



KAMADGIRI FASHION LIMITED
2012-13 ANNUAL REPORT



The symbol of a true man. It oozes with the power of youth and yet has a mature ardor. 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
Mr. Lalit Kumar Goenka	:	Director
Mr. Madhusudan Singrodia	:	Director (upto 30/05/2013)
Mr. Ashwani Bhatia	:	Director
Mr. Rahul Mehta	:	Director
Mr. Sanjeev Maheshwari	:	Director
Mr. Anil Biyani	:	Director

Chief Executive Officer : Mr. Abhay Kumat

Finance Controller : Mr. Jagdish Dave

Company Secretary & Compliance Officer : 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

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

Date & Time of Annual General Meeting : 24th September 2013 at 10:30 AM

Venue of Annual General Meeting : Hotel Kohinoor Continental
Andheri-Kurla Road, J.B. Nagar
Andheri (East)
Mumbai - 400059
Tel : 022-66919000

Note : Please note that to reach Hotel Kohinoor Continental 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-sixth Annual General Meeting of the members of Kamadgiri Fashion Limited will be held on Tuesday the 24th September 2013 at 10:30 AM at Hotel Kohinoor Continental, Andheri-Kurla Road, J.B. Nagar, Andheri (East), Mumbai – 400 059 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Accounts for the year ended 31st March 2013 along with notes 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. Anil Biyani, 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. Ashwani Bhatia, 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.

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

Place: Mumbai
Date: 30th May 2013

Arun Bhandari
Company Secretary

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. The Register of Members and Share Transfer Books shall remain closed from **Wednesday the 18th September 2013 to Tuesday the 24th September 2013** (both days inclusive).
4. If the dividend is approved at the Annual General Meeting, which shall be payable to members of the Company on or after 24th September 2013 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 17th September 2013.
 - 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 17th September 2013.
5. Pursuant to the provision of section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 2005 - 2006 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
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
2011 - 2012 (Final)	18/09/2012	17/09/2019	17/10/2019

Shareholders who have not so far encashed the dividend warrant(s) for the financial year ended 31st March 2006 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 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 seven 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. 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.
12. **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.**

13. Members are encouraged to utilize the National Electronic Clearing Service (NECS) for receiving dividend. This notice includes an NECS Mandate Form for the benefit of members desiring to receive dividend through the NECS mode.
14. 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. Anil Biyani	Mr. Ashwani Bhatia
Age	49 years	55 years
Qualification	B.Com	Textile Engineer
Expertise in specific functional areas	About three decades of experience in textile industry.	More than three decades of experience in marketing of yarn and textile machines.
Directorship in other public companies (excluding foreign and private companies)	1) PIL Industries Ltd. 2) Future Corporate Resource Ltd. 3) Weavette Textstyles Ltd. 4) Gold Mohur Design & Apparel Park Ltd. 5) nuFuture Digital India Ltd.	Nil
Shareholding	Nil	Nil

DIRECTORS' REPORT

To
The Members,

Your Directors have great pleasure in presenting Twenty-sixth Annual Report along with the audited Statement of Accounts for the year ended 31st March 2013.

FINANCIAL HIGHLIGHTS

(` in Lacs)

	2012-13	2011-12
Turnover	20217.68	20523.01
Other Income	29.39	15.00
Profit before tax	151.83	275.08
Less: Provision for current tax	30.40	54.92
Less: Net deferred tax liability	60.30	52.06
Profit for the year	91.53	168.10
Add: Balance brought forward	765.18	626.51
Profit available for appropriation	856.71	794.61
Appropriation:		
Proposed dividend	25.32	25.32
Tax on proposed dividend	4.30	4.11
Balance carried forward	827.09	765.18

OPERATIONS

Year 2012-13 was another challenging year for the Company. During the year under review, the Company was able to maintain the top line almost at the same level as of the previous year despite challenging business environment and weak consumer sentiment. However, the Company could not maintain bottom line due to overall increase in operational costs including interest, personnel, power and fuel costs. The Company has achieved a turnover of ` 20217.68 lacs during the year as compared to ` 20523.01 lacs during the previous year. The profit after tax for the financial year 2012-13 was ` 91.53 lacs as compared to ` 168.10 lacs during the previous year. The various measures taken for controlling the costs and improving the productivity have started giving returns. As these measures are continuous process, the Company would continue its effort to increase the productivity, control the costs and investing on product innovations, to reap benefits in terms of increase profitability in years to come.

FUTURE PLANS

During the year, the Company plans to further strengthen its presence in branded fabrics, mainly linen, polyester, viscose and polyester cotton blends. In weaving division, the Company intends to gradually replace old machines with the technologically advanced machines to enhance the productivity.

The Company also plans to launch 'Lombard' brand of premium fabrics and accessories range. The Company has entered into brand licensing agreement with Future Brands Limited, the brand owners of 'Lombard'. The Company believes that this business has a potential to grow in the long run.

The Company has, in principle, decided to dispose of its jeans stitching and washing facility situated at Plot no. B7/3, MIDC, Tarapur, Thane District, Maharashtra, as the same is not a major contributor to the top line and is reducing overall profitability being a negative contributor. Sale of these facilities would free up the working capital to some extent and would also help to improve the operational efficiency and bottom line of the Company.

The Company plans to consolidate its business and continue its effort to control costs, better utilisation of manufacturing facilities and investing on product innovations. The Company expects the continued focus on said measures, would help the Company to improve its bottom line as well as top line. In view of these efforts, the proposed Rights Issue of shares of the Company has also been called off.

Future Group continues to be associated with the Company for strategic and marketing initiatives. This association helps the Company to counter the competition and assures ready market for quality products of the Company.

DIVIDEND

Your Directors are pleased to recommend a dividend of ` 0.50 per equity share (i.e. 5%) on the equity capital of the Company for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is presented as a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A Certificate of Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with stock exchange is also enclosed along with the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

Particulars as required to be disclosed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are given in the Annexure A to this Report.

PUBLIC DEPOSIT

The Company has not accepted any deposit from the public during the financial year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Anil Biyani and Mr. Ashwani Bhatia, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The details as required by clause 49 of the Listing Agreement, is given as part of the general meeting notice.

Mr. Lalit Kumar Goenka, Wholetime Director has ceased to be a Wholetime Director after the close of business hour on 25th August 2012 and he continues as a Non-Executive Director.

Mr. Madhusudan Singrodia has resigned as Director of the Company w.e.f. 29th May, 2013 due to pre-occupation. Board places on record sincere appreciation for the contribution made by him during his tenure as Director of the Company.

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants, Mumbai holds office as Statutory Auditors upto the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. They have issued a certificate to the effect that their appointment, if made, at the ensuing Annual General Meeting shall be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Shareholders are requested to appoint them as Statutory Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

COST AUDIT

Your Company is following the order issued under the section 209(1)(d) of the Companies Act, 1956 as amended in respect of manufacture of textiles. The Company has been maintaining cost accounting records as required in the above referred provision of the Companies Act, 1956 as amended. Ms. Ketki D. Visariya, Cost Accountant, has been appointed as a cost auditor for the financial year 2013-14.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2013 and that of the profit of the Company for the year ended on that date;
- iii. the proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO AND EXPORT INITIATIVE

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 is given as Form A & Form B is attached and forms part of this report. At present the Company is focusing on domestic market, it has not taken any export initiative.

ACKNOWLEDGEMENT

The Board wishes to place on record their sincere appreciation to all the bankers, customers, employees at all levels and stakeholders for the continued support and patronage during the year under review.

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

Place: Mumbai
Date: 30th May 2013

Pradip Kumar Goenka
Chairman & Managing Director

ANNEXURES TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2013

Sr. No.	Name	Designation / Nature of Duties	Remuneration (in `)	Qualifications	Experience (in no. of years)	Date of commencement of employment	Date of Leaving	Age (in years)	Last employment
(A) Employed throughout the year and were in receipt of remuneration of not less than ` 60,00,000 per annum									
1	Mr. Abhay Kumat	CEO	65,44,200/-	M.Com	31 years	29/06/2009	-	52 years	Stripes Apparels Ltd.
Sr. No.	Name	Designation / Nature of Duties	Remuneration (in `)	Qualifications	Experience (in no. of years)	Date of commencement of employment	Date of Leaving	Age (in years)	Last employment
(B) Employed for the part of the year and were in receipt of remuneration aggregating to not less than ` 5,00,000 per month									
1	N.A								

Notes:

- 1) Remuneration shown above includes Salary, HRA, Ex-gratia, LTA, Perquisites, Variable Pay and Company's contribution to Provident Fund etc. The monetary value of perquisite is calculated in accordance with the provisions of the Income-tax Act, 1961 and the related rules made there under.
- 2) The employee has adequate experience to discharge the responsibility assigned to him.
- 3) The nature of employment is contractual.
- 4) The above employee is not related to any Director of the Company
- 5) The above employee holds more than 2% of the paid-up Equity Share Capital of the Company.

