



KAMADGIRI FASHION LIMITED

Regd. Office: B-104, The Qube, M.V. Road Marol, Andheri (E), Mumbai – 400 059

Corporate Identity Number: L17120MH1987PLC042424

Tel.: + 91- 22 71613131 • Fax: + 91 – 22 71613199 • Website: <http://kflindia.com> • email: cs@kflindia.com

Dear Shareholders:

Postal Ballot Notice pursuant to Section 110 of the Companies Act, 2013

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Managements and Administration) Rules, 2014 ('Rules') and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009, ("SEBI ICDR Regulations") including any statutory modification or re-enactment thereof for the time being in force, for seeking the consent of members of Kamadgiri Fashion Limited (the "Company") through postal ballot and to pass special resolutions for allotment of Equity Shares and Compulsorily Convertible Debentures (CCD) on a preferential basis to the entities belonging to non-promoter group.

The proposed Special Business (es), along with explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013, stating the material facts and reasons thereof are appended. The postal ballot form along with a self-addressed, postage pre-paid envelopes are enclosed for your consideration and voting.

In terms of clause 35B of the Equity Listing Agreement entered into by the Company with BSE Limited and the provisions of the Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer electronic voting facility to its members, as an alternative, to enable them to cast their votes electronically instead of casting the votes using physical Postal Ballot Form.

The Company has signed an agreement with the Central Depository Services (India) Limited (CDSL) to provide e-voting facilities to its members. As an alternative to postal ballot voting, members may choose to vote using e-voting facility. Members who opt to vote physically using postal ballot forms or do not have access to e-voting facility can send their assent or dissent in writing on the postal ballot form. The details whereof are specified under instructions to Postal Ballot form.

The Board of Directors of the Company ("**Board**") has appointed Mr. Hemant Shetye, Practising Company Secretary (Membership No. 2827) as scrutinizer ("**Scrutinizer**") who will be responsible for the fair and transparent conduct of the votes through postal ballot.

The Scrutinizer will submit his report to the Company after completion of the scrutiny of the Postal Ballot Forms/e-voting and the results of the Postal Ballot will be announced at 05:30 P.M. on Saturday, December 12, 2015 at the registered office of the Company situated at B-104, The Qube, M.V. Road Marol, Andheri (E), Mumbai – 400 059 by the Chairman or in his absence by any other Director authorised by the Chairman and shall thereafter be published in the newspaper. The result of the postal ballot will immediately be intimated to the BSE Limited (BSE) and will also be displayed at website of the Company <http://kflindia.com/>. The resolutions, if approved, will be considered as passed effectively on the date of declaration of postal ballot and evoting results i.e. on Saturday, December 12, 2015.

Members(s) are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self-addressed, prepaid postage envelope, so as to reach the Scrutinizer on or before the close of business hours on December 10, 2015.

Following Special Businesses are requested to be passed by the members through Postal Ballot:

Item No. 1: Issuance of 375000 Equity Shares on a Preferential Basis

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

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules made there-under (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), enabling provisions of Memorandum of Association and Articles of Association of the Company, provisions of the Listing Agreement entered into by the Company with the stock exchange(s) where the shares of the Company are listed ("**Stock Exchange(s)**"), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India ("**SEBI**"), including the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**"), and SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011 as amended from time to time and subject to the approvals, consents, permissions and/ or sanctions, as may be required from the Government of India, the Reserve Bank of India, SEBI, Stock Exchange(s) and any other relevant statutory, governmental authorities or departments, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/or sanctions and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), the consent of the

members be and is hereby accorded to the Board to offer, issue and allot, on preferential basis, up to 375,000 (Three Lacs Seventy Five Thousand) Equity Shares of face value of Rs.10/- (Rupees Ten only) each fully paid-up for cash at an issue price of Rs. 62/- (Rupees Sixty Two only) each including premium of Rs. 52/- (Rupees Fifty Two only) or such other higher price as may be determined in accordance with the provisions of Chapter VII of SEBI ICDR Regulations as on the relevant date, to M/s PIL Industries Limited (PIL) and M/s Surplus Finvest Private Limited (SFPL), the entities belonging to the Non-Promoter Category and on such other terms and conditions as may be approved by the Board.

