



**DAMODAR
INDUSTRIES LIMITED**

**25th Annual Report
2012-13**



**"Tomorrow's Creativity
Brought Today"**

**5 YEAR SNAP SHOT:**

(₹ in Cr.)

	2012-13	2011-12	2010-11	2009-10	2008-09
Turnover	583.28	392.40	384.74	242.58	202.78
Total Income	583.72	393.02	385.21	242.74	202.96
Total Expenses	533.94	357.85	353.13	219.13	181.69
PBDIT	49.78	35.17	32.08	23.6	21.27
Interest	21.41	17.62	14.56	9.59	9.25
PBDT	28.37	17.55	17.52	14.01	12.02
Depreciation	9.82	8.98	8.67	7.92	7.28
PBT	18.54	8.57	8.85	6.09	4.74
Tax	6.37	2.63	0.65	3.11	2.19
PAT	12.17	5.94	8.20	2.98	2.55
Earning Per Share (EPS)	13.68	6.67	9.22	3.81	3.14
Equity Share Capital	8.9	8.9	8.9	7.8	7.8
Dividend (%)	20	16	15	10	6

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses to the Company or its Registrar and Share Transfer Agents (RTA).

You are requested to send an e-mail to cs@damodargroup.com for register your e-mail ID with Name of 1st registered shareholder, Folio/DP ID & Client ID.

On registration, all the communication will be sent to the e-mail ID registered in the Folio/DP ID & Client ID.

CALVES N LEAVES

A Vedic Lifestyle

ADAPT A VEDIC LIFESTYLE



Presenting 'H O P E'. A unique and unmatched combination of:

Herbal + **O**rganic + **P**anchgavya + **E**ra

CALVES N LEAVES is a Vedic energy in the form of products that drive inner strength, rejuvenating physical activities, sharpen the mind and bring positivity. It's an effective solution for universal concerns about vibrant health and positive environment.. The products are immensely effective, lab tested, 100% Ayurvedic and certified by various Government bodies and meet all required standards. They are made from combination of natural herbs, grown as per organic process, the life enhancing properties of Panchgavya of pure Indian Gir breed Cow and made as per Vedic recipes, methods & processes. All products are made under total control on raw material sources and manufacturing process that is purely Vedic with absolutely no compromise on Vedic science fundamental principles.

We are Vedic - not only Herbal.
We are Herbal + + +

Our Products our:

100% safe

No side effects

No harmful chemicals

Lab tested & certified

Vedic Tulsi Ark

Trust of Generations

Made from the extracts of Tulsi Leaves and mineral water, Vedic Tulsi Ark packs in itself the goodness of Tulsi that is immunity booster, anti-ageing and anti-oxidant. It harmonizes the different imbalances relating to the three Dosha's-the nervous (Vata),the venous (Pitta) and the arterial (Kapha).

तुलसी के पत्तों और मिनरल वाटर से बना हुआ वेदिक तुलसी अर्क तुलसी के एंटी-एजिंग एंटी ऑक्सीडेंट और इम्युनिटी-बूस्टर इववेजमत गुणों से भरा हुआ है यह तीनों दोषों (वात, पित्त और कफ) से संबंधित असंतुलन को ठीक करता है.

तुलसी अर्क तुलसीनां पांढडा અને ખનીજ પાણીથી બને છે. તે તુલસીના ઇમ્યુનિટી-બૂસ્ટર, એંટી-એજિંગ અને એન્ટીઓક્સિડન્ટ ગુણોથી ભરેલું છે. તે ત્રણેય દોષ(વાત, પિત્ત અને કફ) ને સંતુલિત કરે છે.



Vedic Go Ark

Nector for your life

Vedic Go Ark is Gaujal (Distilled Cow Urine) of certified Gir breed Cows, brought to you after a series of high-intensity distillation procedures performed as per Vedic methods. It's anti-fungal, anti-bacterial, anti-biotic, anti-ageing, anti-microbial, blood purifier, bio-enhancer and immunity booster.

વેદિક ગો અર્ક પ્રમાણિત ગીર નસ્લ કી ગાયોં કા ગોજલ (આસુત ગોમૂત્ર) હૈ. યહ ઉચ્ચ તીવ્રતા વાલી આસવન પ્રક્રિયાઓં કી એક શ્રૃંખલા દ્વારા વેદિક વિધિયોં સે બનાયા જાતા હૈ. યહ એંટી-ફંગલ, બૈક્ટીરિયા વિરોધી, એંટી-બાયોટિક, એંટી-એજિંગ, એલર્જી વિરોધી, માઇક્રોબિયલ વિરોધી, રક્ત શોધક ઓર ઇમ્યુનિટી-બૂસ્ટર હૈ.

વેદિક ગો અર્ક પ્રમાણિત ગીર ઓલાદ ની ગાય નું ગો-જલ (આસુત ગોમૂત્ર) છે. તે ઉચ્ચ તીવ્રતા વાળી ગાળવાની પ્રક્રિયાઓ ની શુંખલા દ્વારા વેદિક પદ્ધતિઓ પ્રમાણે બનાવવામાં આવે છે. તે ચમત્કારિક એંટી-ફંગલ, એંટી-બેક્ટીરીયલ, એંટી-એજિંગ, એલર્જી વિરોધી, અને માઇક્રોબિયલ વિરોધી, રક્ત શુદ્ધિકારક, જીવશક્તિવર્ધક અને ઇમ્યુનિટી-બૂસ્ટર છે.



Vedic Nasal Drops

Secret to Sound Sleep

Vedic Nasal Drops are highly effective, medicated drops made from purest Gir Cow Ghrut and dry ginger. It clears any congestion /blockage in the path of upper respiratory track and facilitates sound sleep.

વેદિક નેજલ ડ્રોપ્સ અત્યંત પ્રમાવી હૈ. યહ શુદ્ધ ગીર ગાય કે ઓષધીય ઘૂત ઓર સૌંઠ સે બનાયા જાતા હૈ. યહ ઉપરી શ્વાસ માર્ગ કે રાસ્તે મેં કિસી બી તરહ કે રુકાવટ કો સાફ કરતા હૈ ઓર ગહરી નૌંદ લાને મેં સહાયતા કરતા હૈ.

વેદિક નેજલ ડ્રોપ્સ અત્યંતિક અસરકારક, ઓષધયુક્ત પવિત્ર ગીર ગાયના ઘી (વેદિક ઘૂત) અને સુંઠ માંથી બનાવેલ ટીપાં છે. તે ઉપરી શ્વાસ માર્ગ માં થયેલી કોઈપણ અવરોધ/રુકાવટ સાફ કરે છે અને સારી ઉઘ લાવવામાં મદદ કરે છે.



Vedic Joint Pain Balm

Dard Bhagaye Furti Laye

Vedic Joint Pain Balm is a unique combination of over 46 herbs and Panchgavya made as per Vedic recipes. The incredible natural ingredients effectively act on joints and muscle pains and help in reducing swelling, improving blood circulation, removing tension in muscles and strengthening bones.

વેદિક જ્વાઈન્ટ પેન વામ ૪૬ સે અધિક જડી બૂટીયોં ઓર પંચગવ્ય દ્વારા વેદિક વિધિઓં સે બના હુઆ એક અદ્વિતીય સંયોજન છે. ઇસકે પ્રાકૃતિક તત્વ પ્રમાવી ઢંગ સે જોડોં ઓર માંસપેશિયોં કે દર્દ પર કામ કરતે હૈં ઓર સૂજન કો કમ કરને મેં સહાયતા કરતે હૈં. બ્લડ-સર્ક્યુલેશન મેં સુધાર કરતે હૈં. માંસપેશિયોં મેં તનાવ કો દૂર કરતે હૈં ઓર હડ્ડિયોં કો મજબૂત બનાતે હૈં. ઇન સમી સક્રિય તત્વોં કે સંયુક્ત પ્રભાવ સે કુછ હી મિનટોં કે મીતર દર્દ દૂર હોતા છે.

વેદિક જોઈન્ટ પેન વામ ૪૬ થી અધિક જડીબુટ્ટીઓ અને પંચગવ્ય નું વેદિક વિધિઓથી બનાવેલું એક અનન્ય સંયોજન છે. આમાં અદ્ભુત કુદરતી તત્વો અસરકારક રીતે સાંધા અને સ્નાયુનાં દુખાવા પર કાર્ય કરે છે અને સોજો ઓછો કરવામાં, રક્ત પરિભ્રમણ સુધારવામાં, સ્નાયુઓ માં તણાવ દૂર કરવામાં અને હાડકાં મજબૂત કરવામાં મદદ કરે છે. આ તમામ સક્રિય ઘટકો ની સંયુક્ત અસરથી થોડીજ વારમાં પીડા દૂર થઈ જાય છે.



Vedic Hair Oil

Tonic for healthy hair

Vedic Hair Oil is a unique formulation made as per Vedic recipe with seven essential oils and seventeen herbs that stimulate life to the roots of hair and works as a tonic to prevent hair fall, controls premature greying of hair, and prosper hair growth & thickness.

વેદિક હેયર ઓઈલ સાત આવશ્યક તેલોં ઓર સત્રહ જડી બૂટીયોં કા વેદિક વિધિ સે બનાયા હુઆ અદ્વિતીય સંયોજન છે જો બાલોં કી જડોં કો પોષણ દેતા હૈં ઓર બાલોં કો ગિરને સે રોકને કે લિપે એક ટોનિક કે રૂપ મેં કામ કરતા હૈં. યહ સમય સે પહેલે બાલોં કો સફેદ હોને સે રોકતા હૈં, ઓર બાલોં કા વિકાસ કરતા હૈં ઊનકી મોટાઈ બનાયે રખતા હૈં.

વેદિક હેર ઓઈલ સાત આવશ્યક તેલ અને સત્રહ જડીબુટ્ટીઓનું વેદિક વિધિ પ્રમાણે બનાવેલું એક અનન્ય સંયોજન છે. તે વાળ નાં મૂળને પોષણ આપે છે અને ખરતા વાળ અટકાવવા માટે ટોનિક તરીકે કામ કરે છે. તે અકાળે વાળ સફેદ થતા અટકાવે છે અને વાળની વૃદ્ધિ અને જાડાઈ જાળવી રાખે છે.



Vedic Havan Samigri Dhoop Batti

Sachha Havan Jagaye Tan Man

Made in a stick form, Vedic Havan Samigri Dhoop Batti is a combination of over 27 highly active purifiers plus special herbs that provide you benefits of a complete havan, destroys harmful bacteria's, maintains positive energy in it's surroundings for a prolonged time and promotes the creation of Ozone layers.

વેદિક હવન સામગ્રી ધૂપ બત્તી ૨૭ સે અધિક અત્યધિક સક્રિય શુદ્ધિકારક તથા વિશેષ જડી બૂટીયોં કા એક સંયોજન છે જો એક સ્ટિક કે રૂપ મેં બનાયા જાતા હૈં. યહ આપકો એક પૂરે હવન કા લાભ પ્રદાન કરતા હૈં. યહ હાનિકારક બેક્ટેરિયા કો નષ્ટ કર દેતા હૈં. યહ એક લંબે સમય કે લિપે પરિવેશ મેં સકારાત્મક ઊર્જા બનાવે રખતા હૈં ઓર ઓજોન પરત કે નિર્માણ કો બઢાવા દેતા હૈં.

વેદિક હવન સામગ્રી ધૂપ બત્તી ૨૭ થી અધિક અત્યંત સક્રિય શુદ્ધિકારક અને ખાસ જડીબુટ્ટીઓનું સંયોજન એક સ્ટીક નાં રૂપ માં આપે છે જે તમને સંપૂર્ણ હવન નાં લાભ પૂરા પાડે છે, હાનિકારક બેક્ટેરિયાનો નાશ કરે છે, એક લાંબા સમય માટે વાતાવરણમાં હકારાત્મક ઊર્જા જાળવે છે અને ઓઝોન સ્તર બનાવવામાં પ્રોત્સાહન આપે છે.