Additional information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:

Form A

Disclosure of particulars with respect to Conservation of Energy:

1. Conservation of Energy

- | | |
|---|--|
| (a) Energy Conservation Measures taken | Measures taken for conservation of energy include improved Maintenance of operating system, control on consumption and loss of electricity, using energy efficient equipment. |
| (b) Additional investment, if any, being implemented for reduction of consumption of energy | Additional investment for reduction of consumption of energy will be made as and when there would be need for replacement of the high energy consuming equipment, by adopting energy efficient equipment in their place. |
| (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production | The impact of measures of reduction of energy consumption on cost of production is not precisely ascertainable. |

A. Power & Fuel Consumption

	2012-13	2011-12
1. Electricity		
(a) Purchases		
Units (KWH)	5818093	5880795
Total Amount (`)	39503486	35240708
Rate per unit (Average rate in `)	6.79	5.99
(b) Own Generation Through		
D. G enerator		
Quantity (Litres)	63392	66697
Unit Generated	207860	233919
Total Cost (`)	2970327	2944916
Rate per unit (Average rate in `)	14.29	12.59

B. Consumption per unit of production

(1) Electricity (KHW)		
Fabrics 100 mtr.	65.87	64.19
Readymade Garments 100 Pcs.	70.74	63.12

2. Technology Absorption:

Efforts have been made for technology absorption as per Form B of the annexure to the Rules.

Form B

Disclosure of particulars with respect to Technology Absorption:

A. Research & Development (R & D):

(a) Specific areas in which R & D has been carried out by the Company	The Company has carried out R & D in the area of product development.
(b) Benefit derived as result of R & D	Not directly ascertainable, but is contributing to better customer satisfaction as improvement in quality of products.
(c) Future plan action	Company plans to strengthen its R & D activity.
(d) Expenditure on R & D	The Company is incurring expenditure on Research and Development for improvement in shades of yarn and fabric designs as routine activity. However no specific amount set forth for R & D expenses.
i. Capital	-
ii. Recurring	-
Total	-
Total R & D Expenditure as percentage to percentage of turnover	-

B. Technology absorption, adaptation and innovation:

(a) Efforts, in brief made towards technology absorption, adaptation and innovation	Efforts have been made for up gradation of technology, wherever feasible.
(b) Benefit derived as a result of efforts e.g. product development, import substitution.	As a result of above effort, the quality of the product may improve.
(c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year.	The Company has not imported any technology at any time during the last five years except modern technology based machines.

3. Foreign Exchange Earnings & Outgo:

Total Foreign Exchange Used & Earned:

	Current year 2012-13	Previous year 2011-12
Used (in ` Lacs)	643.15	264.03
Earned (in ` Lacs)	-	-

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Textile Industry contributes approximately 14% of India's Industrial Production, 4% to the GDP and 17% to the country's export earnings. It is the second largest provider of employment after agriculture.

Year 2012-13, was another challenging year for textile sector. This sector was affected by sluggish demand. The sluggish demand and inflationary trends are though not encouraging, your Company is taking steps to tackle the pressure and improving its performance.

OPPORTUNITIES AND THREATS:

The rising income levels, young population, increasing awareness of fashion, changing consumption trends, growing organised retail market, etc., are auguring well for the industry as well as the Company. Cheap imports and rising cost of production including interest, wage, power and fuel costs are major challenge for the industry to remain competitive.

The Company has ensured wide availability of products through its tie up with organised retail sector. The products of the Company and brands have good recall value. High operation cost is major threat to the operations of the Company. The Company believes that through efficient production management system and better product mix, risks can be minimised that may be arising out of overall increase in cost of production and competition.

PRODUCT AND PERFORMANCE:

The overall performance of the weaving unit and True Value unit where 'True Value' and 'True Linen' brand of fabrics are sold was good. Readymade garment manufacturing business of the Company is affected by the high cost of production, sluggish demand and highly competitive market. The Company believes that measures taken by the Company for optimisation of production and controlling cost would help in coming days.

OUTLOOK:

The Company expects to do reasonably well in weaving and fabric business. The Company expects performance of the readymade garmenting unit would also improve, in view of various measures taken to improve efficiency.

RISKS AND CONCERNS:

The increase in cost of production, interest cost and constrained margin remains the major area of concern. The Company has been taking steps to counter such risks through various measures such as optimisation of productivity and having strategic tie up with organised retail sector and constant engagement with all channel partners such as dealers, wholesalers, retailers, agents, etc., for sale of products of the Company.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

Your Company is following a proper and adequate system of internal control in respect of all its activities including safeguarding and protecting its assets against loss or unauthorized use or disposition. Further, all transactions entered into by the Company are duly authorised, recorded correctly. Internal Auditors have reviewed and analysed various processes and operations of the Company in addition to taking up routine internal audit. Based on observations received, all policies and procedures and guidelines have been documented. Your Company is using advanced customised software system, which is upgraded from time to time to suit the system needs of the Company.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the total production for the weaving unit is given hereunder. The production of the grey fabrics, finish fabrics (including job) were 66.08 lacs meters and 26.49 lacs meters respectively as against 72.83 lacs meters and 26.82 lacs meters in the previous financial year.

During the year, the Company recorded a net sale ` 20217.68 lacs as against ` 20523.01 lacs in the previous year. Profit before tax recorded during the year was ` 151.83 lacs as against ` 275.08 lacs in the previous financial year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCE/INDUSTRIAL RELATIONS FRONTS:

The Company has three different operating units, human resource and relationship with the employees plays key role in its smooth operations. The Company pays required attention on the development of its human resources. The Management ensures that cordial and friendly relations are maintained with its work force and initiatives were taken for solving workers problems through amicable negotiation. The top management continues to ensure better training, on site performance evaluation, reward mechanism to increase the motivation of the workers. The industrial relation climate in your Company was harmonious and conducive.

CAUTIONARY STATEMENT:

Statement in the report of management discussion and analysis describing the company's objective, projections, estimates, expectation or predictions may be "forward looking statement" within the meaning applicable of Securities Laws or Regulations. These statements are based on certain assumptions and expectations for the future events. Actual results could differ materially from those of future events. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the company's operations include economic condition affecting global and domestic demand supply, finished goods prices in the domestic and overseas market in which the company operates, raw materials cost and availability, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The company assumes no responsibility to publicly amend, modify or revise and forward looking statements, on the basis of any subsequent development, information or events.

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

1. Company's philosophy on code of Governance:

Kamadgiri Fashion Limited believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is guided by a strong emphasis on transparency, accountability and integrity and has been practising the principles of Corporate Governance over the years.

2. Board of Directors:

The Board composition is in conformity with the provisions of the Companies Act, 1956 and clause 49 of the listing agreement. The strength of the Board as on 31st March 2013 is 7 Directors comprising of 2 Promoter Directors, 1 Non-Executive Director and 4 Independent Non-Executive Directors.

The composition of the Board and their attendance in the Board Meetings and other details are as under:

Name of Directors	Category of Directorship	# No. of other Directorships	^ No. of Committee Memberships	No. of Board meetings attended	Attendance at last AGM
Mr. Pradip Kumar Goenka	Promoter & Executive	1	-	4	Present
Mr. Lalit Kumar Goenka	Promoter & Non - Executive*	-	-	1	Absent
Mr. Anil Biyani	Non - Independent & Non - Executive	5	-	4	Present
Mr. Ashwani Bhatia	Independent & Non - Executive	-	-	2	Present
Mr. Madhusudan Singrodia	Independent & Non - Executive	-	-	-	Absent
Mr. Rahul Mehta	Independent & Non - Executive	2	-	3	Absent
Mr. Sanjeev Maheshwari	Independent & Non - Executive	2	-	4	Absent

Excludes Alternate Directorships, Directorships in Indian Private Limited Companies and Foreign Companies and proprietorship and partnership firms.

^ In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, membership/chairmanship of only the Audit Committee, Shareholders'/Investors Grievance Committee and the Remuneration Committee of the Public Limited Companies has been considered.

* w.e.f. 26th August 2012

There are no nominees or Institutional Directors in the Company. None of Directors have pecuniary or business relationship with the Company except to the extent as disclosed in note no. 26 of Notes to Financial Statements. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director. There is no inter se relationship between directors.

During the financial year 2012-2013, 4(Four) Board Meetings were held i.e. on 29th May 2012, 11th August 2012, 7th November 2012 and 14th February 2013 and the time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Directors seeking Appointment/ Re-appointment at the forthcoming Annual General Meeting (pursuant to clause 49 IV(G)(i) of the Listing Agreement):

Name of the Director	Mr. Anil Biyani	Mr. Ashwa ni Bhatia
Age	49 years	55 years
Qualification	B.Com	Textile Engineer
Expertise in specific functional areas	About three decades of experience in textile industry.	More than three decades of experience in marketing of yarn and textile machines.
Directorship in other public companies (excluding foreign and private companies)	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.	Nil
Shareholding	Nil	Nil

Code of conduct for Directors and Senior Management:

The Code of conduct as applicable to the Directors and the members of the senior management had been approved by the Board and it is being duly abided by all of them. The Annual Report of the Company contains declaration to this effect from the Chairman and CEO.

3. Committees of the Board:

Audit Committee

The Company has an Audit Committee at the Board level with powers and role that are in accordance with clause 49 of the listing agreement. The Committee acts as a link between the management, the statutory auditors and the Board of Directors and oversees the financial reporting process.

The Audit Committee presently comprises of 3 Non Executive Independent Directors. The members of the Committee are well versed in finance matters, accounts, Company law and general business practices.

The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges. These include the review of accounting and financial policies and procedures, review of financial reporting system, internal control system and procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

The Committee met 4 times during the year under report on 29th May 2012, 11th August 2012, 7th November 2012 and 14th February 2013. The time gap between the two meetings was not more than 4 months.