RESOLVED FURTHER THAT the Relevant Date, as per the provisions of Regulation 71 of Chapter VII of the SEBI ICDR Regulations, for the determination of issue price of the Equity Shares is November 10, 2015 (November 11, 2015 being the holiday) i.e. 30 days prior to the date of declaration of postal ballot and evoting results on December 12, 2015.

RESOLVED FURTHER THAT aforesaid issue of Equity Shares shall be subject to the following terms and conditions:

- (a) The Proposed Allottees shall be required to bring in 100% of the consideration for the Equity Shares to be allotted to such Proposed Allottees, on or before the date of allotment thereof;
- (b) The consideration for allotment of Equity Shares shall be paid to the Company from the bank accounts of the respective Proposed Allottees;
- (c) The Equity Shares to be allotted to the Proposed Allottees shall be under lock-in for such period as may be prescribed by the SEBI ICDR Regulations;
- (d) The Equity Shares so allotted to the Proposed Allottees under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under;
- (e) The Equity Shares shall be allotted within a period of 15 (fifteen) days from the date of passing this resolution provided where the allotment of the Equity Shares is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval; and
- (f) Allotment shall only be made in dematerialized form.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make an offer to the Proposed Allottees through private placement offer letter (in the format of PAS-4) immediately after passing of this resolution with a stipulation that allotment would be made only upon receipt of in-principle approval from the Stock Exchange.

RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted shall rank pari passu in all respects including as to dividend, with the existing fully paid up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for the purpose of issue and allotment of the Equity Shares and listing thereof with the Stock Exchange(s), the Board of Directors/Committee(s) of the Board be and are hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT all the actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

Item No. 2: Issuance of 429,505 Compulsorily Convertible Debentures on Preferential Basis:

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

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules made there-under (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), enabling provisions of Memorandum of Association and Articles of Association of the Company, provisions of the Listing Agreement entered into by the Company with the stock exchange(s) where the shares of the Company are listed (“**Stock Exchange(s)**”), and in accordance with the guidelines, rules and regulations of the Securities and Exchange Board of India (“**SEBI**”), including the SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”), and SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011 as amended from time to time and subject to the approvals, consents, permissions and/ or sanctions, as may be required from the Government of India, the Reserve Bank of India, SEBI, Stock Exchange(s) and any other relevant statutory, governmental authorities or departments, institutions or bodies and subject to such terms, conditions, alterations, corrections, changes, variations and/or, modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and / or sanctions and which may be agreed by the board of directors of the Company (hereinafter referred to as the “**Board**” which terms shall be deemed to include any committee duly constituted by the Board or any committee, which the Board may hereafter constitute, to exercise one or more of its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to offer, issue and allot, on preferential basis, up to 429,505 (Four Lacs Twenty Nine

Thousand Five Hundred Five) Compulsorily Convertible Debentures (“**CCD**”) to M/s PIL Industries Limited (PIL) and M/s Surplus Finvest Private Limited (SFPL), the entities belonging to the non-promoter Category (“**Proposed CCD Allottees**”), each convertible into one Equity Share of face value of Rs.10/- (Rupees Ten only) each at a price of Rs. 62/- (Rupees Sixty Two only) each including premium of Rs. 52/- (Rupees Fifty Two only) or such other higher price as may be determined in accordance with the provisions of Chapter VII of SEBI ICDR Regulations as on the relevant date.

RESOLVED FURTHER THAT the Relevant Date, as per the provisions of Regulation 71 of Chapter VII of the SEBI ICDR Regulations, for the determination of issue price of the Equity Shares is November 10, 2015 (November 11, 2015 being the holiday) i.e. 30 days prior to the date of declaration of postal ballot results on December 12, 2015.

