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GENERAL INFORMATION

BOARD OF DIRECTORS	: Mr. Kewalchand P. Jain, Chairman & Managing Director : Mr. Hemant P. Jain : Mr. Dinesh P. Jain : Mr. Vikas P. Jain : Mr. Popatlal F. Sundesha : Mr. Mrudul D. Inamdar : Dr. Prakash A.Mody : Mr. Nimish G. Pandya
Company Secretary	: Mr. Abhijit B. Warange
Statutory Auditors	: M/s. Jain & Trivedi Chartered Accountants M/s. N.A. Shah Associates Chartered Accountants
Bankers	: Standard Chartered Bank Hongkong and Shanghai Banking Corporation Ltd. Barclays Bank PLC. ICICI Bank Ltd. State Bank of India
Registered Office	: B-101 to 107, Synthofine Estate, Opp Virwani Industrial Estate, Goregaon (East), Mumbai: 400 063
Corporate Office	: Kewal Kiran Estate, Behind Tirupati Udyog, 460/7, I.B. Patel Road, Goregaon (East), Mumbai: 400 063
Registrar & Transfer Agents	: Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compounds, L.B.S. Marg, Bhandup (West), Mumbai-400078 Tel No: 022 2594 6970-77
Factories	: <u>Vapi</u> Plot No. 787/1, 40, shed IInd Phase, G.I.D.C Vapi: 396 195 Gujarat <u>Daman</u> 697/3/5/5A, Near Maharani Estate, Somnath Road, Dabel Daman: 396 210 <u>Mumbai</u> Synthofine Estate, Opp Virwani Industrail Estate Goregaon (East), Mumbai: 400 063 71-73, Kasturchand Mill Estate Bhawani Shankar Road, Dadar (West), Mumbai; 400 028

DIRECTORS BIOGRAPHY

MR. KEWALCHAND P. JAIN



Born in 1962 Mr. Kewalchand P. Jain decided to join the business at early age after completing school. He learnt the business on the job and spearheaded the groups' foray into branded apparel business. A keen student of finance and a hands-on manager he heads the finance functions of the company and is responsible for the overall management of the affairs of the company.

Mr. Jain is a trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust. He is also the treasurer of Shree Jain Vyapar Udyog Seva Sansthan.

MR. HEMANT P. JAIN



Born in 1965 Mr. Hemant P. Jain decided to join the business at early age after completing school. He learnt the business on the job and leads the marketing functions of the company. He was instrumental in launching the new brands of the company. An avid traveler and field person, he keeps a keen eye on the latest trends in international men's fashion.

Mr. Jain is a trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust.

Mr. Jain is responsible for marketing of Killer and Easies brands. He also looks after the business of K-Lounge, the retail concept of the company.

MR. DINESH P. JAIN



Born in 1969 Mr. Dinesh Jain joined the business in 1990 and heads the manufacturing operations of the company. He specialises in production and HR related issues.

Mr. Jain is a trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust. He is also the treasurer of Daman Industries Association.

Mr. Jain is responsible for ensuring optimum utilization of production facilities of the company at its units at Dadar, Goregaon, Daman and Vapi.

MR. VIKAS P. JAIN



Born in 1970 Mr. Vikas P. Jain joined the group in 1992, after completing his graduation in commerce. He heads the operations and distribution functions of the company.

Mr. Jain is a trustee of Jatnobai Karmchandji Ratanparia Chauhan Charitable Trust.

Mr. Jain is responsible for marketing of Lawman and Intigrity brands. He also looks after the business of K-Lounge, the retail concept of the company. Mr. Jain travels extensively and scouts for new technologies in garment manufacturing.

DIRECTORS BIOGRAPHY

MR. POPATLAL F. SUNDESHA



Mr. Popatlal Fulchand Sundesha is a reputed exporter of garments and has a wide range of experience in the field of marketing, finance and general administration.

Mr. Sundesha along with his three brothers took over his fathers business and converted a medium sized trading firm into one of the leading manufacturer and exporter of knitted readymade garments to Non Quota countries like Switzerland, Netherland, U.K and others. His firm has supplied garments to Wal-Mart, Woolworth, Benetton, Manor AG and others.

Mr. Sundesha has been awarded the President's award in exports as also Apparels Export Promotion Council Award for six years.

DR. PRAKASH A. MODY



Dr. Prakash Amrut Mody is the Chairman and Managing Director of Unichem Laboratories Limited. He has a rich experience in the field of marketing, research and production.

