODUCTS**

(₹ in Lacs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Finish Fabrics	14,593.80	11,150.71
Readymade garments	10,218.30	12,422.70
Others	16.70	17.93
<b>TOTAL</b>	<b>24,828.80</b>	<b>23,591.35</b>

**17 OTHER INCOME**

(₹ in Lacs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest Income on Bank FD	1.21	8.85
Others	-	-
Other non operating income	0.99	0.52
<b>TOTAL</b>	<b>2.20</b>	<b>9.37</b>

**18 COST OF MATERIALS CONSUMED**

(₹ in Lacs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Inventory at the beginning of the year	1,111.31	1,182.57
Add: purchases	10,084.60	10,080.84
	11,195.91	11,263.41
Less : Inventory at the end of the year	1,135.26	1,111.32
<b>TOTAL</b>	<b>10,060.65</b>	<b>10,152.09</b>

**18.1 PARTICULARS OF MATERIALS CONSUMED**

(₹ in Lacs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Yarn	2,073.47	436.50
Accessories	187.99	313.81
Finished Fabrics	7,799.19	9,401.78
<b>TOTAL</b>	<b>10,060.65</b>	<b>10,152.09</b>

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

(₹ in Lacs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>Inventories at the end of the year</b>		
Work-in-Progress	772.87	970.42
Finished goods	3,312.74	3,322.60
	<b>4,085.61</b>	<b>4,293.02</b>
<b>Inventories at the beginning of the year</b>		
Work-in-Progress	970.42	1,040.04
Finished goods	3,322.60	1,676.55
	<b>4,293.02</b>	<b>2,716.59</b>
<b>TOTAL</b>	<b>207.41</b>	<b>(1,576.43)</b>

**20 EMPLOYEE BENEFITS EXPENSE**

(₹ in Lacs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Salaries, wages and bonus	2,278.35	2,086.21
Contributions to Provident and Other funds	76.23	71.69
Gratuity	24.46	34.63
Leave Encashment	18.26	20.13
Staff welfare expenses	64.35	56.32
<b>TOTAL</b>	<b>2,461.65</b>	<b>2,268.98</b>

**20.1 Defined Contribution Plan**

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

(₹ in Lacs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Employer's Contribution to Provident Fund	76.23	71.69

**Defined Benefit Plan**

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

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

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

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
	Gratuity (unfunded)	Gratuity (unfunded)
Defined Benefit obligation at beginning of year	92.51	82.36
Current Service Cost	19.72	20.72
Interest Cost	7.40	6.59
Actuarial (gain) / loss	(2.65)	7.32
Benefit Paid	15.98	24.48
Defined Benefit obligation at year end	<b>100.99</b>	<b>92.51</b>

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

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Defined Benefit obligation at beginning of year	22.93	27.43
Current Service Cost	13.06	13.35
Interest Cost	1.83	2.19
Actuarial (gain) / loss	3.37	14.07
Benefit Paid	10.25	34.12
Defined Benefit obligation at year end	30.94	22.93

## ii) Reconciliation of Fair value of assets and obligation

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
	Gratuity (unfunded)	Gratuity (unfunded)
Fair value of Plant assets	-	-
Present Value of obligation	100.99	92.51
Amount recognized in Balance Sheet	100.99	92.51

## ii) Reconciliation of Fair value of assets and obligation

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Fair value of Plant assets	-	-
Present Value of obligation	30.94	22.93
Amount recognized in Balance Sheet	30.94	22.93

## iii) Expenses recognized in the statement of profit &amp; loss

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
	Gratuity (unfunded)	Gratuity (unfunded)
Current service cost	19.72	20.72
Interest Cost	7.40	6.59
Excepted return on plan assets	-	-
Actuarial (gain)/ loss	(2.65)	7.32
Net Cost	24.46	34.63

## iii) Expenses recognized in the statement of profit &amp; loss

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
	Leave Encashment (unfunded)	Leave Encashment (unfunded)
Current service cost	13.06	13.35
Interest Cost	1.83	2.19
Excepted return on plan assets	-	-
Actuarial (gain)/ loss	3.37	4.58
Net Cost	18.26	20.13