Save, Serve and Sustain Cows



Use Cow Products

CALVES N LEAVES

A Vedic Lifestyle

Address: A1/202, Centre Point, 243-A, N.M Joshi Marg, Lower Parel (East), Mumbai-13.

Email: cnl@damodargroup.com **Website:** www.calvesnleaves.com

Tel.: (022) 3225 0073 **Fax:** (022) 6661 0308

**Board of Directors**

Mr. Arun Kumar Biyani	Executive Chairman
Mr. Ajay D. Biyani	Managing Director
Mr. Anil D. Biyani	Executive Director
Mr. Girdharlal S. Daga	Independent Director
Mr. Rajendra Prasad Khator	Independent Director
Mr. Ashok Kumar Damani	Independent Director

Company Secretary & Compliance Officer

Mr. Subodh Kumar Soni

Auditors

M/s A.J. Baliya & Associates,
Chartered Accountants, Mumbai

Bankers

1. State Bank of India
2. Bank of Baroda
3. Union Bank of India
4. ING Vysya Bank

Registered Office

A1/202, Centre Point, 243-A, N. M. Joshi Marg,
Lower Parel (E), Mumbai – 400 013
Ph.: 022-66610301-2, Fax: 022-66610308
E-mail : damodardadra@gmail.com
Website : www.damodargroup.com

Plant Location

1. Survey No. 265/10/1, 2 & 3
Demni Road, Dadra Village,
D. & N.H. (U.T.) – 396230
Ph.: 0260-3264788, Fax: 0260-2668929
2. Survey No. 288/1/1
Old Dena Bank Road, Dadra Village,
D. & N.H. (U.T.) – 396230
Ph.: 0260-3294102
3. Plot No. 165/67/68, Dabhel Ind. Co.Op.Soc.
Dabhel, Nani Daman - 396210

Registrar & Share Transfer Agent

Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai – 400078.
Tel. No.: 022-25946970 –78,
No. 022-25946969
E-mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.com

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NOTICE FOR CONVENING THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN of the **Twenty Five Annual General Meeting** of the **Members of DAMODAR INDUSTRIES LIMITED** to be held at **Maheshwari Bhawan, 603, Chira Bazar (J. S. Road), Mumbai – 400 002** on **Saturday, August 3rd, 2013 at 11.30 A.M.** for the following purposes :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Profit & Loss Account, Cash Flow Statement for year ended on that date together with Report of the Board of Directors' and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Girdharilal S. Daga, who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To appoint M/s. A. J. Baliya & Associates, Chartered Accountants having firm registration no. 100948W as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For Damodar Industries Limited

Sd/-

Subodh Kumar Soni
Company Secretary

Place: Mumbai
Dated: May 29, 2013

Registered Office

A1/202, Centre Point,
243-A, N. M. Joshi Marg,
Lower Parel (E),
Mumbai – 400 013

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the items of special business is annexed herewith.
3. The Share Transfer Books and Register of members of the Company will remain closed from Wednesday, 26th June, 2013 to Saturday, 29th June, 2013 (both days inclusive).
4. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the meeting hall.



5. The dividend paid on 31st August, 2006 in respect of the financial year 2005-06 will be due for transfer to IEPF during the financial year 2013-14. Shareholders who have not yet claimed their dividends are requested to do so immediately.
6. Members, who hold shares in de-materialized form, are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.
7. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
8. Members holding shares in physical form are requested to notify immediately any change in their address and Bank particulars to the Company or its Registrar and Share Transfer Agents (RTA) and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository participants and not to the Company/ RTA, without any delay.
9. In all future correspondence with the Company, Members are requested to quote their account/folio numbers and in case there, shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
10. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed Form (Form 2B) can be obtained from the Share Department of the Company. Members desiring to avail this facility may send their Nomination Form (in duplicate) duly filled in, to the Company or its Registrar and Share Transfer Agents by quoting their respective Folio Numbers.

By Order of the Board
For Damodar Industries Limited

Sd/-

Subodh Kumar Soni
Company Secretary

Place: Mumbai
Dated: May 29, 2013

Registered Office
A1/202, Centre Point,
243-A, N. M. Joshi Marg,
Lower Parel (E),
Mumbai – 400 013



Details of Director seeking Re-appointment at the forthcoming Annual General Meeting

As required by Clause 49 of the Listing Agreement signed by the Company with the Bombay Stock Exchange Ltd.(BSE) brief profile of the Directors proposed to be reappointment at the Annual General Meeting

The details of the director who retire by rotation and are eligible for re-appointment (Item No.3)

Name	: Mr. Girdharilal S. Daga
Date of Appointment	: 05/07/1994
Qualification	: Chartered Accountant
Other Directorship	: Nil
Shareholding in the Company	: 260 Shares
Committee Members	: Three Committees
Experience in Specific	: He has over 33 years experience in financial and taxation planning of individuals and limited companies and Banks. He is the financial expert on the Audit Committee of the Company.

**DIRECTORS` REPORT****To the Members ,**

Your Directors have pleasure in presenting the 25th Annual Report on the Operations of the Company together with audited statement of accounts for the year ended March 31, 2013.

1. FINANCIAL RESULTS

(₹ in Lacs)

Particulars	2012-13	2011-12
Sales & Other Income	58372.22	39301.98
Profit before Depreciation & Tax	2837.03	1755.62
Depreciation	982.81	898.75
Profit before Tax	1854.21	856.87
Provision for Taxation including Deferred Taxes	614.11	261.56
Prior year Tax Adjustments	22.90	1.74
Profit after Tax	1217.20	593.57
Profit brought forward from previous year	1757.62	1429.56
Profit available for appropriation	2974.61	2023.13
Appropriation		
Transfer to General Reserve	200.00	100.00
Proposed Dividend @ 8%	71.20	142.41
Corporate Dividend Tax	28.87	23.10
Profit carried to Balance Sheet	2567.93	1757.62

2. CHANGE IN THE NAME OF THE COMPANY

This is to inform you that name of the company has been changed from Damodar Threads Limited to Damodar Industries Limited vide shareholders approval dated January 3, 2013 and new certificate of Incorporation consequent upon change of name of the Company as issued by Registrar of Companies, Mumbai, Maharashtra on January 22, 2013.

3. EXPORTS

Your Company's performance on export front has improved tremendously and stellar performance in the financial year 2012-13. The company has shown consistent growth in the year 2012-13. The total export turnover has grown from Rs.189.80 Crore in 2011-12 to Rs. 397.72 Crore in 2012-13. Your Company has attracted new customers of international repute during the year. It is also making efforts to penetrate the new Customers and new International markets, including Argentina, Brazil, Egypt, Israel, Jordan, Morocco Thailand, China Pakistan, Indonesia Korea, Madagascar, Colombia Vietnam Honduras, Peru, Jordan, Italy, Guatemala, Spain, Belgium, Chile, USA Turkey, Philippians etc.

4. DIVIDEND

Your Directors has recommend final dividend on Equity Shares of the Company @ 8% (Rs. 0.80/- per share) for the financial year ended March 31, 2013. Together with the Interim dividend of Rs. 1.20/- per share, total dividend for the financial year ended March 31, 2013 works out to be Rs. 2/- per equity share of Rs. 10/- each.

5. TRANSFER TO RESERVES

The Company proposes to transfer Rs.200 lacs to the General Reserve out of the amount available for appropriations and an amount of 2567.93 lacs is proposed to be retained in the Profit and Loss Account.

**6. RESERVE AND SURPLUS**

Reserves and Surplus stood at to Rs. 5158.87 lacs as at March 31, 2013 compared to Rs. 4148.56 lacs as at March 31, 2012. The increase was due to retained earnings.

7. OPERATION RESULTS AND BUSINESS

The Company continued to see strong and profitable growth during the Financial Year 2012-13 across all markets driven by good performance across all business division.

Your Company's textiles operations have shown encouraging growth, both in the domestic and in the exports markets.

During the year the Company has achieved the turnover of Rs. 58372.22 Lacs as compared to Rs. 39301.98 Lacs in the previous year. Profit after Tax was Rs. 1217.20 Lacs in the current year as compared to Rs. 593.57 Lacs in the previous year.

8. DIRECTORS

Mr. Girdharilal S. Daga shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers themselves for re-appointment. The Board is pleased to recommend their re-appointment.

9. AUDITORS

M/s A. J. Baliya & Associates, Chartered Accountants, retires at the conclusion of the forthcoming annual general meeting and have given their consent for re-appointment.

10. AUDITORS REPORT

There are no specific observations in the Auditors Report requiring further comments under Section 217 (3) of the Companies Act, 1956.

11. FIXED DEPOSITS

Fixed Deposit with your company as at year-end were Rs.361.65 Lacs. None of these deposits has matured for payment and consequently there were no unclaimed deposits till the date of this report.

12. PARTICULARS OF EMPLOYEES

None of the employees of the Company has received remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pursuant to section 217(i) (e) of the Companies Act, 1956 read with the Companies (disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standard had been followed.
- ii. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the



Company as at March 31, 2013 and of the Profit for the year ended March 31, 2013.

- iii. proper and sufficient care has 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.

15. MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the year under review, as stipulated under clause 49, of the Listing Agreement with the stock exchanges in India, is presented in a separate section forming part of the Annual Report.

14. CORPORATE GOVERNANCE

The Company has adopted the best possible Corporate Governance norms and it has been our endeavor to comply and upgrade to the changing norms.

A separate section on corporate governance and a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the stock exchanges form part of this Report.

In terms of sub-clause (v) of the Clause 49 of the Listing Agreement, a certificate of the Managing Director inter alia, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting to matters to the Audit Committee in terms of the said Clause, is also enclosed as a part of this Report

16. APPRECIATION

The Board acknowledges with appreciation the efforts put in by its employees during the year under review. The Company is grateful to its customers, shareholders, suppliers, financial institutions, bankers, Central and State Governments for their constant support to the Company The Directors also place on record their deep appreciation of the contribution made by employees at all levels. The consistent growth of the Company was made possible by their hard work loyalty, dedication, co-ordination and support.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: May 29, 2013

ARUN KUMAR BIYANI
Chairman



ANNEXURE TO DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure in particulars in the Report of Board of Directors), Rules, 1988

CONSERVATION OF ENERGY

The nature of the Company's Operation entails a very High Level of Energy Consumption. However, adequate measures have been taken to conserve energy. Total energy consumption and energy consumption per unit of production

	2012-13	2011-12
[A] Power and fuel consumption		
1. Electricity		
A) Purchased unit	30007400	29277240
Amount (Rs.'000) `	123065.21	122626.97
Rate/Unit (Rs.)	4.10	4.19
B) Own Generation		
i) Through Diesel Generator Unit	31547	37060
ii) Unit/Liter of Diesel Oil	4	4
iii) Fuel cost / unit (Rs.)	11.51	10.72
[B] Electricity units Consumption in Production of Yarn per KG. (Unit/Kg)	2.27	2.37

RESEARCH AND DEVELOPMENT

- a. **Specific areas in which R & D was carried out by the Company**
The Company is actively engaged in product up gradation design development.
- b. **Benefits derived as a result of the above R & D**
Improved product designs resulted in higher value added products and better realisations.
- c. **Future plan of action**
Emphasis on the above activities is the on going exercise.
- d. **Expenditure on R & D**
Since the expenditure incurred on research and development activities were not substantial, no separate account for the same were being maintained

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Since the Company's products are being developed by an in-house R & D team, no further information under this head is required to be given.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a. **Initiatives taken to increase exports and exports plans**
Your Company has been constantly promoting new products and developing new customers around the world . It is also taking part in various trade fairs to develop export business .
- b. **Development of new export markets for synthetic yarn.**
Your Company is consistently exploring possibilities of exporting its products to new markets. This is an on going process.
- c. **Total Foreign Exchange Earnings and outgo** (₹ in Lacs)

Particulars	2012-13	2011-12
Foreign Exchange outgo (used)	1063.94	965.94
Earned (FOB Value of Export goods)	26342.03	17613.91

For and on behalf of the Board

Place : Mumbai
Dated: May 29, 2013

ARUN KUMAR BIYANI
Chairman



REPORT ON CORPORATE GOVERNANCE

Corporate Governance:

Corporate Governance pertains to system, by which companies are directed and controlled, keeping in mind long-term interest of stakeholders. Corporate governance is an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business savvy, objectivity, accountability and integrity. Corporate Governance is a journey for improving sustainable value creation. Sound Corporate governance is reliant on external marketplace commitment and legislation, plus a healthy board culture which safeguards policies and processes. The positive effect of Corporate governance on different stakeholders ultimately is a strengthened economy, and hence good Corporate governance is a tool for socio-economic development.

