



Kamadgiri Synthetics Ltd.

ANNUAL REPORT 2008 - 2009

FABRIC TO FASHION



KSL

Kamadgiri Synthetics Ltd.





## CONTENTS

CORPORATE INFORMATION	04
CHAIRMANS' NOTE	05
NOTICE OF AGM	16
DIRECTORS' REPORT	20
ANNEXURE TO DIRECTORS' REPORT & MDA	23
COMPLIANCE CERTIFICATE	27
CORPORATE GOVERNANCE REPORT	31
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE	40
CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR	41
AUDITORS' REPORT	42
BALANCE SHEET	46
PROFIT & LOSS ACCOUNT	47
CASH FLOW	48
SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT	49



Kamagiri Synthetics Ltd.

# BOARD OF DIRECTORS

MR. PRADIP KUMAR GOENKA	: CHAIRMAN & MANAGING DIRECTOR (PROMOTER)
MR. LALIT KUMAR GOENKA	: WHOLE TIME DIRECTOR (PROMOTER)
MR. TILAK PRADIP GOENKA	: DIRECTOR (PROMOTER)
MR. MURARILAL GOENKA	: DIRECTOR (INDEPENDENT NON EXECUTIVE)
MR. SUBASH KUMAR KEDIA	: DIRECTOR (INDEPENDENT NON EXECUTIVE)
MR. MADHUSUDAM SINGRODIA	: DIRECTOR (INDEPENDENT NON EXECUTIVE) (W.E.F.15.7.2008)

AUDITORS	: R.S. AGRAWAL & ASSOCIATES. CHARTERED ACCOUNTANTS, MUMBAI.
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BANKERS	: STATE BANK OF HYDERABAD BANK OF BARODA BOMBAY MERCANTILE CO-OP BANK LTD.
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REGISTERED OFFICE	: 28, Y.A CHUNAWALA IND. ESTATE KONDIVITA LANE, ANDHERI (EAST) MUMBAI - 400 059. WEBSITE: www.kslindia.in
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FACTORY	: 43/2, GANGA DEVI ROAD, UMBERGAON - 396171 DIST - VALSAD (GUJ).  C-4/2/2,MIDC,TARAPUR, DIST.: THANE - 401 506.  J-72/1,MIDC,TARAPUR, DIST.:THANE - 401 506.
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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
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VENUE OF ANNUAL GENERAL MEETING	: HOTEL SUNCITY RESIDENCY, SIXTEENTH ROAD, MIDC, OPP. PRASAD BUILDING, ANDHERI (EAST), MUMBAI – 400 093. TEL. NO. 022 – 2830 6131 / 6136
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Kamadgiri Synthetics Ltd.

## Dear Stakeholders

It is with great pleasure that I present you the Annual Report for the Financial Year 2008-09 of Kamadgiri Synthetics Limited. It has been an eventful year for us and your company is now poised to reach a point of inflection in the very near future.

The fashion and apparel industry is estimated to be around \$34 billion in India and is growing at a healthy double-digit rate. Driving this growth has been the emergence of modern retailing, backed by steadily increasing income levels and consumer aspirations in the country. Modern retail itself is growing by around 30% per annum and the fashion retailing is the most organized among all segments in modern retail. Almost 40% of the fashion market is now captured by modern retailers and leading this segment is menswear category that captures close to half of the market.

The long term objective in your company has been to closely align with the modern retailing in India, while continuing to capture existing opportunities in the traditional space. Over the years, we had made significantly large investments in bringing home the best technologies, talent and expertise in weaving and manufacturing value chain of the fashion industry. This has given us a strategic advantage over our competitors in this space.

The process of aligning with the modern retailing had begun with the merger of Stripes Apparel in the previous financial year. Stripes Apparel is one of the leading suppliers of private brands to almost every large modern retail chain in the country. I am happy to share that the acquisition has integrated well with the existing business operations of the company.

In the meantime, we had also prototyped two concepts –

Cloth Centre and Bangkok Fashion – that could help us directly reach out to the customers. Both these concepts have successfully passed the prototype phase and are now being expanded at fast pace across the country.

The most significant development this year has been the strategic partnership we have entered with Future Group. Apart from providing a fast growing market for our manufactured products through Future Group's popular retail chains like Fashion@Big Bazaar, Pantaloons, Central and Brand Factory, the partnership will also help take our organization to the next level. As a strategic partner to Future Group, not only do we now have access to the group's proven customer knowledge and insights but also its extensive business infrastructure that has been built over the years.

Going forward, Future Group will be guiding us in talent acquisition and development as well as scaling up our logistics and supply chain network, building our technology and infrastructure backbone and providing economies of scale and business efficiencies across our business.

While we will continue to invest, innovate and develop our manufacturing capabilities, our partnership with Future Group will help us build a long term, sustainable business model that will create value for every stakeholder.