Dr. Mody is a doctorate (Ph.D.) in Organic Chemistry from the University of Mumbai. He has perceived marketing management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. He is also a Graduate Alumni of Harvard Business School having undergone the Owner Presidents' Management Program.

Dr. Mody is the former Vice President of the Indian Pharmaceutical Association. He is also on the Executive Committee of the Indian Drug Manufacturers Association. He is a member of the Young Presidents' Organisation Inc, an international organization for young presidents. He is a member of the Senate - SNDT Women's University and Rotary Club of Bombay Mid-Town and is also involved in many other social activities.

MR. NIMISH G. PANDYA



Mr. Nimish Gulabrai Pandya holds a Bachelor's Degree in Law from Bombay University. He is a member of the Bar Council of Maharashtra and was appointed as a Notary Public by the Government of Maharashtra in the year 1993.

Mr. Pandya is a proprietor of Pandya & Co., Advocates and specializes in mergers and acquisitions. Besides, his career in law, he has been actively involved in many spiritual and social activities and has been a Member of Council of Management of Sri Sathya Sai Trust, Maharashtra. He is also a prominent member of the International Faculty of Personality Development Courses based on Human Values.

A prolific speaker, a dramatist and an ardent social worker, he has dedicated himself to the cause of Education in Human Values for children all over the world.

MR. MRUDUL D. INAMDAR



Mr. Mrudul Dattakumar Inamdar, a fellow member of the Institute of Chartered Accountants of India is a partner in Bansi S. Mehta and Company one of the most reputed Chartered Accountancy firm in Mumbai.

Mr. Inamdar has been practicing for over 25 years in the field of Corporate and Individual taxation, with special emphasis on representation before Income-tax appellate authorities at all levels, Tax Audits, Tax and Legal Due Diligence and Corporate Tax planning.



From the Chairman's Desk



Dear Shareholders,

At the outset let me thank-you for imposing your trust in us and becoming a member of the Kewal Kiran family. Many of you have been with us since our Initial Public Offering (IPO) and many of you have joined the family in the course of our journey and have witnessed the growth of your company since we went public in April 2006. With your continued support and confidence, your company is optimistic to achieve higher benchmarks in the years ahead.

On this positive note I take this opportunity to share my thoughts with my fellow co-owners.

India is the 4th largest economy in the world in terms of Purchasing Power Parity (PPP), after USA, China and Japan. The economy has grown steadily since economic reforms were initiated in the early '90s. One of the key developments during India's growth path has been a favourable shift towards the services sector, which now accounts for almost 50% of the total GDP. This is being led by services such as IT, telecommunications, healthcare and retailing.

The Indian textile and apparel industry has been the traditional backbone of the economy for centuries. It is the second largest employer after agriculture. CRISIL research estimates the overall (domestic and exports) readymade garments industry to reach Rs. 2482 billion by 2012 from Rs. 1335 billion in 2007 – a CAGR of 12.7 per cent. The domestic apparel market is estimated to grow at a CAGR of 13 percent, from Rs. 885 billion in 2007 to Rs. 1637 billion in 2012. Since brand penetration in the women and kid's apparel segment are lower than the men's segment, they will register a faster pace of growth.

Riding on high growth trajectory, organized retail in India is expected to expand as much as 28 per cent per annum over the next 5 years. Of the organized retail of Rs. 679 billion, clothing and textile comprise the largest share at 28 per cent. The country's organized retail boom on the back of rising income levels and changing lifestyle and consumption pattern has precipitated the growth of the domestic apparel industry. The primary factors contributing to this robust growth are rising disposable income, demographic changes, changing face of consumerism, growth of retail malls and growing preference of shopping through credit cards. The high level of branding exercises undertaken by apparel manufacturers and retailers and increasing shift towards the Franchisee model is driving growth of apparel retail. With growing brand penetration and availability, the consumption pattern is gradually shifting from tailor made garments to readymade garments. Organized retailing is currently focused on metros and is expected to grow in tier II cities. However over the next 10 years, growth in organized retailing is likely to be concentrated in urban and semi-urban areas.

The Indian readymade apparel industry is highly fragmented in nature. There is intense competition among the players, both in domestic as well as international (export) markets. Domestic consumption is expected to intensify with international brands entering India, either through setting up their own retail outlets or through their Indian suppliers. Exporters that have been affected by the appreciation in the rupee are diverting their capacities to the domestic markets. This will increase competition amongst the domestic players. Other impediment that may affect players in the organized retail industry is the ever increasing rental for quality commercial premises and the high cost of retail operations. Ability to attract and retain skilled manpower is also an area of concern.