RESOLVED FURTHER THAT aforesaid issue of CCD shall be subject to the following terms and conditions:

- (a) The CCD shall be unsecured;
- (b) The Proposed Allottees shall be required to bring in 100% of the consideration for the CCD to be allotted to such Proposed Allottees, on or before the date of allotment thereof;
- (c) Each CCD shall be automatically and compulsorily converted into one CCD Share on April 1, 2016, which would be within a period of 18 (eighteen) months from the date of their allotment;
- (d) Each CCD will carry a coupon rate of 0.01% and payable on conversion.
- (e) The consideration for allotment of CCD shall be paid to the Company from the bank accounts of the respective allottees on or before allotment.
- (f) The CCD by itself until converted into Equity Shares, does not give to the CCD Holder(s) any voting rights in the Company in respect of such CCD.
- (g) CCD, being allotted to the Proposed CCD allottees and the Equity Shares proposed to be allotted pursuant to the conversion of these CCD shall be under lock in for such period as may be prescribed under Chapter VII of the SEBI ICDR Regulations.
- (h) CCD so allotted under this resolution shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under.
- (i) Allotment shall only be made in dematerialized form.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make an offer to the Proposed CCD holder through private placement offer letter (in the format of PAS 4) immediately after passing of this resolution with a stipulation that allotment would be made only upon receipt of in-principle approval from the Stock Exchange.

RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted upon conversion of CCD shall rank pari passu in all respects including as to dividend, with the existing fully paid up Equity Shares of face value of Rs. 10/- (Rupees Ten only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the CCD held by the holder(s) of the CCD.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors/Committee(s) of the Board be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Compulsorily Convertible Debentures, utilization of issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders.

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

**By order of the Board of Directors
For Kamadgiri Fashion Limited**

**Date: November 06, 2015
Place: Mumbai**

**sd/-
Siddhant Singh
Company Secretary
Membership No. 40488**

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of proposed special business(es) setting out the material facts is appended herein below.
2. Only a member who is entitled to vote is entitled to exercise his/her vote through postal ballot/evoting. The Notice is being sent to all the Members, whose names would appear in the Register of Members/ list of Beneficial Owners, received from Central Depository Services (India) Limited (CDSL) and National Securities Depositories Limited (NSDL) as on as on Friday, November 06, 2015.
3. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
4. As per Rule(s) enumerated in Companies (Management and Administrative) Rules 2014, details of dispatch of Notice and Postal Ballot Form to the members will be published in one (1) English and one (1) Vernacular language newspaper circulating in the State in which the registered office of the Company is situated.
5. Members(s) are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed in the attached self-addressed, prepaid postage envelope, so as to reach the Scrutinizer on or before the close of Business hours on Thursday, December 10, 2015. Forms received after this date will be strictly treated as if the reply from the concerned member has not been received. The postage will be borne and paid by the Company; however envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of the Members will also be accepted. It is, however, clarified that members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.
6. The Company is pleased to offer e-voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. The member may opt for e-voting facility for giving their assent/dissent to the proposed resolution(s). Please note that any Postal Ballot Form received after the close of working Hours on Thursday, December 10, 2015 will be treated as not having been received. The e-voting facility shall be disabled by CDSL accordingly. The postal ballot notice along with postal ballot form shall be hosted on Company's website at <http://kflindia.com/>
7. The date of Declaration of Result of the Postal Ballot shall be deemed to be the date of the General Meeting and the date of passing of the proposed resolution(s).

8. VOTING THROUGH ELECTRONIC MEANS

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their right to vote by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The E-voting Event Number and period of E-voting are set out below:

EVSN (Electronic Voting Sequence Number)	Commencement of e-voting	End of e-voting
151104001	Wednesday, November 11, 2015 from 09:00 a.m.	Thursday, December 10, 2015 till 5:00 p.m.

Note: Please read the instructions printed below before exercising your vote.