Composition of Audit Committee and details of the meeting attended:

Sr. No.	Name of the Directors	Category	Designation in the Committee	No. of Meeting attended
1.	Mr. Sanjeev Maheshwari	Independent & Non - Executive	Chairman	4
2.	Mr. Ashwani Bhatia	Independent & Non - Executive	Member	2
3.	Mr. Rahul Mehta	Independent & Non - Executive	Member	3

The terms of reference of the Audit Committee include:

- To review financial statements and pre-publication announcements before submission to the Board.
- To discuss and review report of the external auditors and ensure the compliance of the internal control system.
- To apprise the Board on the impact of accounting policies, accounting standards and applicable laws and regulations.
- To hold discussions with statutory auditors on the scope and content of the audit.
- To review related party transactions:
- Appointment of statutory auditor/cost auditor and fixing their remuneration.

4. Remuneration of Directors:

The Company has no pecuniary relationship or transaction with its non-executive independent Directors other than payment of sitting fees to them, if any, for attending Board and Committee Meetings.

The Company does not have an incentive plan, which is linked to performance and achievement of the Company's objectives. The Company has no stock option and pension scheme.

The details of remuneration paid to the Executive Directors of the Company during the year ended 31st March 2013 are given as under:

	Particulars	Unit	Pradip Kumar Goenka	Lalit Kumar Goenka
a)	Salary p.a.	`	30,00,000/-	60,000/-*
b)	Fixed Component- Contribution to Provident Fund	`	1,44,000/-	Nil
c)	Bonus, Benefits & Other Allowances	`	Nil	Nil
d)	Service contract	Years	3	-
e)	Notice Period	Months	3	-
f)	Severance Fees	`	Nil	Nil

*upto 25th August 2012

The Company has also paid sitting fees of ` 40,000/- to Mr. Ashwani Bhatia, ` 62,000/- to Mr. Rahul Mehta, ` 82,000/- to Mr. Sanjeev Maheshwari and ` 40,000/- to Mr. Anil Biyani, Non-Executive Directors.

5. Shareholders/Investors Grievance Committee:

The Shareholders/Investors Grievance Committee presently comprises of 3 Non-Executive Independent Directors. The Committee meets at frequent intervals to consider, inter alia, shareholders complaints like non receipt of share certificate or delay in transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. and provide satisfactory solution to the complainant's except for disputed cases and sub-judice matters which would be solved on final disposal by the Courts.

During the year 2012-2013, there was no meeting held.

Composition of Shareholders/Investors Grievance Committee:

Sr. No.	Name of the Directors	Category	Designation
1.	Mr. Ashwani Bhatia	Independent & Non - Executive	Chairman
2.	Mr. Madhusudan Singrodia	Independent & Non - Executive	Member
3	Mr. Rahul Mehta	Independent & Non - Executive	Member

Mr. Arun Bhandari, Company Secretary of the Company is the Compliance Officer.

During the year 2012-2013 the Company had received no complaint from SEBI (Securities and Exchange Board of India) and shareholders/investors. There was no complaint pending as on 31st March 2013. Also, no request for transfer and dematerialization was pending as on the said date.

6. Remuneration Committee:

The Remuneration Committee presently comprises of 4 Non-Executive Independent Directors. Kamadgiri Fashion Limited's remuneration policy is based on 3 factors, pay for responsibility, pay for performance and potential and pay for growth.

The Company's Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of whole time directors and to deal with all the elements of remuneration package of all such Directors.

As for non-whole time directors, their appointment is for utilizing their professional expertise in achieving the goals of the Company. Accordingly, the service contract, notice period and severance fees, if any, are not applicable to such non-whole time directors. However, as per Company's policy, upon attaining the age of 70 years the non-whole time Directors seek retirement by not offering themselves for re-appointment at Annual General Meeting of the Company.

Composition of Remuneration Committee and details of the meeting attended:

The Remuneration Committee of the Company consists of the following members of the Board:

Sr. No.	Name of the Directors	Category	Designation in the Committee	No. of Meeting attended
1.	Mr. Rahul Mehta	Independent & Non - Executive	Chairman	1
2.	Mr. Ashwani Bhatia	Independent & Non - Executive	Member	-
3.	Mr. Madhusudan Singrodia	Independent & Non - Executive	Member	-
4.	Mr. Sanjeev Maheshwari	Independent & Non - Executive	Member	1

The Committee met once during the year i.e., on 29th May 2012.

The terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments), perquisites and allowances, performance linked remuneration, if any, commission to be paid to the Company's Executive/Whole Time Director (ED/WTD) and to finalise the perquisites and allowances package within the overall ceiling fixed by the Board.

7. General Body Meetings:

The details of the Annual General Meeting held during the last 3 years are as under:

Financial Year	Date	Time	Venue	Special Resolution(s)
2011-2012	18/09/2012	10:30 AM	Hotel The Mirador 131 - B, New Link Road Opp. Solitaire Corporate Park Chakala, Andheri (East) Mumbai - 400 099	One
2010-2011	23/08/2011	10:30 AM	Hotel The Mirador 131 - B, New Link Road Opp. Solitaire Corporate Park Chakala, Andheri (East) Mumbai - 400 099	Two
2009-2010	29/09/2010	10:30 AM	Hotel The Mirador 131-B, New Link Road Opp. Solitaire Corporate Park Chakala, Andheri (East) Mumbai – 400 099	Two

8. Disclosures:

There were no other related party transactions of material nature with the Promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the Company at large. However, attention is drawn to note no. 26 of Notes to Financial Statements.

There were no instances of non-compliance on any matter related to the capital market during the past three years and that no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI.

The Board affirms that no person has been denied access to the Audit Committee during the year. The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.

9. Means of Communication:

The results of the Company are furnished to the BSE Limited on a periodic basis (quarterly, half yearly and annually) after the approval of the Board of Directors. The results are normally published in "The Asian Age" or "Business Standard" – English Newspaper and "Mumbai Lakshdeep", Marathi Newspaper within 48 hours after the approval of the Board. These were not sent individually to the shareholders. However, the Company furnishes the same on receipt of a request from the shareholders.

Management Discussion and Analysis Report is attached herewith forming part of the Annual Report.

10. General Shareholders Information:

a) Annual General Meeting

Day, Date and Time : Tuesday the 24th September 2013 at 10:30AM
Venue : Hotel Kohinoor Continental
Andheri Kurla Road, J.B. Nagar
Andheri (East)
Mumbai – 400 059

b) Financial Calendar for 2013-14(Tentative)

Financial Year:

1st April to 31st March

Results for the quarter ending 30th June 2013

On or before 14th August 2013

Results for quarter ending 30th September 2013

On or before 14th November 2013

Results for quarter ending 31st December 2013

On or before 14th February 2014

Results for year ending 31st March 2014

On or before 30th May 2014

Annual General Meeting:

September 2014

c) Date of Book Closure

Book Closure dates are from Wednesday the 18th day September 2013 to Tuesday the 24th September 2013 (both days inclusive).

d) Dividend payment Date

Dividend will be paid on or after 24th September 2013

e) Listing on Stock Exchanges & Listing fees.

Shares of the Company are listed on:

BSE Limited (BSE)

Phrioze Jeejeebhoy Towers

Dalal Street

Mumbai - 400 001.

Applicable listing fee has been paid.

f) Stock Code & ISIN

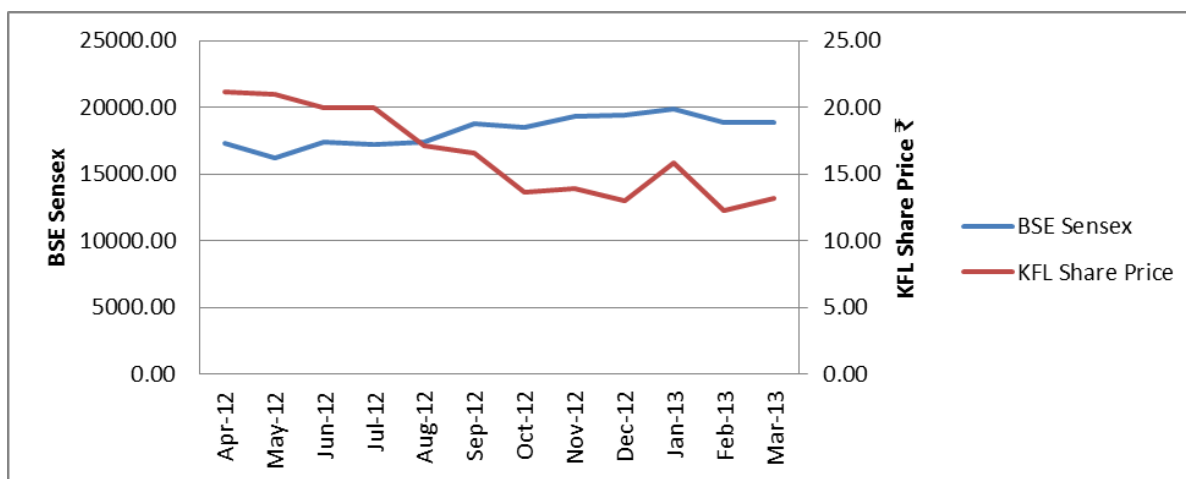
Stock Code at BSE Limited is 514322. ISIN is INE535C01013.

g) Market Price Data

(i) The monthly high and low quotations of shares traded on BSE Limited is as follows:

Month	(Amount in `)	
	High	Low
April, 2012	26.00	19.50
May, 2012	24.20	18.25
June, 2012	22.00	18.10
July, 2012	21.15	17.80
August, 2012	21.00	16.55
September, 2012	18.90	14.50
October, 2012	17.00	13.50
November, 2012	14.25	13.15
December, 2012	14.45	13.04
January, 2013	18.95	13.01
February, 2013	17.80	12.30
March, 2013	13.15	10.55

(ii) Performance of the stock in comparison to BSE Sensex



h) Registrar and Share Transfer Agent

The Company has appointed Sharex Dynamic (India) Private Limited for processing and approving the transfer of shares. Their contact details are as follows:

Sharex Dynamic (India) Private Limited
 Unit No.1, Luthra Industrial Premises, Safed Pool
 Andheri - Kurla Road, Andheri (East)
 Mumbai – 400 072. Phone – 28515606 & 5644 Fax: 28512885.
 Concerned officer in charge of the Registry is Mr. T. Shashi Kumar.
 Email: sharexindia@vsnl.com

i) Share Transfer System

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and affected within 15 days from the date of receipt.

