



ANNUAL REPORT 2015-16



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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

COMPANY SECRETARY : Mr. Siddhant Singh

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

BANKERS : State Bank of Hyderabad
Bank of Baroda

REGISTERED OFFICE : B-104, The Qube,
M.V. Road Marol,
Andheri (E), Mumbai - 400 059
Website : www.kflindia.com

FACTORY/PLANT : 43/2, 42/1, Ganga Devi Road,
Umbergaon - 396 171
Dist. Valsad (Gujarat).

C-4/2/2, MIDC, Tarapur - 401 506
Dist. Thane (Maharashtra).

J-72/1, MIDC, Tarapur - 401 506
Dist. Thane (Maharashtra).

REGISTRAR & SHARE TRANSFER AGENT : Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises
Safed Pool, Andheri Kurla Road
Andheri East, Mumbai – 400 072.
Tel: 022 28515606/28515644
Fax 022-28512885.
Email- sharexindia@vsnl.com

VENUE OF ANNUAL GENERAL MEETING : Mirage Hotel
International Airport Approach Road,
Marol, Andheri (East)
Mumbai -400059
Tel: 022-6672 1234/6672 1200

NOTICE

NOTICE is hereby given that the Twenty-Ninth Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Monday, 19th day of September 2016 at 10:30 AM at Hotel Mirage, International Airport Approach Road, Marol, Andheri (East), Mumbai – 400 059 to transact the following business:

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, Ms. Ketki D. Visariya, Cost Accountant, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textiles products for the financial year ending 31st March, 2017, on a remuneration of ₹ 0.90 Lakh plus service tax and out of pocket expenses, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Kamadgiri Fashion Limited

Place: Mumbai
Date: 30th May, 2016

Siddhant Singh
Company Secretary

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

NOTES:**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. The Proxies, in order to be effective should be deposited with the Company not less than 48 hours before the time fixed for the commencement of the meeting. Corporate Members intending to send their authorised representative(s) to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend/ vote on their behalf at the Annual General Meeting.

2. A Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted in the Meeting, is annexed hereto.
3. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.
4. The Record date for the purpose of payment of Dividend for the financial year 2015-16 is fixed at 12th September, 2016.
5. Subject to the provisions of the Act, Dividend as recommended by the Board of Directors for the financial year 2015-16, if declared at the Meeting, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members and in list of the beneficial owners as furnished by the Depositories as on 12th September, 2016.
6. Pursuant to the provision of Section 205A (5) of the Companies Act, 1956, dividend for the financial year 2008-09 and thereafter, which remain unpaid or unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Financial Year	Date of declaration of Dividend	Due date for transfer to Investor Education & Protection Fund
2008-2009 (Final)	29/09/2009	03/11/2016
2009-2010 (Final)	29/09/2010	03/11/2017
2010-2011 (Final)	23/08/2011	28/09/2018
2011-2012 (Final)	18/09/2012	25/10/2019
2012-2013 (Final)	24/09/2013	29/10/2020
2013-2014 (Final)	26/09/2014	31/10/2021
2014-2015 (Final)	25/09/2015	30/11/2022

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

7. Information as required to be provided pursuant to the requirements of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regards to the Directors seeking appointment and re-appointment at this Annual General Meeting is given as an Annexure to this Notice.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Income Tax Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
9. Electronic copy of Annual Report for the financial year 2015-16 and Notice calling the Twenty-Ninth Annual General Meeting of the Company *inter alia* indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2015-16 and Notice of the Twenty-Ninth Annual General Meeting of the Company *inter alia* indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that, the Notice of the Twenty-Ninth Annual General Meeting and the Annual Report for the financial year 2015-16 will also be available on the Company's website, www.kflindia.com for their download.
11. Members can avail themselves of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail themselves of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in to the Company's Registrar and Share Transfer Agents. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

12. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
13. Members are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
14. Members desirous of having any information regarding accounts are requested to write to the Company at least seven days in advance of the date of Annual General Meeting so as to enable the management to keep the information ready.
15. Members who are holding shares in identical order or names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
16. Members are requested to dematerialise their shares in order to facilitate easy and faster trading in equity shares. The ISIN of the Company's equity shares is INE535C01013.
17. Members whose shareholding is in the electronic mode are requested to write change of address, if any and updation of bank account details to their respective Depository Participants.
18. **Members are requested to provide and register their Email ID with the Company and/or Registrar & Transfer Agents (RTA) to enable the Company/RTA to send communications such as notices and Annual Report, etc. through E-mail.**
19. Members are encouraged to utilize the National Automated Clearing House (NACH) System for receiving dividend.
20. Voting through electronic means.
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members electronic voting (e-voting) facility to exercise their right to vote at the Twenty-Ninth Annual General Meeting (AGM).

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<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"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

- (x) Click on the EVSN for the relevant Company Name, i.e., Kamadgiri Fashion Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If a Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - II. The voting period begins on Friday, 16th day of September 2016 at 09:00 AM and ends on Sunday, 18th day of September 2016 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - IV. The voting rights of shareholders shall be in proportion to their shares of the paid-up Equity share capital of the Company as on the cut-off date of 12th September, 2016.
 - V. Mr. Nitin Sarfare, Practising Company Secretary (ACS no. 36769 and COP no. 13729) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
 - VI. The Scrutiniser shall within a period of three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two (2) witnesses not in employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VII. The results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutiniser's Report shall be placed on the Company's website, www.kflindia.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
21. All documents referred to in the accompanying Notice and Statement under Section 102 of the Companies Act, 2013 shall be open for inspection at the Registered Office of the Company during normal business hours between 11 A.M. and 4 P.M. on all working days (except Saturday, Sunday and Holiday) upto the date of Annual General Meeting.
22. The route map of the venue of the AGM is given herein below. The prominent landmark near the venue is Marol Naka Metro Station, Mumbai.

Route map of the venue of the AGM



Annexure to Notice

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

Name of the Director	Mr. Lalit Goenka
Age	52 years
Qualification	Pre-University
Expertise in specific functional areas	More than three decades of experience in textile industry. Experienced entrepreneur with hands on experience in operations including production and marketing.
Directorship and Membership of Committee in other listed entities	None
Shareholding	1,607 shares
Inter-se Relationship	There is no inter-se relationship with any Directors and Key Managerial Personnel of the Company

Statement pursuant to Section 102 of the Companies Act, 2013

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

Item No. 5

The Board on the recommendation of the Audit Committee has approved the appointment of Ms. Ketki D. Visariya, Cost Accountant, Mumbai as Cost Auditor for the financial year ending 31st March, 2017 at a remuneration of ₹ 0.90 lakh plus service tax and out of pocket expenses.

The Company has received the certificate from Cost Auditor stating that she is independent and eligible for appointment as Cost Auditor. Pursuant to provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor required to be ratified by the shareholders. Accordingly, the consent of the shareholders is sought for passing a resolution as set out at Item no. 5 for ratification of remuneration payable to the Cost Auditor.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

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

By Order of the Board
For Kamadgiri Fashion Limited

Place: Mumbai
Date: 30th May, 2016

Siddhant Singh
Company Secretary

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

KAMADGIRI FASHION LIMITED**DIRECTORS' REPORT**

To
The Members,

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

FINANCIAL HIGHLIGHTS

(₹ in Lakh)

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

OPERATIONS

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

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

FUTURE PLANS

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

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

ISSUE OF SECURITIES

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

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

SHARE CAPITAL

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

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

DIVIDEND

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