The instructions for members for voting electronically are as under:

Process and Manner for members opting for e-voting is as under:-

The instructions for shareholders voting electronically through CDSL are as under:

- I. The voting period begins on Wednesday, November 11, 2015 at 9:00 a.m. and ends on Thursday, December 10, 2015 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. November 06, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. The shareholders should log on to the e-voting website www.evotingindia.com.
- III. Click on Shareholders.
- IV. Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- V. Next enter the Image Verification as displayed and Click on Login.
- VI. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- VII. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- VIII. After entering these details appropriately, click on “SUBMIT” tab.
- IX. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the EVSN for the relevant Company name viz. Kamadgiri Fashion Limited on which you choose to vote.
- XII. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XIV. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XV. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVI. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- XVII. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVIII. Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XIX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

- A. Mr. Hemant Shetye, Practising Company Secretary (Membership No. 2827) has been appointed as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- B. The scrutinizer shall, immediately after the conclusion of evoting and postal ballot forms, first count the votes casted, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than two working days of the conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the chairman or a person authorized by him in writing who shall countersign the same.

- C. The results declared along with the Scrutinizers report shall be placed on the website of the Company and on the website of CDSL within two days of declaration of result of postal ballot on Saturday, December 12, 2015 and will be communicated to the designated stock exchanges where the shares of the Company are listed.
- D. All the documents referred to in the accompanying notice and Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 shall be available for inspection at the registered office of the Company during 11:00 a. m. to 5:00 p.m. (office hours) on all the working days except (Public holidays and Saturdays) upto the date of declaration of results of postal ballot.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.

Item No. 1 and 2

With a view to augment funds in the Company to meet its working capital requirements for the existing operations and to support its growth plans and further expand its business operations, the Company proposes to increase its capital base by making a preferential allotment of Equity Shares and CCD to Non- Promoter Category of the Company.

Therefore, the Company, subject to necessary approvals, is proposing to issue and allot Equity Shares and Compulsorily convertible debentures on preferential basis to an entity belonging to Non- Promoter Category:

The Salient Features of the Proposed Preferential Issue of Equity Shares and Compulsorily Convertible Debentures (CCD) are as under:

The proposed issue and allotment of Equity Shares and CCD, on preferential basis, shall be governed by the applicable provisions of the SEBI ICDR Regulations and the Companies Act, 2013 read with the applicable provisions of the rules made thereunder and ICDR Regulations. Without generality to the above, the salient features of the preferential issue of Equity Shares and CCD are:

- (a) The “Relevant Date” as per the SEBI ICDR Regulations for determining the minimum price for the preferential issue of Equity Shares and CCD is November 10, 2015 being 30 days prior to the date of declaration of result of postal ballot on December 12, 2015.
- (b) The proposed allottees shall be required to bring in 100% of the consideration for the Equity Shares and CCD to be allotted to such proposed allottees, on or before the date of allotment thereof.
- (c) Each CCD held by the Proposed CCD Allottees (each, a “CCD Holder”) shall entitle each of them to apply for and obtain allotment of one Equity Share at any time after the date of allotment but on or before the expiry of 18 (eighteen) months from the date of allotment (the “CCD Exercise Period”).
- (d) The consideration for allotment of Equity Shares and CCD arising out of exercise of such CCD shall be paid to the Company from the bank accounts of the respective proposed allottees.
- (e) Equity Shares, CCD and the Equity Shares proposed to be allotted pursuant to the conversion of these CCD shall be under lock in for such period as may be prescribed under Chapter VII of the SEBI ICDR Regulations.
- (f) Equity Shares and CCD so allotted as part of this proposed preferential issue shall not be sold, transferred, hypothecated or encumbered in any manner during the period of lock-in provided under SEBI ICDR Regulations except to the extent and in the manner permitted there under.
- (g) In the event, the CCD Holder(s) does not exercise the CCD within the CCD Exercise Period, the CCD shall lapse and the amount paid shall stand forfeited by the Company.
- (h) Allotment shall only be made in dematerialized form.
- (i) The issue of Equity Shares, CCD as well as Equity Shares arising from the exercise of the CCD shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority as the case may be or any modifications thereof.
- (j) The CCD by itself, until converted into Equity Shares, does not give to the CCD Holder(s) any voting rights in the Company in respect of such CCD.

