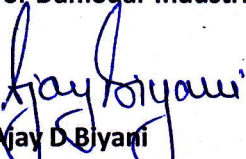


FORM A


(Pursuant to Clause 31(a) of the Listing Agreement)

Name of the company	DAMODAR INDUSTRIES LIMITED
Annual financial statements for the year ended	31 ST MARCH, 2014
Type of Audit observation	Un-qualified
Frequency of observation	Not Applicable

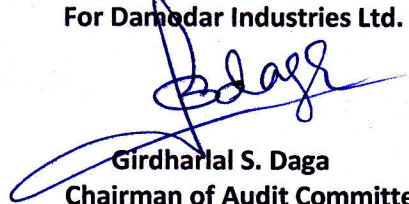
For Damodar Industries Ltd.


Ajay D. Blyani
Managing Director


For Damodar Industries Ltd.


Suresh C. Gattani
Chief Financial Officer

For Damodar Industries Ltd.


Girdharlal S. Daga
Chairman of Audit Committee

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


A.J. Baliya
Partner
Membership No. 35989



DAMODAR INDUSTRIES LIMITED

TOMORROW'S
CREATIVITY,
BROUGHT TODAY

Annual Report | 2013-14



TM

SCAFATI

Woven with Passion

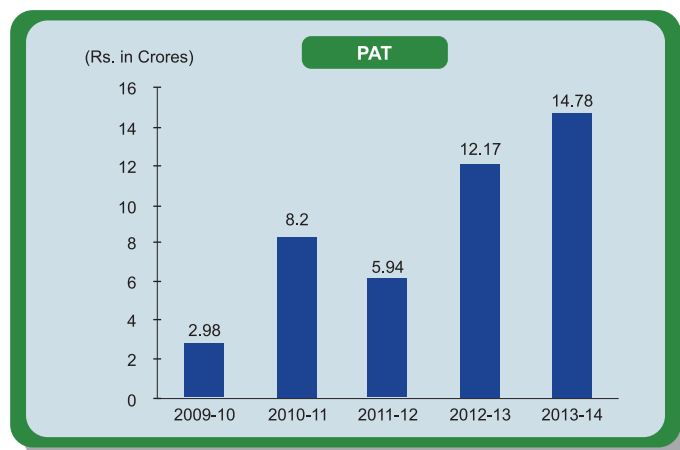
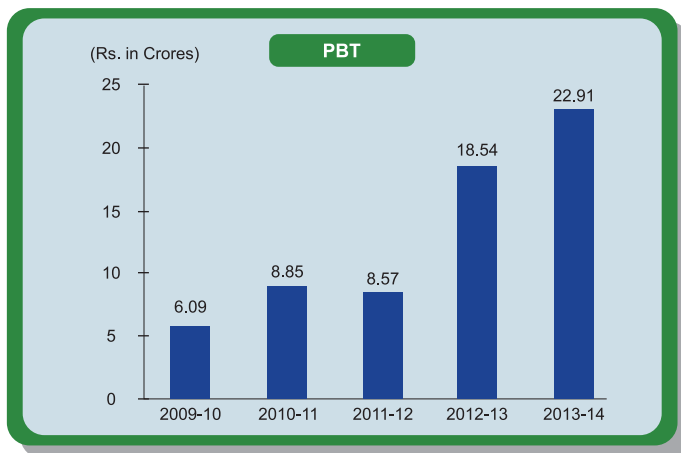