The essence of Corporate Governance is a framework of effective accountability to all stakeholders. In its widest sense, Corporate Governance is almost akin to a trusteeship. It is about creating an outperforming organisation, which leads to increasing customer satisfaction and shareholder value.

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Strong corporate governance standards are vital not only for the healthy and dynamic Corporate Sector growth, but also for inclusive growth of the economy. Good corporate governance practices enhance Company's value and stakeholders' trust resulting into strong and healthy development of the economy.

The Company is committed towards implementing best corporate governance practices, wherever possible. The Company's philosophy on Corporate Governance is to create value for its shareholders and to conduct its affairs in a manner which is transparent, clear and evident to those who deal with and have a stake in the Company viz. lenders, creditors, employees and shareholders. The commitment to good corporate governance practices reflects in the Company's value statement comprising of the following:

- ▶ Right and equitable treatment of shareholders;
- ▶ Protection of interest of other stakeholders;
- ▶ Integrity and ethical behavior;
- ▶ Timely disclosures and transparency;
- ▶ Best sustainable profit performance;
- ▶ Safety, health and environmental responsibility ; and
- ▶ Integrity

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interest of the Company and remain accountable to shareholders and other beneficiaries for their action.

2. BOARD OF DIRECTORS

(i) Composition

The Directors of the Company possess highest personal and professional ethics, integrity and values, and are committed to representing the long term interests of the stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgment on behalf of the Company. Mr. Ajay D. Biyani, Managing Director, is entrusted with the day-to-day management of the Company and is ably assisted by Mr. Arun kumar Biyani and Mr. Anil D. Biyani, Whole-time Directors and Senior executives of the Company under the overall supervision of the Board, to enhance the long-term value of the Company for all its stakeholders.

The Board of Directors (the 'Board') of the Company represents an optimum mix of persons with experience and expertise in their respective fields. As at March 31, 2013, the Board of the Company consisted of six Directors, of which Three are Executive Directors and Three are Non-Executive Independent Directors. The composition of the Company's Board of Directors is in conformity with the prescribed code of Corporate Governance by the concerned Stock Exchanges. None of the Directors of the Company is a member of the Board of more than 15 companies, in terms of section 275 of the Companies Act, 1956, and a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement).

As a part of good Corporate Governance practice, it is ensured that timely and relevant information are made available to the directors in order to contribute to the meetings and discussions effectively. The structure of the Board is as under:



Sl. No.	Name of Director	Nature of Directorship	Number of Directorship of other Public Companies	Membership of other Companies Committees	Chairmanship of other Companies Committees
1.	Mr. Arun Kumar Biyani	Executive Chairman	Nil	Nil	Nil
2.	Mr. Ajay D. Biyani	Managing Director	Nil	Nil	Nil
3.	Mr. Anil D. Biyani	Executive Director	Nil	Nil	Nil
4.	Mr. Girdharlal S. Daga	Independent Non-Executive Director	Nil	Nil	Nil
5.	Mr. Rajendra Prasad Khator	Independent Non-Executive Director	Nil	Nil	Nil
6.	Mr. Ashok Kumar Damani	Independent Non-Executive Director	Nil	Nil	Nil

(ii) Appointment/Re-appointment of Directors

Pursuant to the provisions of Sections 255 & 256 of the Companies Act, 1956, Mr. Girdharilal S. Daga shall retire by rotation at the forthcoming Annual General Meeting.

(iii) Brief Resume of Directors seeking re-appointments

Mr. Girdharilal S. Daga holds a Bachelor's degree in commerce and is a fellow member of Institute of Chartered Accountant of India. Mr. Daga is a Practicing Chartered Accountant. He has over 33 years experience in financial and taxation planning of individuals and limited companies and Banks. He is the financial expert on the Audit Committee of the Company.

(iv) Board Meetings:

The Company prepares the schedule of the Board Meeting in advance to assist the Directors in scheduling their program. The agenda of the meeting is circulated to the members of the Board well in advance along with necessary papers, reports, recommendations and supporting documents, so that each Board member can actively participate on agenda items during the meeting. Details of meetings held and attended by the respective board members are as under:

Sl. No.	Name of the Directors	No. of Board Meeting held	No. of Board Meeting Attended	Last AGM Attended
1.	Mr. Arun Kumar Biyani	6	6	Yes
2.	Mr. Ajay D. Biyani	6	6	Yes
3.	Mr. Anil D. Biyani	6	6	Yes
4.	Mr. Girdharlal S. Daga	6	5	Yes
5.	Mr. Rajendra Prasad Khator	6	6	Yes
6.	Mr. Ashok Kumar Damani	6	5	Yes

During the Financial Year 2012-13, Six Board Meetings were held on May 30, 2012, July 16, 2012, October 1, 2012, November 3, 2012, December 5, 2012 and January 16, 2013 respectively. The interval between two meetings was less than four months.

(v) Information supplies to the Board

The Board has complete access to any information within the Company. At Board Meetings employees who can provide additional insights into the items being discussed are invited:

- ▶ Quarterly results for the Company, its subsidiary companies.
- ▶ Minutes of meeting of the Board, Committees, resolutions passed by circulations and minutes of the meeting of the Board of
- ▶ Quarterly compliance certificates with the exception reports which includes non-compliance, if any, of any regulatory,



- ▶ statutory nature or listing requirements and shareholders service;
- ▶ Disclosures received from the Directors;
- ▶ Related party transactions;
- ▶ Regular business updates;
- ▶ Report on action taken on the previous Board Meeting decisions;
- ▶ Other information as mentioned in Annexure 1 A to Clause 49 of the Listing Agreement;

3. BOARD COMMITTEES

For effective and efficient functioning of the Company the Board has formed the following Committees:

- ▶ Audit Committee
- ▶ Shareholders / Investors' Grievance Committee
- ▶ Remuneration Committee
- ▶ Selection Committee

AUDIT COMMITTEE

The Audit Committee consists wholly of Independent Directors having knowledge of Finance, Accounts and Company Law. At present, the committee comprises of the following independent Directors:

Name of the Members	Designation	Category
Mr. Girdharlal S. Daga	Chairman	Independent Director
Mr. Rajendra Prasad Khator	Member	Independent Director
Mr. Ashok Kumar Damani	Member	Independent Director

Mr. Girdharlal S. Daga, Chairman is a Non-Executive and Independent Director as per the Listing Agreement. The constitution of audit committee also meets with the requirements under section 292A of the Companies Act, 1956.

During the year under review, the committee met Four times on May 30, 2012, July 16, 2012, November 3, 2012 and January 16, 2013. The details of attendance of the members are as follows:

Name of the Members	Designation	No. of Meetings	
		Held	Attended
Mr. Girdharlal S. Daga	Chairman	4	4
Mr. Rajendra Prasad Khator	Member	4	4
Mr. Ashok Kumar Damani	Member	4	4

The role and terms of reference of the Audit Committee as defined by the Board are as under:

- a) Discussion with the auditors periodically of internal control systems, scope of audit, observations of auditors and review of quarterly, half yearly and annual financial statements;
- b) Review of the Company's financial reporting process and disclosure of its financial information.
- c) Reviewing with management the annual financial statements before submission to the Board;
- d) Review the adequacy of internal control systems with the management, statutory and internal auditors, and structure & staffing of internal audit system;
- e) Discussion and reviewing of any significant finding of any internal investigations by the in house internal control system into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board and follow up thereon;
- f) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any areas of concern;
- g) Review the Company's financial and risk management policies;
- h) Recommending the appointment and removal of statutory auditors, fixation of audit fees and also approve payment for any other services, if any;
- i) Investigate into any matters as specified in Section 292A of the Companies Act, 1956 or any matter referred to it by the Board;
- j) Other functions as mentioned in Clause 49(II) (D) of the Listing Agreement



SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

The Board has constitute the Shareholders'/Investors' Grievance Committee in accordance with the requirement of the Clause 49 of the Listing Agreement. The objective of the Company is to attend to the investors' complaints pertaining to transfer/transmission/demat/remat of shares, on the receipt of dividend warrant/shares certificates etc. and any other matter related thereto.

The Shareholders'/Investors' Grievance Committee of the Board comprises of the one Independent Non Executive Director and One Executive Director. The composition of the Shareholders'/Investors' Grievance Committee as on March 31, 2013 is as under:

Name of the Members	Designation	Category
Mr. Girdharlal S. Daga	Chairman	Independent Non-Executive Director
Mr. Arun Kumar Biyani	Member	Executive Director

During the year under review, the committee met Four times on May 30, 2012, July 16, 2012, November 3, 2012 and January 16, 2013. The details of attendance of the members are as follows:

Name of the Members	Designation	No. of Meetings	
		Held	Attended
Mr. Girdharlal S. Daga	Chairman	4	4
Mr. Arun Kumar Biyani	Member	4	4

ROLE AND RESPONSIBILITIES OF SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The committee is responsible for approving transfer of shares including transmission, splitting of shares into marketable lots, changing joint holding into single holding and vice versa and also for issuing duplicate certificates in lieu of those torn, destroyed, lost or defaced or where the cases in the reverse for recording transfers have been duly utilized. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of Redressal of Investor Grievances.

Also the shareholders/investors grievances committee is responsible for resolving various complaints of shareholders about transfer of shares, non receipt of balance sheet, non-receipt of interest/ dividend payments, non- receipts of duplicate share certificates, any other grievance of the members/ investors with Company or any officer of our Company in performing his official duty; any other task assigned by the board from time to time. The committee will also oversee the performance of the registrars transfer agents and the depository related services. The committee also oversees the implementation and compliance of the code of conduct adopted by our Company for prevention of insider trading for listed companies as specified in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

STATUS OF THE SHAREHOLDERS' COMPLAINTS:

The Company addresses all the complaints, suggestions and grievance expeditiously. The details of complaints received and resolved during the year as follows:

Sr. No.	Nature of Complaints	Opening Balance	Complaints Received	Complaints Redressed	Pending on March 31, 2013
1.	Non received of Shares Certificate	0	1	1	0
2.	Non received of Dividend	0	2	2	0

Compliance Officer:

Mr. Subodh Kumar Soni, Company Secretary of the Company is the Compliance officer of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three Independent Directors. The Committee comprises of Mr. Rajendra Prasad Khator, Mr. Girdharlal S. Daga and Mr. Ashok Kumar Damani, all Independent Non Executive Directors of the Company. Mr. Rajendra Prasad Khator is the Chairman of the Committee.

The remuneration Committee is primarily responsible for implementing the remuneration policy of the Company.

The Remuneration policy of the Company for managerial personnel is primarily based on the following: -

- (i) to address the policy on remuneration packages for Executive Directors and their Service Contracts;



- (ii) to prepare performance link Remuneration package and retrials benefits;
- (iii) to track record, potentials and performance of individual managers; and
- (iv) to prepare policy for training, development, job rotation and delegation as important tools for optimum utilization of available man power resources.
- (v) to formalize guidelines for out sourcing skills and capabilities for new opportunities from the External competitive environment.

