

# Business of Fashion



**KFL**

Kamadgiri Fashion Limited

ANNUAL REPORT 2010-11

TRUE VALUE



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**KAMADGIRI FASHION LIMITED****BOARD OF DIRECTORS**

Mr. Pradip Kumar Goenka	:	Chairman & Managing Director (Promoter)
Mr. Lalit Kumar Goenka	:	Whole Time Director (Promoter)
Mr. Madhusudan Singrodia	:	Director (Independent Non Executive)
Mr. Ashwani Bhatia	:	Director (Independent Non Executive)
Mr. Rahul Mehta	:	Director (Independent Non Executive) (w.e.f. 14.02.2011)
Mr. Sanjeev Maheshwari	:	Director (Independent Non Executive) (w.e.f. 14.02.2011)
Mr. Murarilal Goenka	:	Director (Independent Non Executive) (upto 14.02.2011)
Mr. Subhash Kumar Kedia	:	Director (Independent Non Executive) (upto 14.02.2011)

**COMPANY SECRETARY & COMPLIANCE OFFICER**

: Mr. Arun Bhandari  
Email- arun.bhandari@kslindia.in

**AUDITORS:**

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

**BANKERS**

: State Bank of Hyderabad  
Bank of Baroda

**REGISTERED OFFICE**

: 28, Y. A. Chunawala Industrial Estate  
Kondivita Lane, Andheri (East)  
Mumbai – 400 059.  
Website : [www.kslindia.in](http://www.kslindia.in)

**FACTORY/PLANT**

: 43/2, 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).

B-7/3, 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**

: Hotel The Mirador  
131-B, New Link Road (Guru Hargovindji Road)  
Opp. Solitaire Corporate Park, Chakala  
Andheri (East), Mumbai – 400 099.  
Tel : 022 6649 5000

Note: Please note that to reach Hotel The Mirador from nearest Western Suburban station which is Andheri, Bus No. 340 would be available from east side of the station.



## NOTICE

**NOTICE** is hereby given that the Twenty Fourth Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Tuesday the 23 August 2011 at 10:30 am at Hotel The Mirador, 131-B, New Link Road (Guru Hargovindji Road), Opp. Solitaire Corporate Park, Chakala, Andheri (East), Mumbai – 400 099 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31 March 2011 along with notes and schedules attached thereto and the reports of Directors' and Auditors' thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Ashwani Bhatia, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Madhusudan Singrodia, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

#### 6. Appointment of Mr. Rahul Mehta as a Director liable to retire by rotation

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

**"RESOLVED THAT** Mr. Rahul Mehta, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 and who holds office upto the date of the ensuing Annual General Meeting of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### 7. Appointment of Mr. Sanjeev Maheshwari as a Director liable to retire by rotation

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

**"RESOLVED THAT** Mr. Sanjeev Maheshwari, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 and who holds office upto the date of the ensuing Annual General Meeting of the Company be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### 8. Appointment of Relative of Chairman & Managing Director as Business Development Manager and approval of remuneration payable to him.

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

**"RESOLVED THAT** pursuant to the provisions of section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956 and Director's Relatives (Office or Place of Profit) Rules, 2003 including amendment(s) thereof, subject to required approvals, if any, Mr. Tilak Goenka be and is hereby appointed as Business Development Manager at a remuneration of an amount not exceeding ₹ 50,000/- per month with effect from 1 June 2011.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Tilak Goenka be paid in any mode/manner but shall be within the aforesaid limit of ₹ 50,000/- per month (inclusive all but excluding bonus, leave encashment, reimbursement of medical and any other reimbursements, if any).

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution."

#### **9. Alteration of Articles of Association relating to Remuneration of Directors.**

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

**"RESOLVED THAT** pursuant to the provisions of section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing article 93 of the Articles of Association of the Company be deleted and in place thereof, the following article 93 be substituted.