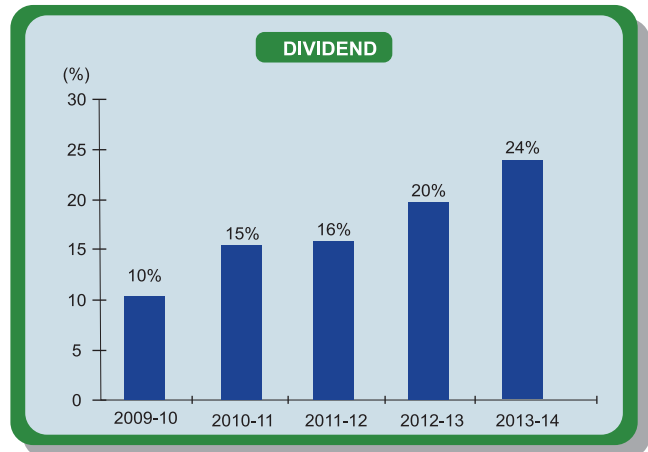
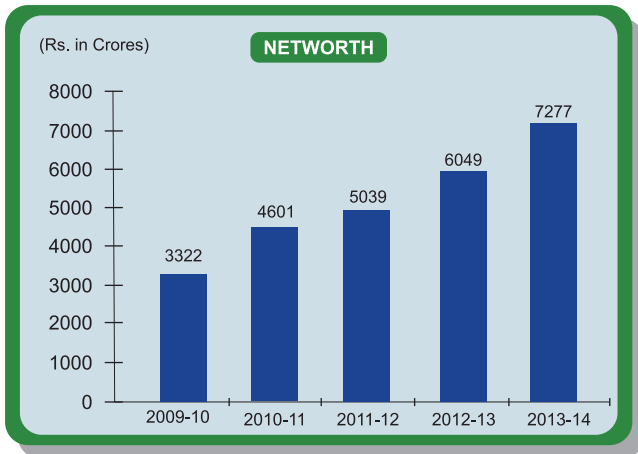
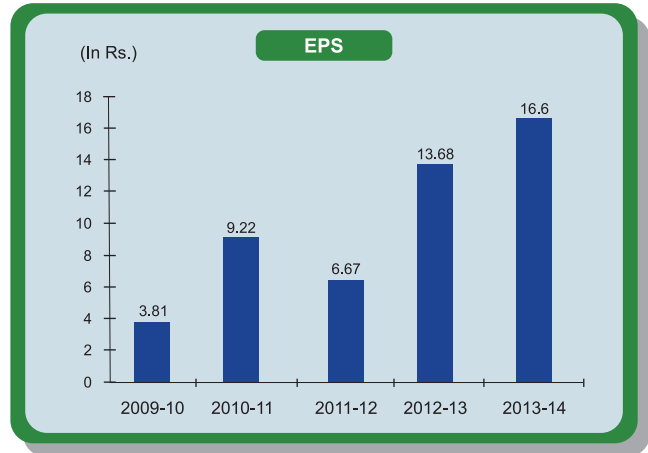
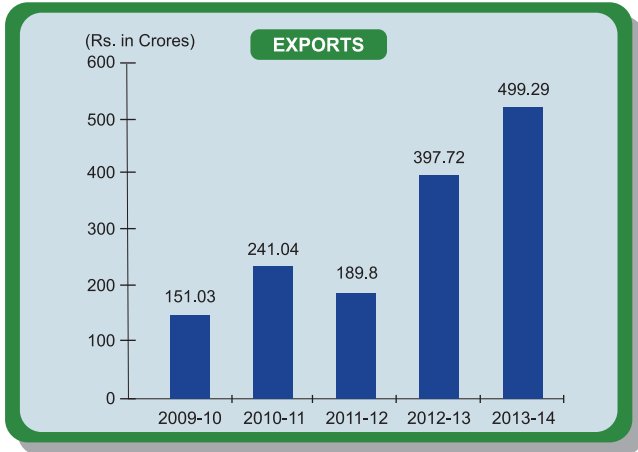
IMPET FABRICS





Performance at a Glance







CORPORATE INFORMATION

Board of Directors

Mr. Arun Kumar Biyani
Chairman

Mr. Ajay D. Biyani
Managing Director

Mr. Anil D. Biyani
Executive Director

Mr. Girdharlal S. Daga
Independent Director

Mr. S. P. Tulsian
Independent Director

Mr. Ashok Kumar Damani
Independent Director

Chief Financial Officer

Mr. Suresh C. Gattani

Company Secretary & Compliance Officer

Mr. Subodh Kumar Soni

Auditors

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

Cost Auditors

M/s Dilip M. Bathija

Bankers

State Bank of India
Bank of Baroda
Union Bank of India
ING Vysya Bank Limited

Registered Office

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

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,
Fax No. 022-25946969
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.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
4. Survey No. 174/2, Naroli Village,
D. & N.H. (U.T.) – 396235

Table of Contents	Page
Corporate Information	1
Notice	2
Directors Report	8
Report on Corporate Governance	12
Management Discussion & Analysis	28
Auditor's Report	31
Balance Sheet	36
Statement of Profit and Loss Account	37
Cash Flow Statements	38
Notes to Financial Statement	42
Attendance Slip and Proxy Form	

**NOTICE**

NOTICE is hereby given of the 26th 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, 9th August, 2014 at 11.30 A.M. for the following purposes:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 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 on equity shares.
3. To appoint a Director in place of Shri Arunkumar Biyani (DIN: 00016519), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditor and fix their remuneration and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT M/s. A. J. Baliya & Associates, Chartered Accountants (Registration No. 100948W) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be Fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. To appoint Shri S.P. Tulsian (DIN: 00018156) as an Independent Director and in this regard to consider and if thought it, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri S.P. Tulsian (DIN: 00018156), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 by the board of Directors of the company wef from April 25, 2014 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to April 24, 2019, not liable to retire by rotation.