The Board of Directors decides on remuneration, if any, payable to non-executive Directors. The company is not paying any commission to its Non-Executive Directors.

There was no meeting of the Remuneration Committee held during the financial year 2012-13.

SELECTION COMMITTEE:

The Selection Committee consists of three Independent Directors, comprises of Mr. Girdharlal S. Daga, Mr. Rajendra Prasad Khator and Mr. Ashok Kumar Damani, all Independent Non Executive Directors of the Company. Mr. Girdharlal S. Daga is the Chairman of the Committee. The Committee would look into the matters relevant to the Selection of Employee.

There was no meeting of the selection committee held during the financial year 2012-13.

4. DIRECTORS' REMUNERATION & SITTING FEE

- a) The details of remuneration paid to Directors during the Financial Year 2012-13 as approved by the Board and shareholders:

Sl. No.	Name of Directors	Salary	Contribution to Provident Fund	Perquisites & Allowances	Commission	Total
1.	Mr. Arun Kumar Biyani	3300000	9360	-	1000000	4309360
2.	Mr. Ajay D. Biyani	3300000	9360	-	1000000	4309360
3.	Mr. Anil D. Biyani	3300000	9360	10380	1000000	4319740

- b) The Non-executive directors of the Company are entitled to sitting fees of Rs.1,000/- for each meeting of Board of Directors attended. Details of payment for sitting fee during the year 2012-13 are as under:

(Amount in ₹)

Sl. No.	Name of Directors	Sitting fees
1.	Mr. Girdharlal S. Daga	5000
2.	Mr. Rajendra Prasad Khator	6000
3.	Mr. Ashok Kumar Damani	5000

5. DISCLOSURES

Related Party Transactions

The Company has entered into transaction with the related parties that may not have any potential conflict with the interests of the Company. The details of such transactions are already given in notes to financial statement in point no.30.

Compliances by the Company

During the financial year 2012-13, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI for any matter. The Company has fairly complied with the requirements of the Stock Exchange and SEBI.

6. MEANS OF COMMUNICATION

Website: The Company's website www.damodargroup.com contains separate section as "Investor Relation" where shareholder information is available. Full Annual Report is also available on the website in the user friendly and downloadable form. Apart from this, official news releases etc. are also displays in the website.

Financial Results: The Annual, half yearly and quarterly results are regularly uploaded by the company on the website. These are also submitted to the Stock Exchanges in accordance with Listing Agreement and publish in an English Newspaper (Economic Times, Free press Journal) having circulation all over India and in a Marathi (Maharashtra Times and Nav Shakti) Newspaper having circulation in Mumbai.

Annual Report: Annual Report containing inter alia Audited Annual Accounts, Director's Report, Auditor Report and other important information is circulated to the members and others details thereto.



Corporate Filing: Announcements, quarterly results, shareholding pattern etc. of the Company are regularly filed by the Company, also available on the website of the Bombay Stock Exchange Limited- www.bseindia.com

5. GENERAL BODY MEETINGS:

ANNUAL GENERAL MEETINGS:

Details of the location of the last three Annual General Meetings and the details of the resolutions passed or

a. Particulars of previous three Annual General Meetings:

Meeting	Year	Venue	Date	Time
AGM	2012	Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002	August, 25, 2012	11.30 A.M.
AGM	2011	Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002	August, 27, 2011	11.30 A.M.
AGM	2010	Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002	August, 26, 2010	4.30 P.M.

b. Special Resolutions during previous three Annual General Meetings:

Financial Year	Particulars of Special Resolutions Passed
2011-12	Nil
2010-11	Commencement of business as specified in clause 34 & 51 in the other objects of the Memorandum of Association of the company.
2009-10	Re-appointment of Mr. Arunkumar Biyani, Executive Chairman, Re-appointment of Mr. Ajay D. Biyani, Managing Director, Re-appointment of Mr. Anil D. Biyani, Executive Director u/s 198, 269,309,310 & 311 of Companies Act,1956

- C. No resolution requiring Postal Ballot as recommended under Clause 49 of the Listing Agreement has been placed for shareholders' approval at the above meetings

EXTRA ORDINARY GENERAL MEETINGS

Meeting	Year	Venue	Date/Time	Purpose
EGM	2013	A1/202, Centre Point, 243-A, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400 013	January 3,2013 at 10.00 A.M.	Change the name of the Company
EGM	2010	A1/202, Centre Point, 243-A, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400 013	August 14,2010 at 11.30 A.M.	Issue of Equity Shares on Preferential basis.

8. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Day & Date	: Saturday, August 3, 2013
Time	: 11.30 A.M.
Venue	: Maheshwari Bhawan, 603, Chira Bazar, (J S Road), Mumbai – 400 002
Book closure	: Wednesday June 26, 2013 to Saturday June 29, 2013 (Both day inclusive)

Financial Calendar

Financial Calendar (tentative and subject to change):

Financial year : April 1,2013 to March 31,2014 for the Financial Year 2013-14, quarterly un-audited/annual audited results will be announced by:

First quarter : Second week of August 2013

Second quarter : Last week of October 2013

Third quarter : Last week of January 2014

Fourth quarter : Mid of May 2014

Annual Audited : May 2014

**Listing on Stock Exchanges:**

The Equity Shares of the Company are listed with the Bombay Stock Exchange (BSE).

Exchange	Code	ISIN
BSE	521220	INE497D01014

Payment of Listing Fees:

Listing fees for the financial Year 2013-14 have been paid, within the stipulated time to the above to stock Exchange where the Company's Equity Shares are listed.

CEO/CFO Certification:

As required under clause 49 V of the Listing Agreement with the Stock Exchanges, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended March 31, 2013.

Certificate of Corporate Governance:

A Certificate from A.J. Baliya & Associates, Chartered Accountants confirming compliance with the conditions of Corporate Governance in terms of Clause 49 of the Listing Agreement form part of this Report.

Code of Conduct:

All the directors and senior management personnel have affirmed compliance with the code of conduct/ethics as approved and adopted by the Board of Directors and a declaration to that effect signed by Managing Director is attached and from of this report. These codes have posted on the company's Website www.damodargroup.com

Share Transfer System:

The Board of Directors has delegated the power of share transfer to the M/s Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company. Share Transfer Agent attends to share transfer formalities once in a fortnight.

Investor Services and Investor Grievance Handling Mechanism:

All share related transactions viz. transfer, transmission, transposition, nomination, dividend, change of name/address/signature, registration of mandate/power of attorney, replacement/split/ consolidation of share certificates/demat/remat of shares, issue of duplicate share certificates etc. are being handled by the RTA which discharges its functions effectively, efficiently and expeditiously.

Investors are requested to correspond directly on all share related matters with RTA i.e. Link Intime India Pvt. Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078. Tel. No.: 022-25946970-78, Fax No. 022-25946969, E-mail: rnt.helpdesk@linkintime.co.in, and for any other query to the Company Secretary & Compliance Officer at the Registered office address or Investor can also send the inquiries on cs@damodargroup.com

Investor Relations:

All the complaints have been resolved and as on March 31, 2013 no complaints from shareholder is pending. At the end of the year, no request for shares transfer was pending for registration

Change of Address:

- 1) Shareholders are required to inform the Company in writing of any change in their address, quoting their folio number for shares in physical form, if any
- 2) Change of address is effected only when the signature of the first registered holder on the request letter matches with the specimen signature recorded with the Company.
- 3) Change of address for shares held in demat form should be notified only to the concerned Depository Participant (DP).
- 4) Requests for change of address should be accompanied by any address proof like electricity bill, telephone bill, bank statement, driving license, voter ID card etc.
- 5) There can be only one Registered Address for one folio.

Compulsory De-materialized Trading:

As the shareholders are aware, the Securities and Exchange Board of India (SEBI), has included equity shares of the Company for compulsory dematerialised trading for all investors with effect from July 24, 2000. The Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members of the Company to select the depository of their choice for holding and dealing in shares in electronic form. The shareholders may also note that 95.22% holding of the Company is in demat form



Distribution of Shareholders

Distribution of shareholding as on March 31, 2013

Slab of shares	Number of Shareholders	Percentage of shareholders	Number of shares	Percentage of shareholding
1 -500	3239	88.34	430300	4.83
501 -1000	178	4.86	135874	1.53
1001 -2000	108	2.95	157858	1.78
2001 -3000	20	0.55	49046	0.55
3001 -4000	17	0.46	62880	0.7
4001 -5000	19	0.52	90276	1.01
5001 -10000	22	0.6	160265	1.8
Above 10000	63	1.72	7814151	87.8
	3663	100	8900650	100

Shareholding Pattern as on March 31, 2013

Sl. No.	Category of Shareholders	No. of Shares held	Percentage of Shareholding
1	Promoters, Directors & Relatives	5481070	61.58
2	Associate Body Corporates	534200	6.00
3	Banks and Financial Institutions	700	0.01
4	NRIs/OCBs	14997	0.17
5	Private Corporate Bodies	798333	8.97
6	Indian Public	2063300	23.18
7	Clearing Members	8050	0.09
Total		8900650	100

Shareholding Pattern of Non Executive Director as on March 31, 2013

Non-Executive directors hold shares in the company during the period ended 31st March, 2013

Sr. No.	Name of Non – Executive Directors	No. of Shares
1.	Mr. Girdharlal S. Daga	260
2.	Mr. Rajendra Prasad Khator	25000
3.	Mr. Ashok Kumar Damani	NIL

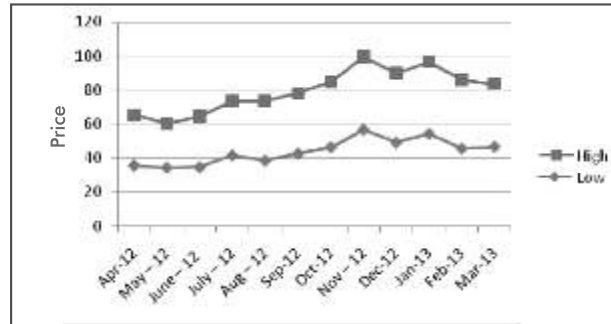
Market Price Data

The details of Monthly high and low quotation of shares traded on Bombay Stock Exchange Limited during the financial year as 2012-2013 were under:

Months	Share Price - BSE		
	High (₹)	Low (₹)	Volume (nos)
April, 2012	36.05	29.30	36349
May, 2012	34.65	25.55	34681
June, 2012	35.00	29.30	17843
July, 2012	41.90	31.70	107740
August, 2012	38.90	34.55	30310
September, 2012	42.90	35.10	214907
October, 2012	46.65	38.00	125501
November, 2012	56.90	42.50	133877



December, 2012	49.40	40.55	44498
January, 2013	54.40	42.25	176872
February, 2013	45.95	40.00	20190
March, 2013	46.95	36.45	70904

BSE - CHART**Liquidity:**

Shares of the Company are actively traded on the Bombay Stock Exchange as is evident from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity of the investors.

Dematerialisation of shares:

Approx 95.22% of the Equity Shares of the Company have been dematerialised and 4,25,788 only shares are in physical form as at March 31, 2013.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs/Partly Paid or any Convertible Instruments. No amounts were outstanding on account of the same as at the date of the Balance Sheet.