Shares held in the dematerialized form are electronically transferred by Depository Participants at the request of beneficial owners (shareholders) and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

j) Nomination Facility

The Companies Amendment Act, 1999 has introduced through section 109A, the facility of nomination to share/debenture/deposit holders. This facility is mainly useful for all holders holding the shares/debentures/fixed deposits in single name. In case securities are held in joint names, the nomination will be effective only in event of death of all the holders.

Investors are advised to avail of this facility, especially those holding securities in single name to avoid the process of transmission by law.

Investors holding shares in physical mode may obtain prescribed form from the Registrar and Share Transfer Agent of the Company at Mumbai. However, if the shares are held in dematerialized form, the nomination has to be conveyed to your depository participants directly, as per the format prescribed by them.

k) Distribution of shareholding as on 31st March 2013

No. of Shares	No. of Shareholders	% of Shareholders	Shareholding ()	% of Shareholding
Upto 5000	1295	96.93	4339040	8.57
5001 – 10000	17	1.27	1183600	2.34
10001 – 20000	8	0.60	1162440	2.30
20001 – 30000	1	0.07	209980	0.41
30001 – 40000	1	0.07	316000	0.62
40001 – 50000	1	0.07	415700	0.82
50001 – 100000	3	0.22	2011520	3.97
100001 and above	10	0.77	41010380	80.97
Total	1336	100.00	50648660	100.00

Categories of Shareholders as on 31st March 2013 is as under

Category	Number of shares	%
Promoters	1814459	35.82
Banks/MFs/FIs	900	0.02
Private Bodies Corporate	2436434	48.11
Indian Public	799236	15.78
NRIs/OCBs	5093	0.10
Clearing Members	8744	0.17
Total	5064866	100.00

I. Dematerialisation of shares

About 98.14% of the shares have been dematerialised as on 31st March 2013. The equity shares of Kamadgiri Fashion Limited are traded at BSE Limited.

The equity shares of the Company are permitted to be traded in dematerialised form only.

m. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

n. Plant Locations

The Company's plants are located at:

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).

o. Address for investor correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, payment of dividend on shares and any other query relating to shares of the Company Registrar & Share Transfer Agent may be contacted at the following address.

Sharex Dynamic (India) Private Limited
Unit No.1, Luthra Industrial Premises, Safed Pool
Andheri Kurla Road, Andheri (East)
Mumbai – 400 072.
Phone – 022 28515606 /5644 Fax: 022 28512885.
Concerned officer incharge of the Registry is Mr. T. Shashi Kumar.
Email: sharexindia@vsnl.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

11. Compliance with Non-Mandatory Requirements:

The extent of compliance in respect of non-mandatory requirements is as follows:

- (a) **Chairman of the Board:** The Company has an executive Chairman and hence the requirement pertaining to reimbursement of expenses to a non-executive Chairman does not arise. No specific tenure has been specified for the independent Directors. However, they are liable to retire by rotation and seek re-appointment from the members.
- (b) **Remuneration Committee:** Details regarding Remuneration Committee has already been dealt under para 4 of this report.

- (c) **Shareholders' Right:** As the financial results of the Company is published every quarter in English and Marathi newspapers having a wide circulation, the same need not be sent to shareholders individually. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.
- (d) **Audit Qualifications:** There are no audit qualifications/observations on the Financial Statements for the year 2012-13.
- (e) **Training to Board Members:** No training has been provided to the Board Members as on date of this report. The Directors are interacting with management in a very free and open manner on information that may be required by them for orientation with the business of the Company.
- (f) **Mechanism for evaluating Non-executive Board Members:** There is no formal mechanism for evaluating performance of the non-executive directors at present.
- (g) **Whistle Blower Policy:** The Company has not implemented any formal whistle blower policy as yet.

12. Compliance:

A certificate has been obtained from the Statutory Auditors of the Company regarding compliance of corporate governance and attached to this report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Kamadgiri Fashion Limited

We have examined the compliance with the conditions of Corporate Governance by Kamadgiri Fashion Limited ("the Company") for the year ended 31st March 2013 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Atul Gala
Partner
Membership No. 048650

Place: Mumbai
Date: 30th May 2013

CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR

To,
The Board of Directors,
Kamadgiri Fashion Limited
Mumbai.

We hereby certify that for the financial year ending 31st March 2013 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during the year;
 - b. There have been no significant changes in accounting policies during the year.
 - c. There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For **Kamadgiri Fashion Limited**

Place: Mumbai
Date: 30th May 2013

Pradip Kumar Goenka
Chairman & Managing Director

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, Mr. Abhay Kumat, Chief Executive Officer of the Company hereby declare that all Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct laid down by the Board on an annual basis.

For **Kamadgiri Fashion Limited**

Place: Mumbai
Date: 30th May 2013

Abhay Kumat
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

To the members of Kamadgiri Fashion Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of Kamadgiri Fashion Limited ("the Company") which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act; and
 - e) on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Place: Mumbai
Date: 30th May 2013

Atul Gala
Partner
Membership No.:048650

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" in the Independent Auditors' Report of even date to the members of **Kamadgiri Fashion Limited** on the financial statements for the year ended **31st March 2013**]

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to the book records.
- (iii) a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions stated in paragraph 4 (iii) b), c) and d) of the Order are not applicable.
- b) The Company has taken interest free loan from one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the year-end balance of loans taken from such parties were ` 145 lacs.
- c) In our opinion, other terms and conditions for such interest free loan are not, prima facie, prejudicial to the interest of the Company.
- d) In respect of the aforesaid loans, there is no stipulation for repayment of loan.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion, transactions made in pursuance of contracts or arrangements referred to in clause (v) (a) above and exceeding the value of ` 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time where such market prices are available.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) a) The Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Service tax, Sales tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues applicable to it. There was no arrears of statutory dues as at 31st March 2013 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, the dues outstanding of income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess on account of dispute, are as follows:

Name of the statute	Nature of the dues	Amount (` in lacs)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	34.92	1993-94*	High Court
Income Tax Act, 1961	Income Tax	31.68	1994-95*	High Court
Income Tax Act, 1961	Income Tax	23.70	1995-96*	High Court
Income Tax Act, 1961	Income Tax	10.00	1996-97*	High Court
Income Tax Act, 1961	Income Tax	8.32	1998-99*	High Court
Income Tax Act, 1961	Income Tax	229.89	2009-10*	CIT (Appeals)
Income Tax Act, 1961	Income Tax	76.36	2010-11*	CIT (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	5.99	2001-02	Commissioner (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	25.05	2002-03	Commissioner (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	5.29	2006-07	Commissioner (Appeals)

*Assessment Year

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) According to the records examined by us, the Company has not defaulted, during the year, in repayment of dues to a financial institution or bank. The Company has not borrowed any sums through debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year. Accordingly, the provisions of clause (xviii) of paragraph 4 of the Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the year. Accordingly, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- (xx) The Company has not raised any money through a public issue during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No. 103523W

Place: Mumbai
Date: 30th May 2013

Atul Gala
Partner
Membership No.: 048650

BALANCE SHEET AS AT 31ST MARCH 2013

(` in Lacs)

Particulars	Note	As At 31st March 2013	As At 31st March 2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	1	506.49	506.49
b) Reserves & Surplus	2	1,812.44	1,750.53
		2,318.93	2,257.02
Non-Current Liabilities			
a) Long Term Borrowings	3	869.02	720.24
b) Deferred Tax Liabilities (Net)	4	303.02	242.72
c) Long Term Provisions	5	94.70	84.71
		1,266.74	1,047.67
Current Liabilities			
a) Short Term Borrowings	6	3,922.83	2,713.35
b) Trade Payables	7	3,240.65	2,165.87
c) Other Current Liabilities	8	2,435.39	1,457.12
d) Short Term Provisions	9	44.72	43.24
		9,643.59	6,379.58
TOTAL		13,229.26	9,684.27
II. ASSETS			
Non-Current Assets			
a) Fixed Assets			
(i) Tangible Assets	10	3,691.04	3,094.87
(ii) Intangible Assets		30.33	24.01
(iii) Capital Work-in-Progress		24.21	7.31
b) Non-current Investments	11	50.39	50.39
c) Long Term Loans and Advances	12	238.51	191.22
		4,034.48	3,367.80
Current Assets			
a) Current Investments	13	0.05	0.05
b) Inventories	14	4,064.98	2,638.26
c) Trade Receivables	15	4,421.79	3,401.98
d) Cash and Bank Balances	16	375.68	74.49
e) Short Term Loans and Advances	12	332.28	201.69
		9,194.78	6,316.47
TOTAL		13,229.26	9,684.27
Significant Accounting Policies & Notes on Financials Statements	1 to 32		

As per our attached Report of even date.