## iv) Actuarial assumption

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
	Gratuity	Gratuity
Mortality Table (LIC)		
Discount Rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%

## iv) Actuarial assumption

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
	Leave Encashment	Leave Encashment
Mortality Table (LIC)		
Discount Rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%

Experiences	2010 In Rs.	2011 In Rs.	2012 In Rs.	2013 In Rs.	2014 In Rs.
Defined Benefit Obligation	46.64	51.48	82.36	92.51	100.99
Plan Assets (includes bank balance)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Surplus / (Deficit)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Experience adjustments on Plan Liabilities [Gain / (Loss)]	(0.13)	Not Applicable	2.58	(7.32)	2.65
Experience on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

\* The details of the same is not received from actuary.

## 21 FINANCE COST

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Interest Expenses*	877.18	812.91
Other borrowing cost	63.18	54.56
<b>TOTAL</b>	<b>940.36</b>	<b>867.47</b>

(Net of Subsidy of ₹ 26.27 lacs (Previous year ₹ Nil)

**22 OTHER EXPENSES**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b>Manufacturing Expenses</b>		
Consumption of stores, spare parts and others. (Refer note 22.1)	268.90	383.37
Consumption of Packing Materials	463.29	452.14
Power and fuel.	505.25	514.48
Machine Hire Charges	14.56	14.56
Job Work	2,731.10	2,766.95
Labour Charges	125.65	164.67
Repairs to buildings.	30.21	36.11
Repairs to machinery.	21.19	29.51
Repairs to others.	98.03	100.27
<b>TOTAL</b>	<b>4,258.18</b>	<b>4,462.06</b>
<b>Selling and Distribution Expenses</b>		
Travelling and conveyance	145.41	166.15
Brokerage and commission	366.45	319.56
Advertisement and marketing expenses	259.88	373.91
Incentives and discount	1,078.51	1,202.59
Freight outward charges	250.14	368.62
<b>TOTAL</b>	<b>2,100.39</b>	<b>2,430.83</b>
<b>Establishment Expenses</b>		
Printing and Stationery	38.05	30.51
Communication Cost	25.92	23.84
Legal and professional fees	192.20	174.21
Postage, telegram and courier charges	31.20	30.45
Exchange differences (net)	(2.14)	0.42
Sundry balance written off	5.23	28.03
Rent.	194.59	165.74
Insurance .	20.94	12.10
Rates and taxes, excluding, taxes on income.	14.17	28.25
Payment to the auditor (Refer note 22.3)	16.90	14.96
Miscellaneous expenses,	61.35	67.05
<b>TOTAL</b>	<b>598.41</b>	<b>575.55</b>
<b>TOTAL</b>	<b>6,956.98</b>	<b>7,468.44</b>

**22.1 VALUE OF STORES & SPARES CONSUMED**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Imported	21.94	36.89
% of Consumption	9.62%	9.62%
Indigenous	246.96	346.48
% of Consumption	90.38%	90.38%
<b>TOTAL</b>	<b>268.90</b>	<b>383.37</b>

**22.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Stores and Spare parts	21.94	36.89
Capital Goods	150.35	-

**22.3 PAYMENT TO THE AUDITORS**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b>As Auditor</b>		
Audit fees	8.43	7.87
Tax audit fees	2.53	1.35
Limited review	5.06	4.55
<b>In other capacity</b>		
Company law matters	0.84	0.84
Certification fees	-	-
Reimbursement of expenses	0.04	0.35
<b>TOTAL</b>	<b>16.90</b>	<b>14.96</b>

The payment made to auditors are inclusive of service tax.