6. To appoint Shri Ashok Kumar Damani (DIN:00069143) as an Independent Director and in this regard to consider and if thought it, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ashok Kumar Damani (DIN: 00069143), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019, not liable to retire by rotation."



7. To appoint Shri Girdharlal S. Daga (DIN:00115772) as an Independent Director and in this regard to consider and if thought it, to pass, with or without modification (s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Girdharlal S. Daga (DIN: 0000115772), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019, not liable to retire by rotation.”

By Order of the Board
For **Damodar Industries Limited**

Subodh Kumar Soni
Company Secretary

Place : Mumbai
Date : May 26, 2014

Registered Office

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

**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 102 of the Companies Act, 2013 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, 25th June, 2014 to Saturday, 28th June, 2014 (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, 2007 in respect of the financial year 2006-07 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. 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.
7. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the to section 72 of the Companies Act, 2013 and rule 19(1) (Share Capital and Debentures) Rules 2014] of the Share Transfer Agents by quoting their respective Folio Numbers.
8. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.
9. The process and instructions for e-voting are as under:
 - i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
 - ii) Now click on "Shareholders" to cast your votes
 - iii) Now, select the Electronic Voting Sequence Number – "EVSN" along with "DAMODAR INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
 - iv) Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
User-ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Folio Number registered with the Company
Password	Existing Password / PAN / Date of Birth / Folio No.
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while E voting



* Members who have not updated their PAN with Company Depository Participant are requested to use default number 'DILEV1234Z' in the PAN field.

- v. After entering these details appropriately, click on "SUBMIT".
- vi. Members holding shares in Physical form will then reach directly to the voting screen.
- vii. Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- ix. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- x. For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Postal Ballot Notice.
- xi. On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xii. Click on the Resolution File Link if you wish to view the entire Postal Ballot Notice.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

Corporate/Institutional Members (corporate/FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to helpdesk.evoting@cdslindia.com and the Scrutinizer's email id Vishal_manseta@rediffmail.com
- xv. The file scanned image of the Board Resolution should be in the naming format "Corporate Name _EVSN".
- xvi. The e-voting period commence on 31st July, 2014 (9.00 a.m.) and ends on 2nd August, 2014 (5.00 P.M.).
- xvii. In case you have any queries or issues regarding e- voting, please contact helpdesk.evoting@cdslindia.com
- xviii. The company has appointed Mr. Vishal Manseta, Practicing Company Secretaries as the Scrutinizer for conducting the e voting process in fair and transparent manner.
- xix. A copy of this notice placed has been placed on the website of the Company and the website of CDSL.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item 5.**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri S.P. Tulsian as an Additional Director of the Company with effect from 25th April, 2014 and hold the office up to the date of the ensuing Annual General Meeting. In terms of the provisions of Section 161(1) of the Act, Shri S.P. Tulsian would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri S.P. Tulsian for the office of Director of the Company. The Company has received from Shri S.P. Tulsian Consent in writing to act as director in form DIR – 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 and intimation in form – 8 in terms of (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of Companies Act, 2013 and a declaration to the effect that he meets the criteria of independence as provided in sub section (6) of Section 149 of Companies Act, 2013. As per the said Section 149, an independent director can hold office for a term up to Five consecutive years on the Board of a company and he shall not be liable to retirement by rotation.

Shri S.P. Tulsian possesses appropriate skills, experience and knowledge, inter alia, in the field of Finance. In the opinion of the Board, Shri S.P. Tulsian full fills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri S.P. Tulsian is independent of the management.

Brief resume of Shri S.P. Tulsian, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board of Directors, Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri S.P. Tulsian is appointed as an Independent Director. Copy of the draft letter for appointment of Shri S.P. Tulsian as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Mr. S.P. Tulsian, to whom the resolution relates, is interested or concern in the resolution.

The Board recommends the resolution set forth in item no. 5 for the approval of the members.