For **Haribhakti & Co.**
Chartered Accountants**Atul Gala**
Partner
Membership No. 048650Place : Mumbai
Date : 30th May 2013For and on behalf of the Board of Directors
of Kamadgiri Fashion Limited**Pradip Kumar Goenka**
Chairman & Managing Director**Anil Biyani**
Director**Jagdish Dave**
Finance Controller**Arun Bhandari**
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(` in Lacs)

Particulars	Note	2012-13	2011-12
I Income			
Revenue from operations	17	20,959.67	21,642.70
Less : Excise Duty		741.99	1,119.69
		20,217.68	20,523.01
II Other income	18	29.39	15.00
Total Revenue		20,247.07	20,538.01
III Expenses			
(a) Cost of Materials Consumed	19	8,612.13	8,170.12
(b) Purchases of Stock-in-Trade		3,712.90	2,866.78
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(834.92)	649.26
(d) Employee Benefits Expense	21	2,218.73	1,888.64
(e) Finance Costs	22	694.46	629.65
(f) Depreciation and Amortisation Expense	10	270.88	281.90
(g) Other Expenses	23	5,421.06	5,776.57
Total Expenses		20,095.24	20,262.93
IV Profit Before Tax		151.83	275.08
V Tax Expenses:			
a) Current Tax		30.40	54.92
b) Deferred Tax		60.30	52.06
c) MAT Credit Entitlement		(30.40)	-
		60.30	106.98
VI Profit for the Year		91.53	168.10
VII Earnings per Equity Share of Face Value of ` 10 each Basic and Diluted (in `)	25	1.81	3.32
Significant Accounting Policies & Notes on Financial Statements	1 to 32		

As per our attached Report of even date.

For **Haribhakti & Co.**
Chartered Accountants**Atul Gala**
Partner
Membership No. 048650
Place : Mumbai
Date : 30th May 2013For and on behalf of the Board of Directors
of Kamadgiri Fashion Limited**Pradip Kumar Goenka**
Chairman & Managing Director**Jagdish Dave**
Finance Controller**Anil Biyani**
Director**Arun Bhandari**
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(` in Lacs)

Particulars	31st March 2013	31st March 2012
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	151.83	275.08
Adjustments:		
Depreciation and Amortisation Expense	270.88	281.90
(Profit) on Sale of Fixed Assets	(88.73)	(64.52)
(Profit) on Sale of Investments	-	(1.22)
Interest Income	(5.97)	(65.58)
Interest Expenses	694.46	629.65
	870.64	780.23
Operating Profit Before Working Capital Changes	1,022.47	1,055.31
Inventories	(1,426.72)	1,193.72
Sundry Debtors	(1,019.82)	(1,123.63)
Cash & Bank Balances	(166.39)	36.71
Loans & Advances	(133.47)	(110.68)
Current Liabilities	1,629.93	21.32
Provisions	11.27	31.00
	(1,105.20)	48.44
Cash (Used in)/Generated from Operations	(82.73)	1,103.75
Direct Taxes Paid	(38.49)	(105.97)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(121.22)	997.78
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Inflow:		
Proceeds from Sale of Fixed Assets	137.08	133.82
Proceeds from Sale of Investments	-	6.62
Interest Income	0.07	65.84
	137.15	206.28
Outflow:		
Acquisition of Fixed Assets	(569.71)	(529.59)
NET CASH (USED IN) INVESTING ACTIVITIES	(432.56)	(323.31)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Inflow:		
Proceeds from Issue of Warrants	-	-
Proceeds from Issue of Shares	-	-
Proceeds from Long Term Borrowings	339.72	150.43
Proceeds from Short Term Borrowings (Net)	1,209.48	0.21
Proceeds from Unsecured Loan	100.00	50.00
	1,649.20	200.64
Outflow:		
Repayment of Long Term Borrowings	(237.65)	(224.20)
Interest Paid	(693.55)	(619.21)
Dividend Paid	(29.43)	(88.30)
	(960.63)	(931.71)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	688.57	(731.07)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	134.79	(56.59)
Opening Balance Of Cash And Cash Equivalents	61.66	118.25
Closing Balance Of Cash And Cash Equivalents	196.45	61.66
<u>Notes to Cash Flow Statements:</u>		
Cash & Cash Equivalents Comprise of: (Refer Note No.16)		
Cash on Hand	4.39	7.99
Bank Balances with Scheduled Banks:		
In Current Accounts	189.28	50.74
In Unpaid Dividend Accounts	2.78	2.94
TOTAL	196.45	61.66

As per our attached Report of even date.

For Haribhakti & Co.
Chartered AccountantsAtul Gala
Partner
Membership No. 048650Place : Mumbai
Date : 30th May 2013

KAMADGIRI FASHION LIMITED

For and on behalf of the Board of Directors
of Kamadgiri Fashion LimitedPradip Kumar Goenka
Chairman & Managing DirectorAnil Biyani
DirectorJagdish Dave
Finance ControllerArun Bhandari
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Company Overview:-

Kamadgiri Fashion Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed at Bombay Stock Exchange in India. The Company is engaged in the manufacturing and job work in textile industries.

B. Significant Accounting Policies

1. Basis of Accounting

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. GAAP comprise mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended) as per section 211(3C) of the Companies Act, 1956 and Guidelines issued by the Securities and Exchange Board of India.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current-non current classification of assets and liabilities.

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Although these estimates are based on the management's best knowledge of the current events and actions, actual results could differ from the estimates.

3. Fixed Assets, Intangible Assets and Capital Work in Progress

Fixed assets are stated at cost less accumulated depreciation. Cost comprises of purchase price and any attributable cost required for bringing the assets to its working conditions for its intended use.

Capital Work-in-Progress includes advances paid to acquire fixed assets, and the costs of fixed assets that are not ready for their intended use at the balance sheet date. Intangible assets are stated at cost less accumulated amortisation. The cost of an intangible asset comprises the consideration paid for acquisition, including any duties and taxes and any directly attributable expenditure on making the asset ready for its intended use.

4. Depreciation

Depreciation on fixed assets is provided on "Straight line method" at the rates specified in schedule XIV to the Companies Act, 1956. Computer software is grouped under "Intangible Assets" and is amortized over its useful life using straight line method in accordance with the rates prescribed against computers in schedule XIV of the Companies Act, 1956. Further,

- Cost of leasehold land is amortized over the period of lease.
- Assets each costing ` 5,000 or less are depreciated fully in the year of purchase.
- Depreciation in respect of addition to fixed assets is provided on pro-rata basis from the date on which such assets are capitalized.
- Depreciation on fixed assets sold, discarded or demolished during the year is being provided at their respective rates up to the date on which such assets are disposed off.

5. Investments

Investments that are readily realizable and intended to be held generally for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each investment.

6. Valuation of Inventories

- Raw Materials (Including goods in transit) are valued at lower of cost and Net Realisable Value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Stores and Spares are valued at cost.
- Work in process is valued at cost which includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- Finished Stocks are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads.
- Cost is ascertained on the FIFO/Specific Identification basis, as applicable.

7. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue shall be reliably measured.

Sale of goods

Revenue is recognized on transfer of significant risks and rewards of ownership of the goods (which is generally on the dispatch of goods) to the buyer.

Job Work Charges

Incomes from job charges are recognized as and when the services are rendered.

Interest Income

Interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

8. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is an indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Net selling price is the amount obtainable from sale of the asset in an arm length transaction between knowledgeable, willing parties, less the cost of disposal. After impairment the depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

9. Employee Benefits

a) Employee benefits comprise both defined contribution and defined benefit plans.

b) Provident fund is a defined contribution plan

Each eligible employee and the Company make an equal contribution at a percentage of the basic salary specified under the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Company has no further obligations under the plan beyond its periodic contributions.

c) Gratuity and Leave Encashment are defined benefit plans:-

The company's liability towards gratuity and leave encashment are charged off to the Statement of Profit & Loss in the period in which the employee has rendered services at the present value of the amounts payable determined using actuarial valuation techniques. The actuarial method used for measuring the liability is the Projected Unit Credit method.

10. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate is possible. Provisions are not discounted to its present value and are determined on the basis of the best estimate required to settle the obligation as on the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized in the financial statements but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

11. Taxes on Income

Provision for current tax is made in accordance with and at the rates and in the manner specified under the Income Tax Act, 1961 as amended from time to time. Income taxes are accrued at the same period in which the related revenue and expense arise. A provision is made for income tax based on the tax liability computed after considering tax allowances and exemptions.

Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

12. Leases

Where the company is lessee:

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as expenses in the Statement of Profit and Loss on a straight line basis over the lease term.

Where the company is lessor:

Assets subject to operating leases are included in fixed assets; lease income is recognised in Statement of Profit and Loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal cost, brokerage, etc. are recognised immediately in the Statement of Profit and Loss.

13. Transaction in Foreign Currencies

a) Initial Recognition:

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion:

Foreign Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of the historical cost denominated in the foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at a fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed on the date the values were determined.

c) Exchange Difference:

The exchange difference arising on the settlement of monetary items or on reporting unsettled monetary items at the rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or as expenses in the period in which they arise.

d) Forward Exchange Contracts:

In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, the premium/discount represented by difference between the exchange rate at the date of the inception of the forward exchange contract and forward rate specified in the contract is amortised as expense or income over the life of the contract.

