

CELEBRATING

*25 years*  
WITH NEW IDENTITY



**KAMAGIRI** FASHION LIMITED  
2011-12 ANNUAL REPORT



The symbol of a true man. It oozes with the power of youth and yet has a mature andor. A fresh, lively and dynamic representation of fashion. Apart from being masculine, it also appeals to the young and mature at par while being economical to reproduce at the same time. The sharpness of the character is certainly adding a bold and sincere factor to the entire motif. The simplicity adds to the appeal of the logo while being subtly obvious to the human eye.

It is seamless yet individualistic representation of the company.

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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) (upto 25th August 2012)
Mr. Madhusudan Singrodia	:	Director (Independent Non Executive)
Mr. Ashwani Bhatia	:	Director (Independent Non Executive)
Mr. Rahul Mehta	:	Director (Independent Non Executive)
Mr. Sanjeev Maheshwari	:	Director (Independent Non Executive)
Mr. Anil Biyani	:	Director (Non Executive) (w.e.f. 29th May 2012)

**Chief Executive Officer** : Mr. Abhay Kumat

**Company Secretary** : Mr. Arun Bhandari

**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

**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.

**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-fifth Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Tuesday the 18th September 2012 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 of the Company for the year ended 31st March 2012 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. Rahul Mehta, 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. Sanjeev Maheshwari, 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. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Anil Biyani, who was appointed as an Additional Director under section 260 of the Companies Act, 1956 and who holds office upto the date of the ensuing Annual General Meeting of the Company and in respect of whom notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Anil Biyani as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. 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 198, 269 and all other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII to the said Act and any other applicable statutory provisions, the approval be and is hereby given to the reappointment of Mr. Pradip Kumar Goenka as Managing Director designated as 'Chairman & Managing Director' of the Company for a period of 3 years with effect from 26th August, 2012, on a remuneration of ₹ 30,00,000/- per annum on terms and conditions as set out in the Agreement between him and the Company.

**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 is within the overall limits specified in schedule XIII and the relevant provisions of the Companies Act, 1956."

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

**"RESOLVED THAT** in supersession of the earlier resolution passed in this behalf and pursuant to the provisions of section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors, for creation of such mortgage, charge, hypothecation, lien and other encumbrances, if any, by the Company, as the Board may deem fit, on the assets of the Company, both present and future, for securing the sum or sums of moneys aggregating to ₹ 150,00,00,000/- (Rupees One hundred and fifty crores only) borrowed by the Company from Banks, Financial Institutions and others.

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

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

**"RESOLVED THAT** in supersession of the earlier resolution passed in this behalf and pursuant to the provisions of section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the moneys, to be borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of paid up share capital and free reserves i.e., reserves not set apart for any specific purpose provided, however, that the total amount so borrowed by the Company shall not exceed a sum ₹150,00,00,000/- (Rupees One hundred and fifty crores only) outstanding at any one time excluding interest thereon.

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

By Order of the Board  
For Kamadgiri Fashion Limited

Place: Mumbai  
Date: 11th August 2012

**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 **Wednesday the 12th September 2012 to Tuesday the 18th September 2012** (both days inclusive).
5. If the dividend is approved at the Annual General Meeting, the same shall be payable to members of the Company on or after 18th September 2012 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 11th September 2012.
  - 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 11th September 2012.

6. Pursuant to the provision of section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 2004 - 2005 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
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
2010-2011(Final)	23/08/2011	22/08/2018	22/09/2018

Shareholders who have not so far encashed the dividend warrant(s) for the financial year ended 31st March 2005 or any subsequent financial year are requested to make their claim to the office of the Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

7. 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.
8. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
9. 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.
10. 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.
11. 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.
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:

<b>Name of the Director</b>	<b>Mr. Rahul Mehta</b>	<b>Mr. Sanjeev Maheshwari</b>	<b>Mr. Pradip Kumar Goenka</b>	<b>Mr. Anil Biyani</b>
<b>Age (years)</b>	60	46	52	48
<b>Qualification</b>	B. Com., MBA	B. Com., FCA	Pre-University	B.Com
<b>Expertise in specific functional areas</b>	Mr. Mehta has wide experience of 10 years in consumer goods industry and 30 years of 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	Mr. Goenka has more than 30 years of experience in textile industry. He is Chairman and Managing Director of the Company and overseeing the conceptualization and implementation of our projects and has also being looking after operations of the Company.	Mr. Anil Biyani has almost three decades of experience in textile industry.
<b>Directorship in other public companies (excluding foreign and private companies)</b>	1) Gini & Jony Ltd. 2) Chermas Exquisite Ltd.	1) Mudra Financial Services Ltd. 2) Mudra Share & Stock Brokers Ltd.	1) Jagruti Synthetics Ltd.	1) PIL Industries Ltd. 2) Future Corporate Resources Ltd. 3) Weavette Textstyles Ltd. 4) Gold Mohur Design & Apparel Park Ltd. 5) nuFuture Digital India Ltd.
<b>Shareholding</b>	Nil	Nil	721200 shares	Nil



## EXPLANATORY STATEMENT

**As required by section 173(2) of the Companies Act, 1956**

### Item No. 6:

Mr. Anil Biyani 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 29th May, 2012 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. Anil Biyani 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. Anil Biyani is a commerce graduate and has vast exposure in textiles, yarn and ready-made garments business.

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

None of the Directors except Mr. Anil Biyani is concerned or interested in the resolution.

### Item No. 7:

Mr. Pradip Kumar Goenka is the Chairman and Managing Director of the Company. His present tenure in the office ends on 25th August 2012. He is presently drawing remuneration of ₹ 30 lacs per annum. Subject to approval of members, the Remuneration Committee and Board of Directors at their meeting held on 29th May 2012, reappointed Mr. Pradip Kumar Goenka for further period of three years with effect from 26th August 2012 and also approved remuneration payable to him as ₹30 lacs per annum.

Mr. Pradip Kumar Goenka is having more than 30 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 and Managing Director.

The remuneration payable to the Chairman and Managing Director was duly approved by the Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 29th May 2012. The approval of the shareholders is sought for reappointment of Mr. Pradip Kumar Goenka as Chairman and Managing Director of the Company with effect from 26th August 2012 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 for your consideration and approval as a Special Resolution.

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 XIII to the Companies Act, 1956 read together with section 269 of the Act. Information as required under schedule XIII of the Companies Act, 1956 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 Lacs )

	Financial year ended 31/03/2012	Financial year ended 31/03/2011
Income	20538.01	14610.11
Profit before tax	275.08	478.22
Profit after tax	168.10	323.13

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 Appointees

1. Background details – Mr. Pradip Kumar Goenka has been director of the Company since its inception. He has more than 30 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:

<b>Particulars</b>	<b>Amount in ₹ per annum</b>
Basic Salary	12,00,000
House Rent Allowance	7,20,000
Adhoc Allowance	10,25,400
Perquisite for Car	39,600
Medical reimbursement	15,000
<b>Total</b>	<b>30,00,000</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