**23 EXPENDITURE IN FOREIGN CURRENCY**

Particulars	31st March 2015	31st March 2014
Travelling Expenses	1.54	-

**24 EARNINGS IN FOREIGN CURRENCY**

Particulars	31st March 2015	31st March 2014
Revenue from Exports on FOB Basis	45.69	-

**25 EARNING PER SHARE (EPS)**

Particulars	31st March 2015	31st March 2014
(i) Net profit after taxes as per statement of profit and loss attributed to equity shareholders (₹ in Lacs)	217.24	292.58
(ii) Number of equity shares used as denominator for calculation of EPS	5,064,866	5,064,866
(iii) Basic and Diluted earning per share ( amount in ₹)	4.29	5.78
(iv) Face value per equity share ( amount in ₹)	10.00	10.00

**26 RELATED PARTY DISCLOSURES:**

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

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

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

## ii) Related Party Transactions

(₹ in Lacs)

Particulars	Transaction during the year 2014-15		31st March 2015		31st March 2014	
	31st March 2015	31st March 2015	Receivable	Payable	Receivable	Payable
a) <b>Sales:</b>						
Jagruti Synthetics Limited	1.23	3.63	-	-	-	-
PIL Industries Limited	0.25	-	-	-	-	-
b) <b>Purchase:</b>						
Jagruti Synthetics Limited	833.45	846.69	-	83.04	-	293.94
c) <b>Job Charges Paid:</b>						
Jagruti Synthetics Limited	146.99	79.53	-	19.91	-	14.58
d) <b>Interest Paid :</b>						
Jagruti Synthetics Limited	51.19	1.30	-	0.91	-	-
e) <b>Rent Expenses:</b>						
PIL Industries Limited	67.42	60.94	-	-	-	11.18
Jagruti Synthetics Limited	56.71	58.59	-	4.42	-	4.42
Mr. Pradip Kumar Goenka	3.81	3.72	-	-	-	-
Mr. Abhay Kumrat	0.85	4.14	-	-	-	-
Mrs. Jyoti Kumrat	6.05	8.11	-	-	-	-
f) <b>Electricity Expenses:</b>						
Jagruti Synthetics Limited	1.48	-	-	-	-	-
g) <b>Managerial Remuneration:</b>						
Mr. Pradip Kumar Goenka	33.20	30.00	-	-	-	-
Mr. Abhay Kumrat	100.00	62.89	-	0.93	-	-
Mr. Jagdish Prasad Dave	4.30	-	-	-	-	-
h) <b>Salary :</b>						
Mr. Tilak Goenka	11.08	5.67	-	0.12	-	-
i) <b>Deposit Given :</b>						
Mr. Pradip Kumar Goenka	10.00	-	-	-	-	10.00
Jagruti Synthetics Limited	-	-	-	40.00	-	40.00
j) <b>Advances Repaid :</b>						
PIL Industries Limited	30.00	15.00	-	-	-	-
k) <b>Loan Taken :</b>						
PIL Industries Limited	-	-	-	100.00	-	130.00
Srishti Mall Management Company Private Limited	6.60	52.42	-	59.02	-	52.42

- 27** 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.

**28 UNHEDGED FOREIGN CURRENCY EXPOSURE**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
Payable :	6.27	6.28
Receivable :	45.69	-

**29 CONTINGENT LIABILITIES AND OTHER COMMITMENTS**

(₹ in Lacs)

Particulars	31st March 2015	31st March 2014
<b>Contingent Liabilities</b>		
a) Claims against the company not acknowledged as debt	130.30	241.34
b) Guarantees	41.36	79.48
	171.66	320.82
<b>Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
b) Other commitments - pending obligation under EPCG scheme	373.47	318.00
	373.47	318.00
<b>TOTAL</b>	<b>545.13</b>	<b>638.82</b>

**30 DETAILS OF FOREIGN SHAREHOLDING AND DIVIDEND PAID**

Particulars	31st March 2015	31st March 2014
No. of non-resident shareholders	6	7
No. of shares held by them on which dividend was paid	4,331	5,093
Gross Dividend (₹)	6,497.00	2,547.00

\* Dividend for the F.Y. 2013-2014 was declared in AGM held on 26th September 2014 and paid on 30th September 2014

- 31** 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**

**Pradip Kumar Goenka**  
Chairman & Managing Director

Mumbai, 29th May 2015

**For and on behalf of the Board**

**Jagdish Prasad Dave**  
Chief Financial Officer

**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

**28TH ANNUAL GENERAL MEETING – FRIDAY, 25TH SEPTEMBER 2015 AT 10 AM****ATTENDANCE SLIP**

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

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

I hereby record my presence at the 28th Annual General Meeting of the Company at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 on Friday, 25th September 2015 at 10 AM.