Exchange differences on such contracts are recognised in the statement of Profit and Loss in the period in which they occur.

Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for that period.

e) Non-monetary foreign currency items such as investments are carried at cost.**14. Cash and Cash Equivalents**

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investment with an original maturity of three month or less.

15. Earnings per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent they that they were entitled to participate in the dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events like bonus issue, bonus element in a rights issue to the existing shareholders, share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity share holders and the weighted average no. of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. Government Grants

Government grants in the nature of the promoters' contribution are credited to the capital reserve and treated as a part of the share holders' funds.

17. Borrowing Costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest & borrowing costs are charged to revenue.

18. Application of Securities Premium Account

Share and debenture Issue expenses and Premium payable on Redemption of Debentures, are charged first against available balance in Securities Premium Account.

NOTES TO THE FINANCIAL STATEMENTS

1 SHARE CAPITAL:

(` in Lacs)

Particulars	31st March 2013	31st March 2012
Authorised Share Capital 2,00,00,000 (31st March 2012 : 2,00,00,000) Equity Shares of ` 10/- each	2,000.00	2,000.00
Issued , Subscribed and Paid up: 50,64,866 (31st March 2012 : 50,64,866) Equity Shares of ` 10/- each	506.49	506.49
TOTAL	506.49	506.49

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period : (` in Lacs)

Particulars	Number	31st March 2013	Number	31st March 2012
At the beginning of the period	50.65	506.49	50.65	506.49
Issued during the period	-	-	-	-
Outstanding at the end of the period	50.65	506.49	50.65	506.49

b) Shareholders holding more than 5 percent shares in the Company:

Particulars	31st March 2013		31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ananddeep Consultancy Services Pvt Ltd.	436,800	8.63	436,800	8.63
PIL Industries Ltd.	1,409,884	27.84	1,409,884	27.84
Tritoma Hotels Pvt. Ltd.	325,000	6.42	325,000	6.42
Pradip Kumar Goenka	721,200	14.21	721,200	14.21
Tilak Pradip Goenka	424,102	8.37	424,102	8.37

c) Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

2 RESERVES AND SURPLUS

(` in Lacs)

Particulars	31st March 2013	31st March 2012
Capital Reserves		
As per last Balance Sheet	37.00	37.00
Securities Premium Account		
As per last Balance Sheet	313.32	313.32
General Reserves		
As per last Balance sheet	635.03	635.03
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	765.18	626.51
Add : Profit for the year	91.53	168.10
Amount available for appropriation	856.71	794.61
Less : Appropriation		
Proposed final equity dividend	25.32	25.32
(Amount per share ` 0.50/- (31st March 2012 : ` 0.50))		
Tax on Proposed dividend	4.30	4.11
Transfer to General Reserve	-	-
Total Appropriations	29.62	29.43
Net Surplus in the Statement of Profit and Loss	827.09	765.18
TOTAL	1,812.44	1,750.53

3 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	Non - Current Portion		Current Portion	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Secured				
(a) From Bank	656.65	602.36	273.20	223.20
Term Loans	4.37	4.88	7.33	4.04
Vehicle Loans				
Unsecured				
(a) From Body Corporates**	145.00	50.00	-	-
(b) Deposits	63.00	63.00	-	-
The above amount includes	869.02	720.24	280.53	227.24
" Other current liabilities " (refer note 8)	-	-	(280.53)	(227.24)
TOTAL	869.02	720.24	-	-

- i) Additional Term loan from bank amounting to ₹ 271.60 lacs sanctioned during the financial year 2012-2013. The same is repayable in 60 Monthly instalments of ₹ 10 Lacs each along with interest, after moratorium period of 12 months. The loan is secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. Term Loan of ₹ 165 lacs are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 33 equal monthly instalments of ₹ 5 Lacs each along with interest. Term Loan of ₹ 27.46 lacs are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 25 equal monthly instalments of ₹ 1.10 Lacs each along with interest. Term Loan of ₹ 465.78 lacs are secured by equitable mortgage of Factory Land and Building and hypothecation of Plant and Machineries. The loan is repayable in 37 equal monthly instalments of ₹ 12.50 Lacs each along with interest. The rate of interest on the above mentioned Term Loans ranges between 12.50 % p.a to 14.50 % p.a.
- ii) Vehicle loans were from bank was taken during the current financial year and carries interest @ 10.35%. The loan is repayable in 35 instalments of ₹ 39,857 along with the interest , from the proceeding month of the approval letter, the loan is secured by hypothecation of specific vehicle.
- iii) The Company has given premises on operating lease for a 99 year commencing from the 1st January 2007 which is non cancellable for 99 years. Interest free refundable deposit ₹ 63 lacs received by the Company, has been disclosed under unsecured loan as deposits.

**** Loans from Related Party**

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Enterprises having voting power of the Company	145.00	50.00
TOTAL	145.00	50.00

4 DEFERRED TAX LIABILITY (Net)

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Deferred Tax Liability		
Related to Fixed Assets	350.76	274.68
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	47.74	31.96
TOTAL	303.02	242.72

5 DEFERRED TAX LIABILITY (Net)

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Provision for employee benefits		
Gratuity	74.12	64.95
Unavaied leave	20.58	19.76
TOTAL	94.70	84.71

6 SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Secured		
Loans repayable on demand		
Cash credit from bank*	3,585.19	2,636.52
	3,585.19	2,636.52
Unsecured		
Loans repayable on demand		
From Kotak Mahindra Bank	-	26.83
From Body Corporates**	50.00	50.00
Bills discounting	287.64	-
	337.64	76.83
TOTAL	3,922.83	2,713.35

*Cash credit from banks is secured by hypothecation of present and future stock of raw materials, stock in process, finished goods, stores and spares, book debts, outstanding monies, receivable and carries interest @ 11.25% p.a to 14.25% p.a and the same is repayable on demand

7 TRADE PAYABLES

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Outstanding dues of Micro and Small Enterprises	-	-
Outstanding dues of creditors other than Micro and Small Enterprises	3,240.65	2,165.87
TOTAL	3,240.65	2,165.87

No Interest is paid / payable during the year to any enterprise registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSME). The above information has been determined to the extent such parties could be identified on the basis of the status of suppliers under MSME.

8 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Current Maturity of long term borrowings (refer note 3)	280.53	227.24
Creditors for capital goods	534.22	165.30
Interest accrued and due on borrowings	0.30	10.44
Acceptance	407.04	-
Unpaid dividend	2.78	2.94
Deposit from Customers	342.08	283.13
Other payables*	868.44	768.07
TOTAL	2,435.39	1,457.12

*Includes statutory dues, advances / deposits from customers and provisions for expenses

9 SHORT TERM PROVISIONS:

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Provision for employee benefits		
Gratuity	8.24	7.22
Leave encashment	6.86	6.59
Others Provision		
Proposed equity dividend	25.32	25.32
Provision for tax on dividend	4.30	4.11
TOTAL	44.72	43.24

10 FIXED ASSETS

(₹ in Lacs)

	Description	Original cost			Depreciation and amortization				Net book value	
		As at 1st April 2012	Additions during the year	Deductions/ Retirement during the year	As at 31st March 2013	As at 1st April 2012	For the Year	Deductions during the year	As at 31st March 2013	As at 31st March 2012
a	Tangible Assets									
	Land	49.91	-	-	49.91	-	-	-	49.91	49.91
	Land under lease	333.67	-	-	333.67	8.14	4.49	12.63	321.04	325.53
	Buildings	639.00	8.16	-	647.16	72.86	21.53	94.39	552.77	566.14
	Residential Flat	65.90	-	-	65.90	19.26	1.07	20.33	45.57	46.64
	Plant and Equipment	2,505.20	852.50	167.49	3,190.21	758.87	186.93	128.37	817.43	2,372.78
	Electrical Installation	117.45	11.93	-	129.38	54.48	5.40	59.88	69.50	62.97
	Furniture and Fixtures	201.12	5.88	-	207.00	71.81	12.47	84.28	122.72	129.31
	Vehicles	35.27	15.92	12.27	38.92	10.61	2.94	3.38	10.17	28.75
	Office Equipment	62.11	6.49	0.18	68.42	17.21	3.08	0.01	20.28	48.14
	Computers	192.34	6.76	0.20	198.90	93.86	25.18	-	119.04	79.86
	Sub Total (A)	4,201.97	907.64	180.14	4,929.47	1,107.10	263.09	131.76	1,238.43	3,691.04
b	Intangible Assets									
	Software	35.49	14.11	-	49.60	11.48	7.79	-	19.27	30.33
	Sub Total (B)	35.49	14.11	-	49.60	11.48	7.79	-	19.27	30.33
	Total (A+B)	4,237.46	921.75	180.14	4,979.07	1,118.58	270.88	131.76	1,257.70	3,721.37
	Previous Year	3,917.03	515.47	195.04	4,237.46	962.42	281.90	125.74	1,118.58	3,118.88
c	Capital Work In Progress	7.31	24.21	7.31	24.21				24.21	7.31

11 NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Investment in Equity Instruments		
(Unquoted Trade)		
i) Jagruti Synthetics Ltd (Equity Shares of ₹ 10 Each) *	50.09	50.09
(4,86,000 Nos (31st March 2012 4,86,000 Nos)		
(Other Unquoted Non-Trade)		
i) Bombay Mercantile Co-op Bank Ltd (Equity Shares of ₹ 10 Each)	0.06	0.06
(190 Nos (31st March 2012 : 190 Nos)		
ii) Janakalyan Sahakari Bank Limited (Equity Shares of ₹ 10 Each)	0.01	0.01
(100 Nos (31st March 2012 : 100 Nos)		
Investment in Government securities		
l) National Saving Certificates	0.23	0.23
TOTAL	50.39	50.39

*Investment held in the shares of Jagruti Synthetics Limited, being of long term nature, is stated at cost of acquisition and no adjustment has been made in respect of diminution in the value of such investment.