Plant Location:

- Survey No. 265/10/1,2,3
Demni Road, Village Dadra, Silvassa
Dadra & Nagar Haveli (U.T.) 396 230
Ph. 0260-3264788 Fax: 0260-2668929
- Survey No. 288/1/1 Old Dena Bank Road,
Dadra Village, D. & N.H. (U.T.) – 396230
Ph.: 0260-3294102
- Plot No. 165/67/68, Dabhel Ind. Co.-Op. Soc.
Dabhel, Nani Daman (U.T.)- 396210
Ph.: 0260-3253356

Company Secretary & Compliance Officer:

Mr. Subodh Kumar Soni
Ph: 022-3264788 Fax: 022-2668929
E-mail: cs@damodargroup.com

Registrars & Share Transfer Agents:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares contact:

Link Intime India Pvt. Limited,

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078.
Tel. No.: 022-25946970–78, Fax No. 022-25946969
E-mail: rnt.helpdesk@linkintime.co.in / Website: www.linkintime.com

For & on behalf of Board of Directors



Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non- Executive Directors.

I confirm that the Company has in respect of the Financial Year ended March 31, 2013 received from the senior Management Team of the Company a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, senior management team means employees in the Executive Manager cadre as at March 31, 2013.

For **Damodar Industries Limited**

Place: Mumbai
Dated: May 29, 2013

Ajay D. Biyani
Managing Director

Managing Director / Chief Financial Officer (CFO) Certification

To,
The Board of Directors
Damodar Industries Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of **Damodar Industries Limited** ("The Company") to best of our knowledge and belief certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2013 and that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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.
- (b) to the best of my knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditor any
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have 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 over financial reporting.

For **Damodar Industries Limited**

Place: Mumbai
Dated: May 29, 2013

Ajay D. Biyani
Managing Director



AUDITORS' CERTIFICATE

To the members of
DAMODAR INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance procedures implemented by Damodar Industries Limited, for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certifications of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation on 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, and the Representations made by the Directors and the Management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement during the year 2012-13.

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 A. J. BALIYA & ASSOCIATES
Chartered Accountants
(Registration No. 100948W)

CA. A. J. BALIYA
Partner
FCA No. 35989

Place: Mumbai
Dated: May 29, 2013



Management Discussions & Analysis

WORLD COTTON TRADE :

- Total International Trade in Raw Cotton = 12 Billion USD
- % Of India's Share in Raw Cotton Trade = 20 % .

MAJOR PRODUCERS OF COTTON (2012)

Sr No	Country	Quantity Mn Kgs	%
	Total World	25437	100.00
1	China	6858	26.96
2	India	5552	21.83
3	USA	3799	14.93
4	Pakistan	2177	8.56
5	Brazil	1415	5.56
6	Uzbekistan	936	3.68
7	Australia	925	3.64
8	Turkey	599	2.35
9	Turkmenistan	327	1.28
10	Greece	250	0.98
	Total Top Ten	22185	87.22

- Top 5 cotton producers , China , India , USA , Pakistan and Brazil are also major consumer of cotton for their own spinning sector .
- However USA , which is the third largest producer is a relatively small consumer of cotton .

TOP 10 EXPORTERS OF COTTON (2011-12)

Sr No	Country	Quantity Mn Kgs	%
	Total	7926	100.00
1	USA	2512	31.69
2	India	2488	31.39
3	Brazil	1032	13.02
4	Australia	995	12.55
5	Pakistan	282	3.56
6	Greece	239	3.02
7	Turkey	123	1.55
8	Mexico	100	1.26
9	Egypt	84	1.06
10	Spain	59	0.74
	Total Top Ten	7914	99.85 %

- China which is the largest producer exports very little of its cotton .

**WORLD COTTON YARN TRADE**

- Major producers of cotton yarn in the world :
 - China
 - India
 - USA
 - Pakistan
- Eventhough China is the largest producer of Cotton Yarn , it is also the largest importer of Cotton Yarn mainly due to consolidation in production and increase in demand by the down-stream industry .

EXPORTER OF COTTON YARNS

Top Ten Exporters of Cotton Yarn in Mn Kgs

- Eventhough China is the largest producer of Cotton Yarn , it is also the largest importer of Cotton Yarn mainly due to consolidation in production and increase in demand by the down-stream industry .

MAJOR PRODUCERS OF COTTON (2012)

Sr No	Country	Quantity	%
	Total World	2822	100
1	India	647	22.92
2	Pakistan	478	16.93
3	USA	473	16.76
4	China	386	13.67
5	Hong Kong	295	10.45
6	Turkey	110	3.89
7	Indonesia	91	3.22
8	South Korea	57	2.01
9	Thailand	43	1.53
10	Italy	38	1.34
	Total of Top 10	2617	92.72

- India and Pakistan together account for almost 49 % of world export of Cotton Yarn during the period Jan – Nov 2012.
- China remains a small exporter of cotton yarn , inspite of its huge production .

INDUSTRY STRUCTURE AND DEVELOPMENTS**INDIA'S POSITION IN THE WORLD TEXTILE ECONOMY**

- Largest Producer of organic cotton
- Second Largest Producer of raw cotton
- Second Largest producer of cotton yarn
- Largest exporter of Cotton Yarn (in Value)
- Second Largest Exporter of Cotton

COTTON SCENARIO IN INDIA**MAJOR PRODUCERS OF COTTON (2012)**

YEAR	PRODUCTION MN KGS	EXPORT MN KGS	IMPORT MN KGS
1991-92	2023	13	51
2001-02	2686	9	429
2011-12	6345	2159	153
2012-13 (E)	6005	2000	204



- Wide varieties of cotton , from short staple to extra long staple fibre produced in India , thereby self sufficiency in raw material requirement for spinning coarse and fine yarns .
- Over the past twenty years , Cotton production , consumption and also export from India increased substantially . However , India need to improve yield to catch up with the rest of the top producers .

INDIA'S POSITION IN WORLD COTTON YARN PRODUCTION

- Cotton Yarn accounts for nearly 73 % of total spun yarn production .
- India is a major cotton yarn producer in the world , with 20 % of world spindle and 9 % of world rotor capacity .

DAMODAR INDUSTRIES POSITION IN INDIA

- Leading Export of Cotton Yarn
- Leading Exporter and Manufacturer of Fancy Yarn
- Government Recognized Star Export House

Discussion of Financial performance with respect to operational performance Financial Highlights:

- ▶ Revenue from operations increased from Rs. 392.40 crores in 2011-12 to Rs. 582.38 crores in year 2012-13.
- ▶ Profit before Tax increased from Rs. 8.56 crores to Rs. 18.54 crores.
- ▶ Profit after Tax increased from Rs. 5.94 crores to Rs 12.17 crores.
- ▶ Basic Earning Per share (EPS) increased from Rs. 6.67 to Rs 13.68 per shares.

OUTLOOK**BRANDING INITIATIVE:**

Damodar Industries is positioning itself as a world class supplier for fancy yarns. This tag line of Damodar 'Tomorrow's Creativity brought today' signifies the continuous development the company is taking to provide its customers unique products which will help them to create a new trend in the field of textiles. The company is taking part in various international trade fairs to create brand awareness. The company is also taking a number of steps for strong internal and domestic branding. Damodar Industries has diversified into Shirting, Suiting Fabric business and is promoting the same under the name brand name of Scafati & 'Impel Fabrics .

FMCG INITIATIVE**Calves N Leaves- A Vedic lifestyle**

Calves N Leaves is a FMCG division of Damodar Industries Ltd. It is inspired by the cause of saving, serving, and sustaining Indian Cows. This division is engaged in manufacturing and marketing of various daily use products that are made from herbs + Panchgavya as per recipes suggested in Vedas.

Calves N Leaves is a cause. The products made drives inner strength, rejuvenates physical activities, sharpens the mind and brings positivity.

Under our brand name Calves N Leaves, we have created the products that are immensely effective, lab tested, 100% certified and no presence of chemicals in them. The products are made based on the concept of H.O.P.E. (Herbal. Organic. Panchgavya. Era (Vedic Era/recipes).

Our products are developed by renowned Ayurvedacharya who experts in Vedic Science. All products are made under total control on raw material sources and manufacturing process that is purely Vedic with absolute no compromise on Vedic Science fundamental principles.

FUTURE PLANS:

A major aspect of the growth strategy for both international and domestic business will involve optimising the internal sources within the organization.

The Company is committed to continue the Up gradation of its R&D facilities which will strive to develop new products, keeping in view the future market requirements and will thus improve its competitiveness. The company has upgraded its infrastructure for better efficiency and higher production to meet the increase in demand and for lowering costs to increase profitability.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place a well defined organisational structure and adequate internal controls for efficient operations. The team has in place internal policies, and is cognizant of applicable laws and regulations, particularly those related to protection of property, recourses and assets and the accurate reporting of financial transactions. The Company continually upgrades these systems. The internal control is supplemented by an extensive internal audits, review by management and audit committee, documented polices, prescribed guideline, rule & procedure all activities of the Company covered by the in house internal control system, the scope of internal audit covers scrutiny of work order, purchases , sales , expenses, inventory & taxation. The internal audit system is designed specifically to cover financial & other records, financial statements and maintaining accountability of the assets.

**HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS:**

The Company continued to enjoy harmonious and cordial relations amongst its entire employee. The key to the success of the Company lies in its people whose skills, expertise, and talent help the Company to achieve and sustain its market position. It is the people's commitment, technical know-how, innovative ability and performance driven mindset that enable to react swiftly and creatively to the evolving customer and market needs.

Human resources continue to be an invaluable and intangible asset and key success factor for the Company to grow and sustain its market position in a highly competitive and challenging environment. Your Company firmly believes that people are the pivotal force behind the growth and excellence in business operations. The overall performance and the market position of the Company are the result of the aggregate strength of its people. Focus on developing leadership skills and building talent for the future and the process of improving organizational and human capability through competency mapping of managerial positions in all areas of the Company's operations, continued as a major initiative. The Company is committed to provide the right environment to its employees to work and to inculcate a sense of ownership and pride.

COMPETITIVE STRENGTHS**STRONG MANAGEMENT TEAM**

We benefit from the leadership of our management team, which has an extensive experience in the textile industry. we have successfully implemented expansion projects in the past. Our key Management personnel are largely responsible for successfully execution of our growth strategy our manufacturing facilities, developing new customers base and strengthening our customer relationship.

Our emphasis on creating and sharing value have not only retained but attracted people to be part of the Company, which we believe to be an important competitive advantage as we enter new markets and expand our product offering.

RELATIONSHIP IN INTERNATIONAL MARKET

We believe that our ability to address the varied and expanding requirements of global customers over long period enables us to obtain additional business from existing customers as well as new customers. We serve most of our customers across all streams of our business model, which we believe increase their loyalty to us.

We have strong and a decade old relationship with the leading textile brands of India such as Siyarams, Mandhana Industries , Donear Industries , Raymond , Grasim , Arvind Mills , Reliance etc.

QUALITY CONTROL MEASURES:

We believe in providing the best possible quality to the customers. There are quality checks in place that prevent any defective material from reaching the customers. Quality control measures are in place at every step in the manufacturing process. The quality parameters are set as per the properties of the various yarns. The company has the world standard Uster laboratory where quality tests and check ups are done regularly.

CAUTIONARY STATEMENT:

Certain statement as discussed and mentioned in the Management Discussion & Analysis and elsewhere, constitute forward-looking statements articulated as the management's expectations for the future business prospects of the Company. However, there are risks and uncertainties, associated due to the general economic conditions in which the Company operates. Also, the factors like foreign currency fluctuations, regulatory initiatives, tender processes in the Government, public sector and other large undertakings, competition etc. are not in the control of the Company. Such uncontrollable factors are crucial for success of the Company's business plans or predictions, which may cause the actual results to materially differ from the performance or achievements, discussed or implied by such forward looking statements. Corporate Social Responsibility:

CORPORATE SOCIAL RESPONSIBILITY:

Damodar Industries is deeply committed to improve the quality of life of the communities that it operates in. Its strong sense of social responsibility is embedded in the company's values and actions.