93. Subject to the provisions of sections 198, 309, 310 and 311 of the Act, the remuneration payable to the Directors of the Company may be as hereinafter provided. The fees payable to a Director for attending meeting or Committee thereof shall be decided by the Board of Directors from time to time, within the limits as may be prescribed by the Act or as per the Companies (Central Government's) General Rules and Forms, 1956. Subject to the provisions of the Act, the Directors shall be paid such further remuneration, if any, as the Company in general meeting shall from time to time determine and such additional remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and, in default of such determination shall be divided among the Directors equally."

By Order of the Board  
For **Kamadgiri Fashion Limited**

Date: 30th May 2011  
Place: Mumbai

**Arun Bhandari**  
Company Secretary

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

**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.**
2. **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.**
3. Explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business as set above is annexed.
4. The Register of Members and Share Transfer Register shall remain closed from **Friday the 19 August 2011 to Tuesday the 23 August 2011** (both days inclusive).
5. Pursuant to the provision of section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 2003 - 2004 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
2003 - 2004 (Final)	27/09/2004	26/09/2011	26/10/2011
2004 - 2005 (Final)	27/09/2005	26/09/2012	26/10/2012
2005 - 2006 (Final)	27/09/2006	26/09/2013	26/10/2013
2006 - 2007 (Final)	27/09/2007	26/09/2014	26/10/2014
2007 - 2008 (Final)	27/09/2008	26/09/2015	26/10/2015
2008 - 2009 (Final)	29/09/2009	28/09/2016	28/10/2016
2009 - 2010 (Final)	29/09/2010	28/09/2017	28/10/2017

Shareholders who have not so far encashed the dividend warrant(s) for the financial year ended 31 March 2004 or any subsequent financial year are requested to make their claim to the office of the Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

6. 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.
7. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
8. Members desirous of having any information regarding accounts are requested to write to the Company at least 7 days in advance of the date of Annual General Meeting so as to enable the management to keep the information ready.
9. 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.
10. Members are requested to demat their shares in order to facilitate easy and faster trading in equity shares. The ISIN of the Company's equity shares is INE535C01013.
11. The Dividend as may be declared shall be payable to Members of the Company whose names appear:

- as beneficial owners as per the details to be furnished by National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in electronic form; and
  - as members in the Register of Members of the Company after giving effect to valid transfer in physical form lodged with the Company on or before 19 August 2011.
12. Members whose shareholding is in the electronic mode are requested to write change of address, if any, and updation of Savings Bank Account details to their respective Depository Participants.
13. **Members are requested to provide and register their Email ID with the Company and/or Registrar & Transfer Agents (RTA) to enable the Company/RTA to send communications such as notices and Annual Report, etc., as per Green Initiative of Ministry of Corporate Affairs started through circular nos. 17/2011 dated 21/04/2011 and 18/2011 dated 29/04/2011.**
14. 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.
15. As required under clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchange, the following information is provided in respect of Directors proposed to be appointed / re-appointed:

Name of the Director	Mr. Ashwani Bhatia	Mr. Madhusudan Singrodia	Mr. Rahul Mehta	Mr. Sanjeev Maheshwari
Age	53	52	60	46
Qualification	Textile Engineer	B. Com.	B. Com., MBA	B. Com., CA
Expertise in specific functional areas	Wide Experience in Textile Industry.	Wide experience in Textile Business. He is the Member of the Remuneration Committee and Shareholders / Investor Grievance Committee of the Board.	Mr. Mehta has wide experience of 10 years in consumer goods industry and 30 years experience in the garments industry.	Mr. Maheshwari is a member of the Institute of Chartered Accountants of India. Mr. Maheshwari has been associated with GMJ & Co., Chartered Accountants, for more than 24 years and is currently partner of the firm.
Directorship in other Indian Companies as on 31.03.2011	Nil	Nil	1) Gini & Jony Ltd. 2) Chermas Exquisite Ltd. 3) Creative Garments Pvt. Ltd. 4) Creative Textiles Mills Pvt. Ltd. 5) Creative Casual India Pvt. Ltd. 6) Karl Hogan Clothing Pvt. Ltd. 7) Creative Global Stock Broking Pvt. Ltd. 8) Apparel Media Pvt. Ltd. 9) Creative Lifestyles Private Limited	1) Mudra Financial Services Limited 2) Mudra Share & Stock Brokers Limited
Shareholding	Nil	Nil	Nil	Nil