12 LOANS AND ADVANCES

(₹ in Lacs)

Particulars	Long Term		Short Term	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Security Deposits				
Unsecured, considered good				
Rental Deposit*	61.92	57.00	-	2.82
Electricity deposits	33.96	30.08	-	-
	95.88	87.08	-	2.82
Other Loans and Advances				
Unsecured, considered good				
Prepaid Expenses	-	-	29.66	26.07
Interest accrued but not due	-	-	9.91	4.01
Balance with Excise authorities, Customs etc.	-	-	-	1.79
Advance Income tax (net of provision for taxation)	112.23	104.14	-	-
MAT Credit Entitlement	30.40	-	-	-
Other loans and advances**	-	-	292.71	167.00
	142.63	104.14	332.28	198.87
TOTAL	238.51	191.22	332.28	201.69

*** Deposits with Related Party**

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Director	10.00	10.00
Company in which director is a member	40.00	40.00
TOTAL	50.00	50.00

** Includes advances to employees and advances to suppliers.

13 CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Investment in Mutual Fund		
(Quoted Trade):		
PNB Principal Junior Cap Fund 500 Units	0.05	0.05
Market Value of ₹ 8,395 (31st March 2012 ₹ 8,395)		
TOTAL	0.05	0.05

14 INVENTORIES

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Raw Materials and components (Includes in transit ₹ 88.49 lacs) (31st March 2012 ₹ 8.71 lacs)	1,182.57	598.57
Work-in-progress	1,040.04	748.96
Finished goods	1,676.55	1,132.71
Stores, Spares and Others	165.82	158.02
TOTAL	4,064.98	2,638.26

14.1 Details of Raw Materials

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Yarn	402.23	290.85
Stitching Materials	65.82	106.26
Fabrics	714.52	201.46
TOTAL	1,182.57	598.57

14.2 Details of Work in Progress

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Grey Fabrics	67.62	72.59
Fabrics	271.02	248.06
Garment	701.40	428.31
TOTAL	1,040.04	748.96

14.3 Details of Finished Goods

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Fabrics	1,676.55	1,132.71
TOTAL	1,676.55	1,132.71

14.4 Others

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Stores, Spares and Others	165.82	158.02
TOTAL	165.82	158.02

15 TRADE RECEIVABLE (Unsecured, Considered good) :

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	58.01	122.72
	58.01	122.72
Trade receivables outstanding for a period less than six months from the date they are due for payment.	4,363.78	3,279.26
	4,363.78	3,279.26
TOTAL	4,421.79	3,401.98

16 CASH AND BANK BALANCES:

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Cash and Cash equivalents	4.39	7.99
On Current accounts	189.28	50.74
On unpaid dividend account	2.78	2.94
	196.45	61.66
Other Bank Balances :		
Fixed deposits with original maturity for more than 12 months*	179.23	12.82
TOTAL	375.68	74.49

*Pledged with bankers against margin money of ₹ 176.86 Lacs and against bank guarantee of ₹ 2.37 Lacs (31st March 2012 Margin money ₹ 12.12 Lacs and bank guarantee ₹ 0.70 Lacs)

17 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Sales of Products	19,452.83	20,440.67
Sales of services (Job charges Received)	1,327.37	1,046.77
Other operating revenues	179.47	155.26
	20,959.67	21,642.70
Less : Excise Duty	741.99	1,119.69
TOTAL	20,217.68	20,523.01

17.1 PARTICULARS OF SALE OF PRODUCTS

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Finish Fabrics	9,788.14	8,498.04
Readymade garments	9,640.42	11,922.72
Others	24.27	19.91
TOTAL	19,452.83	20,440.67

18 OTHER INCOME

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Interest Income on		
Bank deposit	5.97	2.51
Profit on sale of non current investments	-	1.22
Other non operating income	23.42	11.27
TOTAL	29.39	15.00

19 COST OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Inventory at the beginning of the year	598.57	1,140.46
Add: purchases	9,196.13	7,628.23
	9,794.70	8,768.69
Less : Inventory at the end of the year	1,182.57	598.57
TOTAL	8,612.13	8,170.12

19.1 PARTICULARS OF MATERIALS CONSUMED

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Yarn	241.71	267.75
Accessories	367.22	800.34
Finished Fabrics	8,003.20	7,102.03
TOTAL	8,612.13	8,170.12

**20 CHANGES IN INVENTORIES
STOCK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Inventories at the end of the year		
Work-in-Progress	1,040.04	748.96
Finished goods	1,676.55	1,132.71
	2,716.59	1,881.67
Inventories at the beginning of the year		
Work-in-Progress	748.96	1,513.79
Finished goods	1,132.71	1,017.14
	1,881.67	2,530.93
TOTAL	(834.92)	649.26

21 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Salaries, wages and bonus	2,027.62	1,712.59
Contributions to Provident, Gratuity and Other funds	83.64	69.34
Gratuity fund contributions	23.96	30.93
Leave Encashment	11.37	16.20
Staff welfare expenses	72.14	59.58
TOTAL	2,218.73	1,888.64

21.1 Defined Benefit Plan

Contribution to Defined Contribution Plans, recognized as expense for the year as under.

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Employer's Contribution to Provident Fund	83.64	67.22

Defined Benefit Plan

The employees' gratuity fund scheme is unfunded. The present value of obligation is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to build up the final obligation.

The obligation for leave encashment is recognized in the same manner as gratuity.

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
	Gratuity (unfunded)	Gratuity (unfunded)
Defined Benefit obligation at beginning of year	72.17	51.48
Current Service Cost	20.76	14.12
Interest Cost	5.77	4.12
Actuarial (gain) / loss	(2.58)	12.69
Benefit Paid	13.77	10.24
Defined Benefit obligation at year end	82.36	72.17

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
	Leave Encashment	Leave Encashment
Defined Benefit obligation at beginning of year	26.35	16.03
Current Service Cost	14.39	12.91
Interest Cost	2.11	1.28
Actuarial (gain) / loss	(5.13)	2.01
Benefit Paid	10.29	5.88
Defined Benefit obligation at year end	27.43	26.35

ii) Reconciliation of Fair value of assets and obligation

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
	Gratuity (unfunded)	Gratuity (unfunded)
Fair value of Plant assets	-	-
Present Value of obligation	82.36	72.16
Amount recognized in Balance Sheet	82.36	72.16

ii) Reconciliation of Fair value of assets and obligation

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
	Leave Encashment	Leave Encashment
Fair value of Plant assets	-	-
Present Value of obligation	27.43	26.35
Amount recognized in Balance Sheet	27.43	26.35

iii) Expenses recognized in the Statement of Profit & Loss

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
	Gratuity (unfunded)	Gratuity (unfunded)
Current service cost	20.76	14.12
Interest Cost	5.77	4.12
Excepted return on plan assets	-	-
Actuarial (gain)/ loss	(2.58)	12.69
Net Cost	23.95	30.93

iii) Expenses recognized in the statement of profit & loss

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
	Leave Encashment	Leave Encashment
Current service cost	14.39	12.91
Interest Cost	2.11	1.28
Excepted return on plan assets	-	-
Actuarial (gain)/ loss	(5.13)	2.01
Net Cost	11.37	16.20

iv) Actuarial assumption

(` in Lacs)

Particulars	31st March 2013	31st March 2012
	Gratuity (unfunded)	Gratuity (unfunded)
Mortality Table (LIC)		
Discount Rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%

iv) Actuarial assumption

(` in Lacs)

Particulars	31st March 2013	31st March 2012
	Leave Encashment	Leave Encashment
Mortality Table (LIC)		
Discount Rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

The above information is certified by the actuary.

Experience adjustments have not been disclosed as details information was not received from the actuary.