The proposed allottee has not sold any Equity Shares during the six months preceding the Relevant Date.

Therefore, in compliance with the provisions of applicable laws, the proposed resolutions as set out at Item No. 1 and 2 are recommended for the approval of Shareholders as **Special Resolutions**.

Further, details of preferential allotment and other particulars in terms of Regulation 73 of SEBI (ICDR) Regulations, in relation to the aforementioned special resolutions are given as under:

A. Object of the Proposed Preferential Issue of Equity Shares and CCD

The objective of the proposed preferential allotment of Equity Shares and CCD to the proposed allottees is to fund the growth and operations of the Company, to support its growth plans and further expand its business operations.

B. Intention of the Promoters, Directors or Key Managerial Personnel to Subscribe to the Proposed Preferential Issue:

None of the Promoters, directors or Key Managerial Personnel, intends to subscribe to any shares pursuant to this preferential issue of Equity Shares and CCD.

C. Shareholding Pattern of the Company before and after the Preferential Issue of Equity Shares and CCD:

The shareholding pattern of the Company giving the present position and after considering the proposed preferential issue of Equity Shares and CCD is provided hereunder:

Name of shareholders	Pre issue Shareholding Structure		No. of Equity shares to be allotted	Post issue Shareholding Structure		No. of CCD to be allotted*	Shareholding Structure post conversion of CCD	
	No of Shares held	% of shares		No of Shares held	% of shares		No of Shares held	% of shares
(A) Promoters' Shareholding								
Promoter & Promoter Group								
(1) Indian	-	-	-	-	-	-	-	-
(a) Individuals /HUF	1346080	26.57	-	1346080	24.74	-	1346080	23.93
(c) Bodies Corporate	468400	9.25	-	468400	8.61	-	468400	7.98
(d) Financial Institutions /Banks	-	-	-	-	-	-	-	-
Sub Total (A)(1)	1814480	35.82	-	1814480	33.35	-	1814480	30.91
(2) Foreign								
(a) Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-
Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	1814480	35.82	-	1814480	33.36	-	1814480	30.91
(B) Non Promoters' Shareholding								
Institutional Investors								
Financial Institutions / Banks/Foreign Bodies Corporate	870	0.02	-	870	0.02	-	870	0.01
Non-Institutions:								
(a) Bodies Corporate	2466655	48.70	375000	2841655	52.24	429505	3271160	55.73
(b) (i) Individual holding nominal share capital up to Rs. 1 Lacs	455543	8.99	-	455543	8.37	-	455543	7.76
(ii) Individual holding nominal share capital in excess of Rs 1 Lacs	318699	6.29	-	318699	5.89	-	318699	5.45
(c) Any Other –								
i. Foreign Bodies corporate	-	-	-	-	-	-	-	-
(iii) Clearing Members	2931	0.06	-	2931	0.05	-	2931	0.05
(ii) Non Resident Indians	5688	0.11	-	5688	0.10	-	5688	0.10
Total Public Shareholding (B)	3250386	64.18	375000	3625386	66.64	429505	4054891	69.09
TOTAL (A+B)	5064866	100.00	375000	5439866	100.00	429505	5869371	100.00

* The above post-issue shareholding pattern assumes that the Preferential Issue of CCD issued pursuant to resolution at item No. 2 are converted into Equity Shares, mounting which, the percentage will change accordingly.

The Post issue Shareholding structure is presuming full conversion of all the warrants issued; and it may vary depending upon any other corporate action in between.