Your Company operates in fashion lifestyle apparel segment and is committed to improving the lifestyle of people through its branded products. During the financial year ended March 31, 2008, sales and operating income of your company increased to Rs 159.60 crores from Rs 133.62 crores. The net profit after tax stood at Rs 21.10 crores against Rs. 18.65 crores for the previous financial year.

On the back of the high performance achieved by your company, the Board of Directors have pleasure in recommending a final dividend of 20% per equity share, that is, Rs 2.00 per share of Rs 10 each, for the year ended March 31, 2008.

The total dividend for the financial year ended March 31, 2008 including the interim dividend @ 20% declared earlier during the year under review and subsequent to the declaration of the final dividend in the ensuing Annual General Meeting would be 40% i.e. Rs. 4/- per share on 1,23,25,037 equity shares of Rs. 10/- each.

During the year under review your company launched Exclusive Brand Outlets (EBO) for its brands KILLER and INTEGRITI. During the year your company launched the much awaited KILLER women wear across all channels in India. Your company also launched mens formal wear and women wear under INTEGRITI brand in select INTEGRITI and K-LOUNGE stores across India.

During the year ended March 31, 2008 your company has opened 34 K-Lounge stores, 7 Killer EBO, 7 Integriti EBO and 3 Factory Outlets. During the year your company closed 3 stores due to location disadvantage. As on March 31, 2008 your company has 103 operational retail stores across the country.

Your Company had in the year 2006-07 acquired about 53,000 Sq. Feet Land and about 40,000 Sq. Feet Building thereon at Daman. Your Company has realigned its manufacturing facilities at Daman to make use of about 20,000 sq. feet area in the new premises. The Second phase of Expansion is being carried out at the said premises and the same is expected to be completed in the current financial year.

During the year ended March 31, 2008 your company acquired land admeasuring 3610 sq. mtrs. adjacent to the current processing facility at Vapi. This land will be used to enhance the capacity of washing and processing of garments.

The current year continues to be promising and we are doing our utmost to perform even better during the year.

Finally, let me take this opportunity to thank our dedicated team for their valuable support and cooperation, without which the company would not have been able to reach the position it enjoys today.

I also thank my colleagues on the Board for their valuable participation and contribution while guiding the course of the company.

Kewalchand P Jain
Chairman and Managing Director

NOTICE OF 17TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 17th Annual General Meeting of Kewal Kiran Clothing Limited will be held on Monday, August 4, 2008 at M.C.Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum) Mumbai - 400 001 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2008 and the Profit and Loss Account for the financial year ended March 31, 2008 together with the report of the Directors and Auditors thereon.
2. To declare a dividend on Equity shares.
3. To appoint a Director in place of Mr. Mrudul Inamdar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nimish Pandya, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Prakash Mody, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Jain & Trivedi, Chartered Accountants as the Statutory Auditors of the company and fix their remuneration.
7. To appoint M/s. N.A. Shah Associates, Chartered Accountants as the joint Statutory Auditors of the company and fix their remuneration.

SPECIAL BUSINESS:

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

“Resolved that in modification of the earlier resolution passed in the Extra Ordinary General Meeting held on November 12, 2005 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent of the members be and is hereby accorded to authorize the Board of Directors (herein after referred to as the Board which term shall include any Committee which the Board may/has constitute/constituted for this purpose) to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the then paid up capital of the company and its free reserves (that is to say reserves not set apart for any specific purpose) provided however that the total amount upto which such monies may be borrowed by the Board shall not exceed Rs. 200 crores (Two hundred crores) at any one time over and above such paid up capital and free reserves and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as may, in their absolute discretion, think fit;

FURTHER RESOLVED THAT the Board be and are hereby authorized to do all such acts, deeds, matters and things and to execute all such documents and writings as may be necessary, proper, desirable or expedient 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 modification of the earlier resolution passed in the Extra Ordinary General Meeting held on November 12, 2005 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 members be and is hereby accorded to authorize the Board of Directors (herein after referred to as the Board which term shall include any Committee which the Board may/has constitute/constituted for this purpose) to mortgage and/or charge, in addition to the mortgages / charges created/ to be created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to takeover