22 FINANCE COST

(` in Lacs)

Particulars	31st March 2013	31st March 2012
Interest Expenses	654.58	604.88
Other borrowing cost	39.88	24.77
TOTAL	694.46	629.65

23 OTHER EXPENSES

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Manufacturing Expenses		
Consumption of Stores, spare parts and others (Refer note 23.1)	374.04	301.20
Consumption of Packing materials	323.62	336.69
Power and fuel	494.43	452.46
Machine hire charges	14.56	34.08
Job charges	1,860.72	2,361.92
Labour charges	224.19	162.27
Repairs to Buildings	26.37	34.12
Repairs to Machinery	25.57	28.15
Repairs to Others	109.74	85.32
TOTAL	3,453.24	3,796.21
Selling and Distribution Expenses		
Travelling and conveyance	95.83	84.35
Brokerage and commission	199.93	205.34
Advertisement and marketing expenses	136.12	150.05
Incentives and discount	834.96	1,047.83
Freight outward charges	181.79	109.75
TOTAL	1,448.63	1,597.32
Establishment Expenses		
Printing and Stationery	31.89	27.58
Communication Cost	21.65	21.24
Legal and professional fees	162.89	138.90
Postage, telegram and courier charges	17.73	16.14
Exchange differences (net)	(0.03)	0.99
Sundry balance written off	41.59	(0.14)
Rent	145.35	107.84
Insurance	16.56	13.26
Rates and taxes, excluding, taxes on income	20.63	11.87
Payment to the auditor (Refer note 23.2)	12.14	11.71
Miscellaneous expenses	48.79	33.65
TOTAL	519.19	383.04
TOTAL	5,421.06	5,776.57

23.1 VALUE OF STORES & SPARES CONSUMED

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Imported	39.71	48.76
% of Consumption	10.62%	16.19%
Indigenous	334.33	252.44
% of Consumption	89.38%	83.81%
TOTAL	374.04	301.20

23.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(₹ in Lacs)

Particulars	31st March 2013	31st March 2012
Stores and Spare parts	70.16	43.11
Capital Goods	533.29	167.98

23.3 PAYMENT TO THE AUDITORS

(` in Lacs)

Particulars	31st March 2013	31st March 2012
As Auditor		
Audit fees	7.30	7.30
Tax audit fees	1.12	1.12
Limited review	2.81	1.65
In other capacity		
Company law matters	0.56	0.56
Certification fees	-	0.83
Reimbursement of expenses	0.10	0.25
TOTAL	11.89	11.71

24 EXPENDITURE IN FOREIGN CURRENCY

(` in Lacs)

Particulars	31st March 2013	31st March 2012
Travelling Expenses	-	4.17

25 EARNING PER SHARE (EPS)

(` in Lacs)

Particulars	31st March 2013	31st March 2012
(i) Net profit after taxes as per statement of profit and loss attributed to equity shareholders	91.53	168.10
(ii) Number of equity shares used as denominator for calculation of EPS	5,064,866	5,064,866
(iii) Basic and Diluted earning per share (amount in `)	1.81	3.32
(iv) Face value per equity share (amount in `)	10.00	10.00

26 RELATED PARTY DISCLOSURES:

As per Accounting Standard 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below.

i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of the Related Party	Relationship
1 PIL Industries Ltd	Enterprises having voting power of the company
2 Jagruti Synthetics Ltd	Other Related Parties (Enterprises - KMP having significant influence / Owned by Major Shareholders)
3 Mr. Pradip Kumar Goenka	Key Management Personnel (KMP)
4 Mr. Abhay Kumat	
5 Mr. Tilak Goenka	Relatives of Key Management Personnel (KMP)
6 Mrs. Jyoti Kumat	

(e) Related Party Transactions

(₹ in Lacs)

Particulars	2012-13		31st March 2013		31st March 2012	
	31st March 2013	31st March 2012	Receivable	Payable	Receivable	Payable
a) Sales:						
Jagruti Synthetics Limited	0.14	0.11	-	-	-	-
b) Purchase:						
Jagruti Synthetics Limited	410.79	526.88	-	19.87	-	-
PIL Industries Limited	-	-	-	-	-	-
c) Job Charges Paid:						
Jagruti Synthetics Limited	38.33	6.75	-	3.38	-	-
d) Interest Paid :						
PIL Industries Limited	-	-	-	-	-	-
Jagruti Synthetics Limited	0.60	-	-	0.10	-	-
e) Rent Expenses:						
PIL Industries Limited	60.67	60.00	-	65.06	-	13.02
Jagruti Synthetics Limited	57.03	41.64	-	4.42	-	-
Mr. Pradip Kumar Goenka	3.72	3.72	-	-	-	-
Mr. Abhay Kumart	3.08	3.43	-	-	-	-
Mrs. Jyoti Kumart	3.08	7.67	-	-	-	-
f) Electricity Expenses:						
PIL Industries Limited	-	0.11	-	-	-	-
Jagruti Synthetics Limited	0.73	-	-	-	-	-
g) Managerial Remuneration:						
Mr. Pradip Kumar Goenka	31.44	27.50	-	-	-	-
Mr. Lalit Kumar Goenka	0.60	1.44	-	-	-	0.97
Mr. Abhay Kumart	62.89	62.89	-	-	-	0.69
h) Salary :						
Mr. Tilak Goenka	5.67	5.04	-	-	-	0.38
i) Deposit Given :						
Mr. Pradip Kumar Goenka	-	-	-	10.00	-	10.00
Jagruti Synthetics Limited	-	-	-	40.00	-	40.00
j) Advances Repaid :						
PIL Industries Limited	50.00	20.00	-	-	-	50.00
k) Loan Taken :						
PIL Industries Limited	145.00	-	-	145.00	-	-

27 The Company is engaged in manufacturing (in house and outsourced) fabrics, ready to wear garments, considering the overall nature, the management is of the opinion that the entire operation of the company falls under one segment i.e. Textiles and as such there is no separate reportable segment for the purpose of disclosure as required under Accounting Standard - 17 segment reporting.

28 UNHEDGED FOREIGN CURRENCY EXPOSURE

(` in Lacs)

Particulars	31st March 2013	31st March 2012
Payable : Nil (31st March 2012: GBP 7,572.17)	-	5.91

29 CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(` in Lacs)

Particulars	31st March 2013	31st March 2012
Contingent Liabilities		
a) Claims against the company not acknowledged as debt	454.70	378.34
b) Guarantees	79.48	79.48
	534.18	457.82
Commitments		
a) Estimated amount of contracts remaining to be executed on Capital account and not provided for		-
b) Other commitments - pending obligation under EPCG scheme	334.45	334.45
	334.45	334.45
TOTAL	868.63	792.27

30 DETAILS OF FOREIGN SHAREHOLDING AND DIVIDEND PAID

(` in Lacs)

Particulars	31st March 2013	31st March 2012
No. of non resident shareholders	7	2
No. of shares held by them on which dividend was paid	4,668	4,000
Gross Dividend (`)	2,334	6,000

*Dividend for the F.Y. 2011-2012 was declared in AGM held on 18th September 2012 and paid on 22nd September 2012

31 Derivative contracts entered into by the Company and outstanding as on 31st March 2013

(` in Lacs)

Particulars	31st March 2013	31st March 2012
Forward Contracts	503.42	-

32 Previous year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with current year's figure.

For and on behalf of the Board of Directors
of Kamadgiri Fashion Limited

Pradip Kumar Goenka
Chairman & Managing Director

Anil Biyani
Director

Place: Mumbai
Date: 30th May 2013

Jagdish Dave
Finance Controller

Arun Bhandari
Company Secretary

NATIONAL ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

Mandate Form

Shareholder's authorisation to receive dividends through National Electronic Credit Clearing Mechanism

1. Name of the First / Sole Shareholder:.....
2. Regd. Folio No. / DP ID / Client ID:.....
3. Particulars of Bank account of First / Sole Shareholder:.....
 - a. Name of the Bank:.....
 - b. Branch:.....
Address of the Branch:.....
Telephone no. of the Branch:.....
 - c. 9-digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank:.....
 - d. Account Number (as appearing on the cheque book / passbook):.....
 - e. Account Type (please ✓): S. B. account (10) / Current account (11) / Cash Credit account (13)
 - f. Ledger no. / Ledger folio no. (if appearing on the cheque book / passbook):.....
(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque, or photocopy of a cheque or the front page of the savings bank passbook issued to you by your bank, for verification of the above particulars)
4. Date of Effect:.....

I hereby declare that the particulars give above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company/ Registrar & Share Transfer Agent of the Company responsible.

Place:
Date :

.....
Signature of the First / Sole Shareholder

We Certify that the particulars furnished above are correct as per our records.

Bank's Stamp

.....
Signature of the Authorised Official
From the Bank

Date:

Notes:

1. Please fill in the Mandate Form and send it to:
 - i) the Depository Participant (DP) who is maintaining your demat account in case your shares are dematerialised;
 - ii) the address of our Registrars & Share Transfer Agents (RTA), Sharex Dynamic (India) Private Limited Unit No.1, Luthra Industrial Premises Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072. Tel: 022 2851 5606/28515644, Fax: 022 2851 2885 in case you are holding physical share certificates.
2. In case of more than one folio please complete the detail on separate sheets.
3. In case of any change in your bank account particulars, please update the same with your DP or RTA as applicable.



KAMADGIRI FASHION LIMITED

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

**ANNUAL GENERAL MEETING – TUESDAY, 24TH SEPTEMBER 2013 AT 10:30 AM
ATTENDANCE SLIP**

(to be handed over at the entrance of the Meeting Hall)

DP Id No.		Regd. Folio No.	
Client Id No.		No. of Equity Shares Held	

I hereby record my presence at the 26th Annual General Meeting of the Company at Hotel Kohinoor Continental, Andheri Kurla Road, J.B. Nagar, Andheri (East), Mumbai – 400 059 on Tuesday, 24th September 2013 at 10:30 AM.

Name of the Shareholder

Signature

Name of the Proxy

Signature

Note: No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.



KAMADGIRI FASHION LIMITED

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

**ANNUAL GENERAL MEETING – TUESDAY, 24TH SEPTEMBER 2013 AT 10:30 AM
PROXY FORM**

DP Id No.		Regd. Folio No.	
Client Id No.		No. of Equity Shares Held	

I/We.....of..... in the district of..... being a member/members of the above named Company hereby appoint of in the district of.....or failing him.....of..... in the district of as my/our proxy to vote for me/us on my our behalf at the 25th Annual General Meeting of the Company to be held on Tuesday, 24th September 2013 at Hotel Kohinoor Continental, Andheri Kurla Road, J.B. Nagar, Andheri (East), Mumbai – 400 059 and at any adjournment there of.

Place :

Date :



Signature

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



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and
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