^ The number of Equity shares and CCD to be allotted has been calculated on the basis of issue price determined taking the date of this notice as relevant date in terms of pricing formula of Chapter VII of SEBI ICDR Regulations and the same was considered only for the purpose of disclosing the pre and post issue shareholding pattern. However, the shareholding pattern and issue price on the basis of actual relevant date i.e. November 10, 2015 may vary and accordingly number of shares to be allotted may increase or decrease subject to the condition that total investment by PIL and SFPL will not exceed Rs. 5 crores in any case.

D. Proposed Time within which the Preferential Issue shall be completed:

In terms of Regulation 74(1) of the SEBI ICDR Regulations, preferential allotment to an entity belonging to non-promoter group pursuant to the special resolution will be completed within a period of 15 (fifteen) days from the date of passing of resolutions at item No. 1 and 2.

Provided that where the allotment is pending on account of pendency of any application for approval or permission by any regulatory authority, if applicable, the allotment would be completed within 15 (fifteen) days from the date of such approval or within such further period as may be prescribed or allowed by SEBI, Stock Exchange(s) or other concerned authorities.

E. Identity of the Proposed Allottee(s) and the Percentage of Post Preferential Issue Capital that may be held by them:

Name of Proposed Allottee (s)	Category	Pre-issue share holding		Allotment	Post issue Shareholding		Allotment	Post issue Shareholding#	
		No. of Equity Shares	%		No. of Equity Shares	%		No. of CCD	No. of CCD
PIL Industries Limited	Non -Promoter	1409884	27.84	369355	1779239	32.74	195161	1974400	35.07
Surplus Finvest Private Limited	Non -Promoter	-	-	269000	269000	4.94	300000	569000	9.69

#The above post-issue shareholding pattern assumes that the Preferential Issue of CCD issued pursuant to resolution at item No. 2 are converted into Equity Shares, due to which, the percentage will change accordingly.

^ The number of Equity shares and CCD to be allotted has been calculated on the basis of issue price determined taking the date of this notice as relevant date in terms of pricing formula of Chapter VII of SEBI ICDR Regulations and the same was considered only for the purpose of disclosing the pre and post issue shareholding pattern. However, the shareholding pattern and issue price on the basis of actual relevant date i.e. November 10, 2015 may vary and accordingly number of shares to be allotted may increase or decrease subject to the condition that total investment by PIL and SFPL will not exceed Rs. 5 crores in any case.

F. The identity of the natural persons who are the ultimate beneficial owners of the Equity Shares and CCD proposed to be allotted and/or who ultimately control the proposed allottees is as follows:

Name of proposed allottee(s)	Details of Ultimate Beneficial Owner	
PIL Industries Limited	1. Mr. Kishore Biyani	2. Mr. Vijay Biyani
	3. Mr. Anil Biyani	4. Mr. Sunil Biyani
	5. Mr. Rakesh Biyani	6. Mr. Gopikishan Biyani
	7. Mr. Laxminarayan Biyani	8. Ms. Sangita Biyani
Surplus Finvest Private Limited	1. Ms. Ashni Biyani is the ultimate beneficiary owner of SFPL.	

G. Consequential Changes in the Voting Rights and Change in Management:

As a result of the proposed preferential issue of Equity Shares and CCD, and upon conversion of the CCD, there will be no change in the control or management of the Company. However, voting rights will change in accordance with the shareholding pattern.

H. Lock-in Period:

Pre-preferential allotment holding of Equity Shares, non-disposal of Equity Shares and lock-in period of the Equity Shares:

- The Equity Shares to be allotted on a preferential basis to entities belonging to the Non-Promoter Group shall be subject to 'lock-in' for a period of one year from the date of trading approval for such Equity Shares in accordance with Regulation 78(1) of the SEBI ICDR Regulations.
- The Equity Shares to be allotted on a preferential basis to entities belonging to the Non-Promoter Group, pursuant to exercise of options against each CCD, shall be subject to 'lock-in' for a period of one year from the date of trading approval for such Equity Shares in accordance with Regulation 78(1) of the SEBI ICDR Regulations.
- The entire pre-preferential allotment shareholding of the proposed allottee belonging to the Non - promoter Group, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 78(6) of the SEBI ICDR Regulations.