Two decades ago we had embarked on a journey with a dream to create an entire value chain that extends from the fabric sourcing markets to the homes of Indian customers. Today, as we move closer to realizing this dream we would like to thank all our investors, business partners, employees and every stakeholder for the trust and encouragement that you have provided us and we sincerely hope to earn the same in the days ahead.

Warm regards  
Pradip Kumar Goenka  
Chairman

# FABRIC<sup>TO</sup> FASHION



**K S L** **TRUE VALUE**  
VALUE FOR MONEY FABRICS

**TRUE LINEN**  
It's 100%

**HOWARD ROARK**  
Exploit the power within you

Pan India Network

**DISTRIBUTION**



Kamadgiri Synthetics Ltd.

## STITCHING

State-of-the-art German machines with installed production capacity of 2.7 million garments, complimented by skilled manpower of 1000 people

FASHION

RETAILING

Bangkok Fashion  
Master Tailors & Stylists

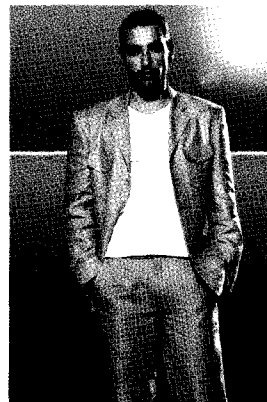
CLOTH CENTER

PRIVATE LABELS

STRIPES APPARELS

Private Labels  
for leading Indian  
retailers





## INDIAN FASHION MARKET

POISED FOR GROWTH

Report  junction.com

The Indian fashion and apparel market is estimated to touch Rs. 1,715 billion by 2010, growing at over 15% annually for the past five years. A significant factor driving the growth of this industry is the emergence of modern retail. The emergence of modern retail has fuelled the consumer aspirations and higher per capita consumption of textiles.

Apparel is the largest organized retail category, representing 39 per cent of organized retail market. It is growing at the rate of 12-15 percent per annum. The current market size of organized apparel retail is approximately US\$ 12 billion and is expected to grow to US\$ 16 billion by 2011.

The organized apparel market is expected to grow at the rate of 30 per cent after 2010 from current 12-15 per cent. The disposable income of Indian consumers is rising and they are becoming brand conscious especially urban youth. Leading the category is Menswear accounting for 45% of the market.

KSL is designed to align with the modern retail segment in India with strong focus on menswear and westernwear market in India.

### By Numbers

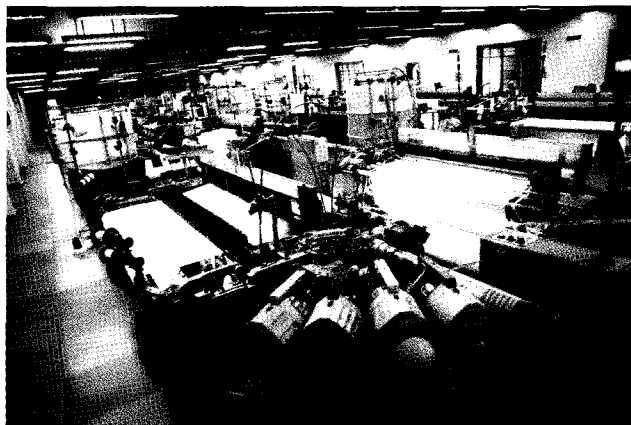
**Fashion Market By 2010:** \$35 billion

**Share of Modern Retail:** 39%

**Expected Growth of Fashion in Modern Retail:** 30%

**Share of Menswear:** 45%





## WEAVING

PIONEERS IN PERFECTION

Report  junction.com

Pioneers of shuttle-less weaving in India, KSL truly weaves its success story in more ways than one through fabrics in an array of colours and textures from vibrant and contemporary to classic and subdued.

At KSL, we invest in equipment and technology that ensures adherence to the highest quality standards. This is evident in the use of fully automatic shuttle-less weaving machines imported from Italy, Switzerland and Germany that boast of multiple dobby attachments and electronic name writing jacquards that manufacture multidimensional fabrics in various weaves and blend compositions like 100% cotton, 100% polyesters, wool, linen, polyviscose, polycot, along with specialty fabrics like polumodals, polylycras and so on. As a result, of these state-of-the-art weaving units, KSL produces around 6 million meters of world-class fabrics annually.

### By Numbers

56 Sulzer Weaving M/C

20 Somet Weaving M/CS

24 Dornier Weaving M/CS

Beninger Warpers

Automated Sizing M/C

**Annual Production:** 6 million meters of fabric



# GARMENTING

STITCHING STYLE STATEMENTS

Our experience in the garment industry coupled with our use of world-class equipment and technology places our garments ahead of competition internationally. Our superior quality fabric and meticulous craftsmanship results in garments that are 'works of art.'

Offering every conceivable styles of clothing including suits, shirts and waistcoats, the vast range of bespoke garments that are created by the service are ideal for customers from all market segments.