For and on behalf of the Board of Directors



INDEPENDENT AUDITOR'S REPORT

To the members of **DAMODAR INDUSTRIES LIMITED**

We have audited the accompanying financial statements of Damodar Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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

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 principles generally accepted in India including 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 judgment, 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 presentation of the financial statements that give a true & fair view 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 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) 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") 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 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 subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **A. J. BALIYA & ASSOCIATES**
Chartered Accountants
(Registration No. 100948W)

CA. A. J. BALIYA
Partner
FCA No. 35989

Place: Mumbai
Dated: May 29, 2013

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

To the members of **DAMODAR INDUSTRIES LIMITED**

[Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

- (1) In respect of its fixed assets:
 - (a) The Company has maintained proper records to showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (2) In respect of its inventories :
 - (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, 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) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (3) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in register maintained under Section 301 of the companies Act, 1956, according to the information and explanations given to us:
 - (a) The Company has taken unsecured loans from twenty-one parties repayable on demand. At year end aggregate outstanding balance of such loans was Rs. 3,83,32,683/- and the maximum amount outstanding during the year was Rs. 4,56,51,041/-.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company.
 - (c) The Company is regular in repaying the principal amounts of loan as stipulated and has been regular in payment of interest in respect of such loans.
 - (d) There is no overdue amount of loans taken as referred to in (a).
 - (e) The company has not given loans to any of the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (5) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained under Section 301 of the Companies Act 1956, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956, and exceeding the value of Five Lakhs rupees in respect of any party during the year have been made at prices which are reasonable as per the information available with the Company.
- (6) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A, 58AA and other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public. As per information given to us, no order under the aforesaid sections has been passed by the company Law Board or Reserve Bank of India or any court or any other tribunal, on the company.



- (7) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- (8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prime facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (9) In respect of statutory dues:
 - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and other Statutory Dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
 - (b) According to the information and explanations given to us, there are no dues in respect of Income-Tax, Sales-Tax, Custom Duty, Wealth-Tax, Excise Duty, Service Tax or Cess outstanding on account of any dispute.
- (10) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (11) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
- (12) In our opinion and according and explanation given to us no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (14) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (15) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
- (16) To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained, other than amounts temporarily invested pending utilization of the funds for the intended use.
- (17) In our opinion and 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 and vice-versa.
- (18) The Company has not made any preferential allotment of shares during the year.
- (19) The Company has not issued any debentures during the year
- (20) The Company has not raised any money by public issue during the year.
- (21) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For A. J. BALIYA & ASSOCIATES
Chartered Accountants
(Registration No. 100948W)

CA. A. J. BALIYA
Partner
FCA No. 35989

Place: Mumbai
Dated: May 29, 2013

**BALANCE SHEET AS AT 31ST MARCH, 2013**

	Note No.	As at 31-03-2013 (₹)	As at 31-03-2012 (₹)
EQUITY AND LIABILITIES			
Shareholders' Fund:			
Share Capital	2	89,006,500	89,006,500
Reserves & Surplus	3	515,887,065	414,855,768
Non-Current Liabilities			
Long Term Borrowings	4	509,530,055	523,453,376
Deferred Tax Liabilities (Net)	11	72,144,779	68,974,179
		581,674,834	592,427,555
Current Liabilities			
Short Term Borrowings	5	610,011,053	443,298,073
Trade Payables	6	68,356,306	61,474,041
Other Current Liabilities	7	196,843,265	145,084,507
Short Term Provisions	8	20,882,955	20,979,129
		896,093,579	670,835,750
TOTAL		2,082,661,978	1,767,125,573
ASSETS			
Non Current Assets			
Fixed Assets	9		
Tangible Assets		870,638,833	769,166,378
Intangible Assets		537,198	517,412
Capital Work-in-Progress		-	2,548,556
		871,176,031	772,232,346
Non Current Investments	10	4,100	9,299
Long Term Loans and Advances	12	2,892,893	13,259,721
		2,896,993	13,269,020
Current Assets			
Inventories	14	497,200,974	497,220,445
Trade Receivables	15	564,716,825	379,760,444
Cash and Bank Balances	16	20,171,731	23,663,127
Short Term Loans and Advances	12	126,472,366	80,481,473
Other Current Assets	13	27,058	498,718
		1,208,588,954	981,624,207
TOTAL		2,082,661,978	1,767,125,573

Significant Accounting Policies 1
Other Notes on accounts from Nos 2 to 39 are an integral part of the Financial Statements

As per our report of even date
For A.J.BALIYA & ASSOCIATES
Chartered Accountants

CA A. J. Baliya
Partner
Membership No. FCA 35989

Place : Mumbai
Dated: May 29th, 2013

For and On behalf of the Board of Directors

Arunkumar Biyani
Chairman

Ajay D. Biyani
Managing Director

Subodh Kumar Soni
Company Secretary



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

	Note No.	2012 -2013 (₹)	2011-2012 (₹)
INCOME			
Revenue from Operations (Gross)	17	5,823,796,605	3,924,003,455
Less: Excise Duty		-	-
Revenue from Operations (Net)		5,823,796,605	3,924,003,455
Other Income	18	13,425,886	6,194,996
TOTAL		5,837,222,491	3,930,198,451
EXPENDITURE			
Cost of Material and Components Consumed	19	2,111,165,678	1,993,242,813
Purchase of traded goods	20	2,616,156,288	1,153,714,766
(Increase)/Decrease in Inventories of Finished Goods Work-in-progress and Trade Goods	21	(26144594)	(51,699,002)
Employee Benefit Expenses	22	124,053,256	103,819,442
Finance Costs	23	214,150,831	176,180,306
Other Expenses	24	514,137,528	379,377,729
TOTAL		5,55,351,8987	3,754,636,054
Profit/(Loss) before Depreciation and Amortization		283,703,504	1,75,562,397
Depreciation and Amortization Expenses	25	98,281,657	89,874,788
Profit/(Loss) before Exceptional Items and Tax		185,421,847	85,687,609
Less: Exceptional Items		-	-
Profit/(Loss) before Tax		185,421,847	85,687,609
Less: Tax Expenses			
Current Tax		58,240,000	28,797,747
Deferred Tax		3,170,600	(2,641,783)
Earlier years adjustments		2,290,834	174,238
		121,720,413	59,357,407
Profit/(Loss) for the period		121,720,413	59,357,407
Earnings per Equity Share (Nominal Value of share Rs. 10/-each)	26		
Basic		13.68	6.67
Diluted		13.68	6.67
Significant Accounting Policies	1		
Other Notes on accounts from Nos 2 to 39 are an integral part of the Financial Statements			

As per our report of even date
For A.J.BALIYA & ASSOCIATES
Chartered Accountants

CA A. J. Baliya
Partner
Membership No. FCA 35989

Place : Mumbai
Dated: May 29th, 2013

For and On behalf of the Board of Directors

Arunkumar Biyani
Chairman

Ajay D. Biyani
Managing Director

Subodh Kumar Soni
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	2012-13		2011-12	
	(₹)	(₹)	(₹)	(₹)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-ordinary Items		185,421,847		85,687,609
Adjustment for :				
Depreciation and amortisation	98,281,657		89,874,788	
Interest	189,729,780		154,286,280	
(Profit)/loss On Sale of Fixed Assets	(35,609)		(928,455)	
Investments Written off	(150)		-	
		<u>287,975,678</u>		<u>243,232,613</u>
Operating Profit Before Working Capital Changes		473,397,525		328,920,222
Adjustment for :				
Trade & Other Receivable	(229,883,518)		(23,175,598)	
Inventories	19,471		(88,688,795)	
Trade Payable	<u>8,724,194</u>		<u>(2,434,586)</u>	
		<u>(221,139,853)</u>		<u>(114,298,979)</u>
Cash generated from Operations		252,257,672		214,621,243
Direct Tax paid(net)		<u>(45,568,919)</u>		<u>(19,460,783)</u>
Cash flow before Extra-Ordinary Items		206,688,753		195,160,460
Prior Years Tax Adjustments		(104,867)		(174,238)
Net Cash from Operating Activities A		206,583,886		194,986,222
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchases of Fixed Assets including Capital Work-in-Progress	(197,944,804)		(27,910,914)	
Sale of Fixed Assets	1,235,030		1,228,898	
Dividend Income	150		-	
Net Cash used in Investing Activities B		(196,709,624)		(26,682,016)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings & Fixed deposits	205,479,662		(154,286,280)	
Interest Paid	(189,729,780)		(13,272,588)	
Dividend	(25,072,241)		(2,165,862)	
Tax on Dividend	<u>(4,043,299)</u>			
Net Cash used in Financing Activities C		(13,365,658)		(198,644,380)
Net increase in cash and cash equivalents (A+B+C)		(3,491,396)		(30,340,174)
Opening Balance of Cash & Cash Equivalents		23,663,127		54,003,301
Closing Balance of Cash & Cash Equivalents		20,171,731		23,663,127
() indicates 'minus'				

As per our report of even date
For A.J.BALIYA & ASSOCIATES
Chartered Accountants

CA A. J. Baliya
Partner
Membership No. FCA 35989

Place : Mumbai
Dated: May 29th, 2013

For and On behalf of the Board of Directors

Arunkumar Biyani
Chairman

Ajay D. Biyani
Managing Director

Subodh Kumar Soni
Company Secretary

**SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Preparation of Financial Statements**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rule, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

B. Use of Estimates

The preparation of Financial Statements in conformity with the Accounting Standards generally accepted in India requires, the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

C. Fixed Assets and Depreciation :

- 1 Fixed Assets are stated at historical cost of acquisition / construction less accumulated depreciation and impairment loss. Cost [Net of Input tax credit received / receivable] includes related expenditure and pre-operative & project expenses for the period up to completion of construction / assets are put to use. The loss or gain on exchange rates on long term foreign currency loans attributable to fixed assets is adjusted to the cost of respective fixed assets.
- 2 Depreciation is provided on "straight line method" as per Section 205 (2) (b) of the Companies Act, 1956 at the rates prescribed in Schedule XIV thereto.
- 3 Depreciation on impaired assets is calculated on its residual value, if any, on a systematic basis over its remaining useful life.
- 4 Capitalised costs incurred towards purchase/development of software are amortised using straight line method.
- 5 Depreciation on additions / disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.

D. Impairment of Assets :

The Company, at each balance sheet date, assesses whether there is any indication of impairment of any asset and /or cash generating unit. If such indication exists, assets are impaired by comparing carrying amount of each asset and / or cash generating unit to the recoverable amount being higher of the net selling price or value in use. Value in use is determined from the present value of the estimated future cash flows from the continuing use of the assets.

E. Borrowing Costs :

- 1 Borrowing costs that are directly attributable to the acquisition / constructions of a qualifying asset are capitalised as part of the cost of such assets, up to the date, the assets are ready for their intended use.
- 2 Other Borrowing costs are recognised as an expense in the period in which they are incurred.
- 3 Borrowing Costs also include Exchange differences arising from Foreign Currency borrowings to the extent that they are regarded as an adjustment to interest costs.

F. Expenditure during the Construction Period :

The expenditure incidental to the expansion / new projects are allocated to Fixed Assets in the year of commencement of the commercial production.

G. Investments :

Investments are stated at cost.

H. Inventories :

Raw Materials, Stores & Spare Parts, Packing Materials, Finished Goods, Trading Goods and Works-in-Progress are valued at lower of cost and net realisable value.

I. Revenue Recognition :

- 1 Revenue from Sale of goods is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer.



- 2 Dividend income is accounted for when received.
- 3 Interest income is recognised on time proportionate method.
- 4 Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

J. Derivative Instruments and Hedge Accounting :

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rates fluctuations by following established risk management policies, including use of derivatives. The company enters into forward, options & swap contracts where the counter parties are banks. Accordingly, losses in respect of all outstanding derivatives, contracts, other than forwards, options & swap contracts, at the year end by marking them to market are provided. However, out of prudence, the net gain, if any, on all such outstanding options & swap contracts is not accounted for.