I. Issue Price and Relevant Date:

The Equity Shares and CCD shall be allotted at a price not less than Rs. 62/- or such other higher price as may be determined in terms of Regulation 76 of ICDR regulations, considering the relevant date November 10, 2015 (November 11, 2015 being holiday) i.e. 30 days prior to the date of declaration of results of postal ballot and evoting results on December 12, 2015.

J. The Company hereby undertakes that:

- It would re-compute the price of the Securities specified above in terms of the provisions of the SEBI (ICDR) Regulations, 2009, if it is required to do so.
- If the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

K. Auditor's Certificate:

The certificate from M/s. Haribhakti & Co. LLP, being the Statutory Auditors of the Company certifying that the preferential issue is being made in accordance with the requirements contained in SEBI ICDR Regulations shall be available for inspection at the registered office of the Company during 11:00 a. m. to 5:00 p.m. (office hours) on all the working days except (Public holidays and Saturdays) upto the date of declaration of results of postal ballot.

L. Report of Registered Valuer:

No report of registered valuer is required for the offer, issue and allotment of the Equity Shares and Equity Shares arising on exercise of the CCD under the provisions of first proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014.

It is proposed to obtain consent of members, pursuant to section 42 and 62 and other applicable provisions of the Companies Act, 2013, SEBI ICDR Regulations, and Listing Agreement, to issue and allot Equity shares and CCD to an entity belonging to non-promoter group on preferential basis.

None of the Promoter, Directors except Mr. Anil Biyani or Key Managerial Personnel or their relatives is in any way concerned or interested in the above referred resolutions.

The Board recommends the passing of the resolutions as set out at item no. 1 and 2 of the accompanying notice as Special resolutions.

**By order of the Board of Directors
For Kamadgiri Fashion Limited**

Date: November 06, 2015
Place: Mumbai

sd/-
Siddhant Singh
Company Secretary
Membership No. 40488



KAMADGIRI FASHION LIMITED

Regd. Office: B-104, The Qube, M.V. Road Marol, Andheri (E), Mumbai – 400 059

Corporate Identity Number: L17120MH1987PLC042424

Tel.: + 91- 22 71613131 • Fax: + 91 – 22 71613199 • Website: <http://kflindia.com> • email: cs@kflindia.com

Corrigendum to the Postal Ballot Notice

Dear Members,

This is in reference to the Postal Ballot Notice dated 6th November, 2015, dispatched to the shareholders on 10th November, 2015 along with the explanatory statement thereon, seeking shareholders' approval for the proposed Preferential Allotment of Equity Shares and Compulsorily Convertible Debentures (CCD) to entities belonging to Non Promoter category.

Members are requested to kindly note that in Clause E in the Explanatory Statement to the Notice, there occurred a typographical error, wherein the numbers to be allotted to PIL Industries Limited were inadvertently mentioned as 369355 & 195161 instead of 106000 & 129505.

Members may please note that Clause E of the Explanatory Statement should kindly be read as given herein below the table:

Name of Proposed Allottee (s)	Category	Pre-issue share holding		Allotment	Post issue Shareholding		Allotment	Post issue Shareholding#	
		No. of Equity Shares	%	No. of Equity Shares ^	No. of Equity Shares	%	No. of CCD ^	No. of CCD	%
PIL Industries Limited	Non – Promoter	1409884	27.84	106000	1515884	27.87	129505	1645389	28.03
Surplus Finvest Private Limited	Non – Promoter	-	-	269000	269000	4.94	300000	569000	9.69

All other particulars and details of the said Notice remain unchanged. The Company shall also give the notice of corrigendum to the members through newspaper publication and website updating. The inconvenience is sincerely regretted.

By order of the Board of Directors
For Kamadgiri Fashion Limited

Date: November 16, 2015
Place: Mumbai

Sd/-
Siddhant Singh
Company Secretary
Membership No. 40488