\_\_\_\_\_  
Name of the Shareholder

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name of the Proxy

\_\_\_\_\_  
Signature

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

**ELECTRONIC VOTING PARTICULARS**

<b>EVEN (E-voting Event No.)</b>	<b>User ID</b>	<b>Password/PIN</b>
150827082		







## NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

### Mandate Form

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

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

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

Place: .....

Date : .....

Signature of the First / Sole Shareholder

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

Bank's Stamp

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

Date:

#### Notes:

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



**KAMADGIRI FASHION LIMITED**

Regd. Office: B-104, The Qube, M.V. Road, Marol, Andheri (East), Mumbai – 400059.  
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 Website : www.kflindia.com; Email: cs@kflindia.com

**Form No. MGT-11****PROXY FORM**

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

Name of the member(s): _____
Address: _____
_____
E-mail Id: _____
Folio No./ DP Id: _____ Client Id: _____

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

- (1) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ Or failing him;
- (2) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ Or failing him;
- (3) Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Twenty-seventh Annual General Meeting of the Company, to be held on Friday, 25th September, 2015 at 10 AM at Mirage Hotel, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400059 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Matter of resolution
	<b>Ordinary Business</b>
1.	Adoption of the audited Financial Statements of the Company for the year ended 31st March 2015 together with the reports of Directors and Auditors thereon
2.	Declaration of dividend on Equity shares.
3.	Appoint a Director in place of Mr. Pradip Kumar Goenka (DIN: 00516381), Director of the Company who retires by rotation and being eligible offers himself for re appointment.
4.	Ratification of appointment of Statutory Auditors and fix their remuneration.
	<b>Special Business</b>
5.	Appoint Ms. Bindu Shah as an Independent Director of the Company.
6.	Approval of revision of remuneration to Mr. Pradip Kumar Goenka, Chairman & Managing Director from 13th February 2015 to 25th August 2015.
7.	Approval of reappointment Mr. Pradip Kumar Goenka as Chairman & Managing Director of the Company for a term of three years from 26th August 2015 and remuneration payable to him
8.	Ratification of remuneration payable to Cost Auditors of the Company.
9.	Approval for adoption of new set of Articles of Association

Signed this .....day of ..... 2015.

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

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



This image shows a full page of white paper with horizontal grey ruling lines. The lines are evenly spaced and run across the width of the page. At the top center, there is a header area containing the word "Notes". At the bottom right corner, there is a footer area containing the text "KAMADGIRI FASHION LIMITED".

Notes

KAMADGIRI FASHION LIMITED

Notes



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**KAMADGIRI** FASHION LIMITED

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email: [truevalue@kflindia.com](mailto:truevalue@kflindia.com) | [www.kflindia.com](http://www.kflindia.com)



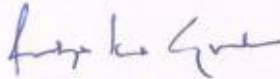

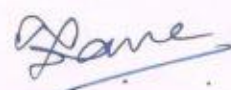

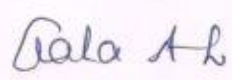

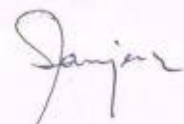
This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects' 'estimates' or other words of similar meaning. All statements that address expectation or projections about the future, including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

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



# FORM A

## Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Kamadgiri Fashion Limited
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	<div>   </div> <p><b>Pradip Kumar Goenka</b></p> <hr/> <div>   </div> <p><b>Jagdish Prasad Dave</b>  <b>For Haribhakti &amp; Co. LLP</b>  Chartered Accountants  ICAI Firm Registration No. 103523W</p> <hr/> <div>   </div> <p><b>Atul Gala</b>  Partner  Membership No. 048650</p> <hr/> <div>  </div> <p><b>Sanjeev Maheshwari</b></p>