K. Taxes on Income :

- 1 Tax expenses comprise of current and deferred tax.
- 2 Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961.
- 3 Deferred tax reflects the impact of current year timing differences between accounting and taxable income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date.

L. Miscellaneous Expenditure :

Expenses are being written off in equal installments over a period of five financial years.

M. Gratuity /Retirement Benefits

- (i) Gratuity liability is accounted as per the actuarial contribution demanded by Life Insurance Corporation of India.
- (ii) Leave encashment is accounted for on the basis of accumulated leave to the credit of employees at the year end.

N. Transaction in Foreign Currency

Transaction in foreign currency are recorded at the rate of exchange in force on the respective date of such transactions. Foreign currency transaction on currency are recorded at the rate of exchange in force on the respective date of such transactions. Foreign currency transaction remain unsettled as at the end of the year are translated at the year end /contracted rates .Exchange difference on repayment / conversion / translation are adjusted to

- (i) Carrying cost of fixed assets,if foreign currency liability relates to fixed assets.
- (ii) the Profit & Loss account in other cases.

O. Provisions, Contingent Liabilities and Contingent Assets :

Provision is recognised when the company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision / disclosure is made. Contingent assets are not recognised in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.



Notes to Financial Statements for the year ended 31 March, 2013

	As at 31-03-2013	As at 31-03-2012
2. Share Capital		
Authorized Shares		
15000000 (31 March 2012: 15000000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
	150,000,000	150,000,000
Issued, Subscribed and fully paid up Shares		
8900650 (31 March 2012: 8900650) Equity Shares of Rs. 10/- each	89,006,500	89,006,500
	89,006,500	89,006,500
2.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period		
Equity Shares:		
At the beginning of the period	8,900,650	8,900,650
Issued during the period - Preferential Basis		
Outstanding at the end of the period	8,900,650	8,900,650

2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends 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.

During the year ended 31st March 2013, the amount of per share dividend recognized as distributions to equity shareholders was Rs 2/- (31st March 2012 - Rs.1.6/-)

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 proportion to the number of equity shares held by the shareholders.

2.3 Details of shareholders holding more than 5% share in the company

	31-03-2013		31-03-2012	
	Nos.	% held	Nos.	% held
Equity Shares:				
Equity shares of Rs. 10/- each fully paid				
Name of Shareholder				
Arunkumar Biyani - Director	1,005,000	11.29%	1,000,000	11.24%
Ajay D. Biyani - Director	1,210,000	12.85%	1,210,000	12.85%
Anil D. Biyani - Director	1,143,300	13.59%	1,143,300	13.59%
Manju Biyani	493,350	5.54%	500,000	5.62%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Notes to Financial Statements for the year ended 31 March, 2013**

	31-03-2013	31-03-2012
3. Reserve and Surplus		
3.1 Securities premium account		
Balance as per the last financial statements	179,093,650	179,093,650
Add: Premium on issue of Equity Shares	-	-
Closing Balance	179,093,650	179,093,650
3.2 General Reserve		
Balance as per the last financial statements	60,000,000	50,000,000
Add: Amount transferred from surplus balance in the statement of profit and loss	20,000,000	10,000,000
Closing Balance	80,000,000	60,000,000
3.3 Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statements	175,762,118	142,956,360
Profit for the year:	121,720,413	59,357,407
Less: Appropriations		
Proposed final equity dividend	7,120,520	14,241,040
Interim Dividend	10,680,780	-
Tax on proposed equity dividend	2,887,816	2,310,609
Transfer to general reserve	20,000,000	10,000,000
Total appropriations	40,689,116	26,551,649
Net surplus in the statement of profit and loss	256,793,415	175,762,118
Total Reserves and Surplus	515,887,065	414,855,768

4. Long Term Borrowings

Secured	Non-Current Portion		Current Maturities	
	31-03-2013	31-03-2012	31-03-2013	31-03-2012
Term Loans- from banks	202,155,380	257,891,740	179,215,107	136,110,384
	202,155,380	257,891,740	179,215,107	136,110,384
Unsecured				
Unsecured Loans *	285,016,434	246,090,011	-	-
Fixed Deposits from public	22,358,241	19,471,625	13,807,000	4,221,720
	307,374,675	265,561,636	13,807,000	4,221,720
Net Amount	509,530,055	523,453,376	193,022,107	140,332,104

* as stated by Directors taken on long term basis

- 4.1 The Term Loans of Rs. 3779.00 lacs are secured by first pari pasu charge on land and building situated at dadra and nani tambadi, all the tangible movable machinery and plant together with spares tools and accessories and other movables, both present and future at dadra and personal guantees of three Directors. Term loan of Rs. 34.70 lacs are secured by hypothecation of vehicles.
- 4.2 Current maturities on long term borrowings are included under note no 7 in Other Current Liabilities

5. Short Term Borrowings

	31-03-2013	31-03-2012
Secured		
Working Capital Loans from banks	610,011,053	443,298,073
	610,011,053	443,298,073



Notes to Financial Statements for the year ended 31 March, 2013

5.1 Working capital loans are secured by hypothecation of present and future stock of raw materials ,stock in process, finished goods,stores and spares,packing materials,book debts & personal gurantees of three directors.

6. Trade payables

Current

Trade Payables*

31-03-2013	31-03-2012
68,356,306	61,474,041
68,356,306	61,474,041

*There was no amount due to small scale industrial undertaking at the close of the year. This disclosure is based on the document/information available to the Company regarding their status of the small scale undertakings.

7. Other Current Liabilities:

Current maturities of long term borrowings (Note No.4)
Unpaid Dividend
Others payables *

193,022,107	140,332,104
830,902	981,323
2,990,256	3,771,080
196,843,265	145,084,507

*Includes statutory dues

8. Short Term Provisions

Provisions for employee benefits:

Salary , Provident fund and other benefits
Gratuity (Funded)
Income tax payable
Proposed Dividend
Tax on dividend

7,050,233	3,884,408
-	543,072
5,557,076	-
7,120,520	14,241,040
1,155,126	2,310,609
20,882,955	20,979,129

9. FIXED ASSETS

+ Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deduction	As at 31.03.2013	Up to 01.04.2012	For the year	Deduction/ Adjustment	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
TANGIBLE ASSETS- OWN ASSETS										
Freehold Land	15,618,849	0	0	15618849	0	0	0	0	15618849	15618849
Residential Flats	213,555	0	0	213555	41771	3481	0	45252	168303	171784
Buildings	284,177,020	11484595	0	295661615	36428320	9565162	0	45993482	249668133	247748700
Plant and Machinery	715479998	172670705	1915442	886235261	300125919	80557555	891384	379792090	506443171	415354079
Electrical Inst.	79525739	5664474	0	85190213	17483894	3893013	0	21376907	63813306	62041845
Furniture and Fixtures	6239211	1566713	0	7805924	1336118	405122	0	1741240	6064684	4903093
Vehicles	9500851	4087682	496000	13092533	4165275	1092543	328936	4928882	8163651	5335576
Air Conditioners	2033691	470914	0	2504605	487527	112687	0	600214	1904391	1546164
Generators	1,669,695	0	0	1669695	979417	79311	0	1058728	610967	690278
Weighing Scale	621657	125010	0	746667	138256	33959	0	172215	574452	483401
Other Equipments	17803294	3680558	0	21483852	4142352	971983	0	5114335	16369517	13660942
Computers	4614471	424169	0	5038640	3002804	796427	0	3799231	1239409	1611667
TOTAL (A)	113,7498,031	200174820	2411442	1335261409	368331653	97511243	1220320	464622576	870638833	769166378
INTANGIBLE ASSETS										
Computer Software	1840402	318540	0	2158942	1322990	298754	0	1621744	537198	517412
TOTAL (B)	1840402	318540	0	2158942	1322990	298754	0	1621744	537198	517412
TOTAL (A+B)	1,139,338,433	200493360	2411442	1337420351	369654643	97809997	1220320	466244320	871176031	769683790
Previous Year `									-	2548556
Capital Work-in-progress (plant and machinery under installation)										

**Notes to Financial Statements for the year ended 31 March, 2013****10. Non Current Investments****10.1 Non-trade Investments** (valued at cost unless stated otherwise)

Investment in Equity Instruments (Quoted)

40 Equity shares of 10/- each fully paid up in Penta Media Graphics Ltd.

Investment in Equity Instruments (Unquoted)

10 Equity shares of 10/- each fully paid up in Mogaveera Co-op. Bank Ltd.

310(Previous Year Nil) Equity Shares of 10/- each fully paid up in Bombay Mercantile Co-operative Bank Ltd

Aggregate market Value of Quoted Investments(in Rs.)

31-03-201331-03-2012

-

8,299

1,000

1,000

3100

-

4100

9,299

-

44.00

10.2 As the market value of quoted investment fluctuates regularly the diminution in the value of investments has not been considered of the permanent nature and hence no provision of the same amounting to Rs Nil/-(Previous Year 8255 /-) has been made in the accounts

11. Deferred Tax Liabilities (Net)

Deferred Tax Liability

Depreciation

Gross deferred tax liability

Deferred Tax Assets

Provision for leave benefits

Gross deferred tax asset

Net deferred tax liability31-03-201331-03-2012

72,144,779

69,219,012

72,144,779

69,219,012

244,833

-

244,833

72,144,779**68,974,179****12. Loans and Advances**

(Unsecured, considered good)

Non-Current**Current**31-03-201331-03-201231-03-201331-03-2012

Security Deposit

4,806,345

5,213,571

Advance Income Tax (Net of provision for taxation)

2,073,895

11,376,967

Prepaid Expenses

1,576,895

5,343,274

Loans to Employees

818,998

1,882,754

1,237,705

365,975

Balances with Statutory Government authorities

10,853,646

10,551,698

Advances to Suppliers

45,060

14,093,235

Others*

107,952,715

44,913,720

2,892,893**13,259,721****126,472,366****80,481,473**

* Includes incentive and duty refundable

13. Other Assets**Unamortized Expenditure**

Expenditure on increase of share capital/right issue

Non-Current**Current**31-03-201331-03-201231-03-201331-03-2012

-

498,718

-

498,718



Notes to Financial Statements for the year ended 31 March, 2013

	As at 31-03-2013	As at 31-03-2012
14. Inventories (valued at lower of cost and net realizablve value)		
Raw Materials	245,444,211	269,713,636
Work-in-progress	40,986,828	38,621,896
Finished Goods	197,330,981	178,812,090
Traded Goods	7,724,558	2,463,787
Stores and spares	1,474,715	5,160,076
Packing Material	4,239,681	2,448,960
	497,200,974	497,220,445
15. Trade receivable (Unsecured, Considered good unless stated otherwise)	31-03-2013	31-03-2012
Over Six Months	20,252,887	30,913,236
Others	544,463,938	348,847,208
Total	564,716,825	379,760,444
16 Cash and Bank Balances Cash and Cash equivalents	31-03-2013	31-03-2012
Cash on hand	3,056,154	2,105,342
Balance with banks:		
On Current Accounts	4,056,367	1,731,104
On unpaid dividend account	830,902	981,323
Fixed deposits with banks*	12,228,308	18,845,358
Total	20,171,731	23,663,127
17. Revenue from Operations		
17.1 Sale of products		
Finished Goods	2,968,232,159	2,615,807,232
Traded Goods	2,855,473,446	1,308,196,223
Revenue from Operations (Gross)	5,823,796,605	3,924,003,455
17.2 Particulars of Sale of Products		
Yarn	5,710,249,007	3,862,985,267
Fabric	107,205,518	53,420,135
Others	6,342,080	7,598,053
Total	5,823,796,605	3,924,003,455
18. Other Income		
18.1 Commission income	4,240,127	5,266,541
18.2 Dividend	150	
18.3 KeyMan Insurance Policy Maturity Proceeds	9,150,000	
18.4 Profit on Sale of Fixed Assets	35,609	928,455
	13,425,886	6,194,996