**EXPLANATORY STATEMENT****As required by section 173(2) of the Companies Act, 1956****Item No. 6:**

Mr. Rahul Mehta was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 read with article 86 of the Articles of Association of the Company by the Board of Directors with effect from 14 February 2011 and accordingly, he holds office upto the date of this Annual General Meeting. The Company has received a notice from a member alongwith a deposit of ₹ 500/- proposing the candidature of Mr. Rahul Mehta to the office of Director pursuant to section 257 of the Companies Act, 1956. Approval of the shareholders is sought for his appointment as director liable to retire by rotation.

Mr. Rahul Mehta holds a bachelor's degree in commerce and master's degree in management studies from the University of Mumbai. Mr. Mehta has experience of 10 years in consumer goods industry and 30 years experience in the garments industry.

The Board of Directors recommends this resolution for your consideration and approval as an Ordinary Resolution.

None of the Directors except Mr. Rahul Mehta is concerned or interested in the resolution.

**Item No. 7:**

Mr. Sanjeev Maheshwari was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 read with article 86 of the Articles of Association of the Company, by the Board of Directors with effect from 14 February 2011 and accordingly, he holds office upto the date of this Annual General Meeting. The Company has received a notice from a member alongwith a deposit of ₹ 500/- proposing the candidature of Mr. Sanjeev Maheshwari to the office of Director pursuant to section 257 of the Companies Act, 1956. Approval of the shareholders is sought for his appointment as director liable to retire by rotation.

Mr. Sanjeev Maheshwari holds a bachelor's degree in commerce from the University of Mumbai and is a member of the Institute of Chartered Accountants of India. Mr. Maheshwari has been associated with M/s. GMJ & Co., Chartered Accountants, for more than 24 years and is currently partner of the firm.

The Board of Directors recommends this resolution for your consideration and approval as an Ordinary Resolution.

None of the Directors except Mr. Sanjeev Maheshwari is concerned or interested in the resolution.

**Item No. 8**

Mr. Tilak Goenka, is a Bachelor of Management Studies from H R College of Commerce and Economics, Mumbai and has also done his Post Graduate Diploma in Family Managed Business from S P Jain institute of Management Studies. He has worked in various capacities in Textile Industries for last 4 and half years and could be good asset for the company for further business development. Considering the above merits, his appointment as Business Development Manager with effect from 1 June 2011 in Uniform Solution Division of the Company has been recommended by Compensation Committee and approved by the Board. He being son of Mr. Pradip Kumar Goenka, Managing Director of the Company, his appointment would be further subject to consent of the shareholders of the Company as per provisions of section 314(1)(b) of the Companies Act, 1956 and rules made there under as amended from time to time.

Your directors recommend this resolution for your approval.

None of the directors are in any way concerned or interested in the above resolution except Mr. Pradip Kumar Goenka being related to Mr. Tilak Goenka as father.

**Item No. 9**

The existing article 93 needs to be amended to provide for sitting fees to be decided as per the prevalent practices. The Company now proposes to authorise the Board of Directors to fix the amount of such sitting fees within the limits as are or may be prescribed by the Companies Act, 1956 or Central Government from time to time. The proposed amendment will enable the Company to pay higher sitting fees than at present in line with the amount of sitting fees currently being paid to company directors in general.

The Directors recommend the resolution for approval of the Members.

All the Directors, who are eligible for sittings fees are deemed to be concerned or interested in the Resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed amendment is available for inspection by the members at the Registered Office of the Company on all working days except Saturdays and Sundays between 11:30 am to 1:30 pm prior to the date of Annual General Meeting and will also be available for inspection at the Meeting.

By Order of the Board  
For **Kamadgiri Fashion Limited**

Date: 30th May 2011  
Place: Mumbai

**Arun Bhandari**  
Company Secretary

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