* Fixed Deposits with Banks include deposits of Rs 9966608 within maturity of more than 12 months as on 31.03.2013

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013**

		31-03-2013		31-03-2012
		(₹)		(₹)
19.	Cost of Raw Material and components consumed			
	Inventory at the beginning of the year	269,713,636		237,345,031
	Add: Purchases	2,086,896,253		2,025,611,418
		2,356,609,889		2,262,956,449
	Less: Inventory at the end of the year	245,444,211		269,713,636
	Cost of raw material and components consumed	2,111,165,678		1,993,242,813
		-		-
19.1	Particulars of Materials Consumed			
	Particulars	1,338,530,017		1,164,045,304
	Yarn and Fibre	732,341,121		768,229,376
	Cotton	38,937,032		60,968,133
	Grey Fabrics	1,357,508		
		2,111,165,678		1,993,242,813
19.2	Cost of Materials Consumed	% of	2013-12	% of
	Imported	3.34	70,420,433	4.95
	Indigenous	96.66	2,040,745,245	95.05
		<u>100.00</u>	2,111,165,678	<u>100.00</u>
			1,993,242,813	
20.	Purchase of Traded Goods			
	Yarn	2,608,851,276		1,144,685,704
	Others	7,305,012		9,029,062
		2,616,156,288		1,153,714,766
21.	(Increase)/Decrease in Inventories			
21.1	Details at the end of the year			
	Traded Goods	7,724,558		2,463,787
	Work-in-progress	40,986,828		38,621,896
	Finished Goods	197,330,981		178,812,090
		246,042,367		219,897,773
21.2	Details at the beginning of the year			
	Traded Goods	2,463,787		-
	Work-in-progress	38,621,896		45,815,155
	Finished Goods	178,812,090		122,383,616
		219,897,773		168,198,771
		(26,144,594)		(51,699,002)
		31-03-2013		31-03-2012
22.	Employee Benefit Expenses			
	Salaries, Wages and Bonus and other benefits	116,676,158		98,624,665
	Contribution to Provident Fund	1,847,060		1,612,837
	Gratuity Expenses	877,252		637,231
	Staff Welfare Expenses	4,652,786		2,944,709
		124,053,256		103,819,442



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

	31-03-2013 (₹)	31-03-2012 (₹)
23. Finance Costs		
Interest	189,729,780	154,286,280
Bank charges	16,370,212	10,619,838
Exchange difference to the extent considered as an adjustment to borrowing costs	8,050,838	11,274,188
	214,150,831	176,180,306
24. Other Expenses		
Consumption of Stores and spares	44771671	39,445,204
Consumption of Packing Material	36571893	29,949,370
Job Work Charges	27884980	21,164,136
Power and Fuel	125878534	122,367,075
Rent	18306142	14,026,492
Rates and Taxes	736165	1,091,201
Insurance	3314348	5,032,708
Repairs and Maintenance		
Plant and Machinery	1927672	2,229,665
Buildings	5025429	2,413,705
Others	4031836	2,999,302
Legal and Professional fees	5478517	5,437,573
Directors' sitting fees	16000	17,000
Payment to auditor (Refer details below)*	125000	90,000
Directors Remuneration	12,900,000	9,000,000
Bad debts / advances written off	5,620,387	650,000
Vehicle Expenses	3,261,020	3,445,458
Freight and forwarding charges	129,056,601	70,104,162
Advertising and Sales promotion	6,467,500	2,419,164
Sales commission	69,093,851	37,044,011
Travelling and Conveyance	5,227,071	4,204,123
Communication costs	4,128,126	3,354,207
Printing and Stationery	1,925,498	1,444,859
General Expenses	2,378,907	1,435,314
Director Medical allowance	10,380	13,000
	514,137,528	363,587,289
*Payment to Auditor		
As Auditor		
Audit Fees	100,000	75,000
Tax Audit Fees	25,000	15,000
Reimbursement of Expenses		-
	125,000	90,000
25. Depreciation and Amortization Expenses		
Depreciation of Tangible Assets	97,511,243	89,143,057
Depreciation on Intangible Assets	298,754	260,072
Share Issue Expenses W/off	471,660	471,659
	98,281,657	89,874,788

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013**

	31-03-2013 (₹)	31-03-2012 (₹)
26. Earnings per Share (EPS)		
Net profit after tax as per Profit & Loss attributable to Equity Shareholders (in Rs.)	121,720,413	59,357,407
Number of Equity Shares	8,900,650	8,900,650
Basic and Diluted Earning per share (in Rs.)	13.68	6.67
Face Value per Equity share (in Rs.)	10.00	10.00

27. Contingent Liabilities

	(₹) 2012-13	(₹) 2011-12
Counter Gurantees given to Banks	9,588,500	14,407,000
Letter of Credit/Bill Discounting with Banks	645,197,234	298,311,229
DEPB Entitlement Refund Claim by DGFT	8,118,321	8,118,321

28. Stores and Spares, Packing Materials Consumed

		%	2012-13	%	2011-12
Stores & Spares	Indigenous	95	42,726,179	96	38,021,860
	Imported	5	2,045,492	4	1,423,344
Total		100	44,771,671	100	39,445,204
Packing Materials	Indigenous	99	36,330,288	100	29,949,370
	Imported	1	241,605		
		100	36,571,893	100	29,949,370

29. The Company is engaged in manufacturing and sale of Textile Products, which is the only reportable segment.

30. Related Party Disclosures

Key Managerial Personnel :				
	Name	Designation		Name
a.	Mr. Arun Kumar Biyani	Chairman & Director	k.	Mr. Akshay Biyani
				- Relatives
b.	Mr. Ajay D. Biyani	Managing Director	l.	Mrs. Manju Biyani
				- Relatives
c.	Mr. Anil D. Biyani	Whole - Time Director	m.	Mrs. Sanju Biyani
				- Relatives
	Associates & Relatives :		n.	Risha Biyani
				- Relatives
a.	M/s. CSS Mercantiles Pvt. Ltd.	- Associates	o.	Ms Anushree Biyani
				- Relatives
b.	M/s. Panna Yarns Pvt. Ltd.	- Associates	p.	Mrs Payal Biyani
				- Relatives
c.	M/s. Shri Damodar Yarn	- Associates	q.	Mrs Bhawna Biyani
				- Relatives
	Manufacturing Pvt.Ltd.		r.	Mrs Savitridevi D Biyani
				- Relatives
d.	Ajay Biyani HUF	- Associates	s.	Mr. Satyanarayan Biyani
				- Relatives
e.	Arun Kumar Biyani HUF	- Associates	t.	Mr Suresh Biyani
				- Relatives
f.	M/s. Suam Overseas Pvt. Ltd.	- Associates	u.	Mrs Savitridevi S Biyani
				- Relatives
g.	Mrs. Kanta Biyani	- Relatives	v.	Mr. Sunil Biyani
				- Relatives
h.	Mr. Aman Biyani	- Relatives		
i.	Mr. Aditya Biyani	- Relatives		
i.	Mr. Abhishek Biyani	- Relatives		



Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2013.

	Associates & Relatives		Key Management Personnel		Total (Amt. In ₹)	
	As of March 31		As of March 31		As of March 31	
	2013	2012	2013	2012	2013	2012
Unsecured Loans/Share Capital Fund	80,87,747	4,85,312	3,02,44,936	7,96,644	38,332,683	1,281,956
Sundry Debtors, Loans & Advances	562,175	-	-	-	562,175	-
Current Liabilities	-	-	-	-	-	-
Sundry Creditors	215,535	-	-	-	215,535	-
Income	-	-	-	-	-	-
Sales	123,919,687	116,071,811	-	-	123,919,687	116,071,811
Expenditure						
a) Purchase (including Job work)	426,847,817	381,692,889			426,847,817	381,692,889
b) Interest on Loan	385,979	581,294	558,996	816,779	944,975	1,398,073
c) Directors Remuneration	-	-	12,900,000	9,000,000	12,900,000	9,000,000
d) Directors Medical Allowance	-	-	10,380	13,000	10,380	13,000
e) Employees Remuneration	2,700,000	1,860,000	-	-	2,700,000	1,860,000
f) Rent {Net}	288,000	144,000	165,000	102,000	453,000	246,000

	(₹) 2012-13	(₹) 2011-12
31. Remuneration to Directors		
Salary	12,900,000	9,000,000
Medical Allowances	10,380	13,000
32. FOB Value Of Exports		
Yarn	2,634,203,622	1,761,390,574
33. CIF Value of Imports		
Raw materials and Stock -in-Trade	59,958,015	93,234,208
Plant & Machinery	44,149,000	1,936,651
Stores & Spares	2,045,492	1,423,344
Packaging Material	241,605	-
34. Expenditure In Foreign Currency		
Travelling	1,299,849	952,240
Commission	56,690,921	28,351,201
35. Financial and Derivative Instruments		
a. Forward Contracts in Foreign currency for export realisation outstanding as at 31st March,2013- Rs. 1285.334 Lacs		
b. Foreign currency exposures that are not hedged by derivative instruments as at 31 st march 2013 amount to Rs 1821.087 Lacs		

36. Remittance in Foreign Currency on Account of Dividend

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:



	2012-13	2012-13	2011-12
a. Number of Non Resident Shareholders	10	10	6
b. Number of Equity Shares held by them	14,972	19,642	14,491
c. i) Amount of Dividend Paid	17,966	31,427.20	21,736.50
ii) Tax Deducted at Source	-	-	-
iii) Year to which Dividend Relates	2012-13	2011-12	2010-11

37. Balance in respect of Unsecured loans. Sundry Creditors, Sundry Debtors and Loans & Advances are subject to confirmation by respective parties.
38. Comparative figures for previous year have been regrouped / rearranged wherever necessary.
39. The name of Company has been changed from Damodar Threads Limited to Damodar Industries Limited w.e.f. 22/01/2013

As per our report of even date
For A.J.BALIYA & ASSOCIATES
Chartered Accountants

CA A. J. Baliya
Partner
Membership No. FCA 35989

Place : Mumbai
Dated: May 29th, 2013

For and On behalf of the Board of Directors

Arunkumar Biyani
Chairman

Ajay D. Biyani
Managing Director

Subodh Kumar Soni
Company Secretary



DAMODAR INDUSTRIES LIMITED

Registered Office: A1/202, Centre Point, 243- A, N.M. Joshi Marg, Lower Parel (East), Mumbai – 400013

Please complete the attendance slip and hand it over at the entrance of the Meeting hall.
Please also bring your copy of the enclosed Annual Report.

ATTENDANCE SLIP

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company to be held on Saturday, August 3, 2013 at 11.30 A.M. at Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002

REGD. FOLIO NO./DPID NO. _____ **NO. OF SHARES** _____

Name of the Shareholder (in block capitals) _____

Signature of the Shareholder or proxy _____

DAMODAR INDUSTRIES LIMITED

Registered Office: A1/202, Centre Point, 243- A, N.M. Joshi Marg, Lower Parel (East), Mumbai – 400013

PROXY FORM

REGD. FOLIO NO./DPID NO. _____ **NO. OF SHARES** _____

I/Weofbeing a member / members

of the above Company, hereby appoint Mr./Mrs.....

ofor failing him / her Mr./Mrs.....as

my/our proxy to attend and vote for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Saturday, August 3, 2013 and any adjournment thereof.

AS WITNESS my/our hand at _____ on this _____ day of _____ 2013.

Signed by the said _____

Note: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Affix
Re. 1
Revenue
Stamp



**DAMODAR
INDUSTRIES LIMITED**

If undelivered please return to,

Damodar Industries Limited

A1/202, Centre Point,
243-A, N. M. Joshi Marg,
Lower Parel (E),
Mumbai - 400 013.