Item 6 & 7

Shri Ashok Kumar Damani and Shri Girdharlal S.Daga are Independent Directors of the Company and have held the positions as such for more than Five years. It is proposed to appoint Shri Ashok Kumar Damani and Shri Girdharlal S.Daga as Independent Directors under Section 149 of the Act to hold office upto March 31, 2019. They are not liable to retire by rotation.

Shri Ashok Kumar Damani and Shri Girdharlal S.Daga are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Ashok Kumar Damani and Shri Girdharlal S.Daga for the office of Directors of the Company. The Company has also received declarations from Shri Ashok Kumar Damani and Shri Girdharlal S.Daga that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.



In the opinion of the Board, Shri Ashok Kumar Damani and Shri Girdharlal S.Daga full fill the criteria for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Ashok Kumar Damani and Shri Girdharlal S. Daga are independent of the management.

Brief resume of Shri Ashok Kumar Damani and Shri Girdharlal S.Daga, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Shri Ashok Kumar Damani and Shri Girdharlal S. Daga as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Shri Ashok Kumar Damani and Shri Girdharlal S.Daga are interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice with regard to their respective appointments.

No director, key managerial personnel or their relatives, except Shri Ashok Kumar Damani and Shri Girdharlal S.Daga, to whom the resolution relates, are interested or concern in the resolution.

The Board recommends the resolution set forth in item no. 6 & 7 for the approval of the members.

By Order of the Board
For **Damodar Industries Limited**

Place: Mumbai
Dated: May 26, 2014

Subodh Kumar Soni
Company Secretary

**DIRECTORS' REPORT****To the Members,**

Your Directors have pleasure in presenting the 26th Annual Report on the Operations of the Company together with audited statement of accounts for the year ended March 31, 2014.

1. FINANCIAL RESULTS – AN OVERVIEW

(₹ in Lacs)

Particulars	2013-14	2012-13
Sales & Other Income	73527.04	58372.22
Profit before Depreciation & Tax	3402.23	2837.03
Depreciation	1111.32	982.81
Profit before Tax	2290.90	1854.21
Provision for Taxation including Deferred Taxes	812.96	614.11
Prior year Tax Adjustments	-	22.90
Profit after Tax	1477.94	1217.20
Profit brought forward from previous year	2567.93	1757.62
Profit available for appropriation	4045.87	2974.82
Appropriation		
Transfer to General Reserve	200.00	200.00
Interim Dividend	124.61	106.81
Proposed Final Dividend	89.00	71.20
Corporate Dividend Tax	36.30	28.87
Profit carried to Balance Sheet	3595.95	2567.93

2. SALES

Your Company's performance has tremendously improved during the Financial Year 2013-14. The sales have grown by 26.20% from ₹ 582.38 Cr. in 2013 to ₹ 734.98 Cr. in 2014, Profit before tax has grown by 23.57% from ₹ 18.54 Cr. in 2013 to ₹ 22.91 Cr. in 2014, Profit after Tax has grown by 21.45% from ₹ 12.17 Cr. in 2013 to ₹ 14.78 Cr. in 2014.

3. EXPORTS

Your Company's performance on export front has improved tremendously and stellar performance in the financial year 2013-14. The company has shown consistent growth in the year 2013-14. The total export turnover has grown from ₹ 397.72 Crores in 2012-13 to ₹ 499.29 Crores in 2013-14. 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.

4. DIVIDEND

Your Directors has recommend final dividend on Equity Shares of the Company @10% (₹1/- per share) for the financial year ended March 31, 2014. Together with the Interim dividend of ₹ 1.40/- per share, total dividend for the financial year ended March 31, 2014 works out to be ₹ 2.40/- per equity share of ₹ 10/- each.

The total dividend pay out (including dividend distribution tax) for the current year is ₹ 2.13 Cr. as against ₹ 1.78 Cr. in the previous year. The Company have paid Dividend Distribution Tax of ₹ 36.30 Lacs for the year 31st March, 2014.

5. TRANSFER TO RESERVES

The Company proposes to transfer ₹ 200 Lacs to the General Reserve out of the amount available for appropriations and an amount of ₹ 3595.95 Lacs is proposed to be retained in the Profit and Loss Account.

6. RESERVE AND SURPLUS

Reserves and Surplus stood at to ₹ 6386.89 Lacs as at March 31, 2014 compared to ₹ 5158.87 Lacs as at March 31, 2013. 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 2013-14 across all markets driven by good performance across all business segments.

Your Company's textiles operations have shown encouraging growth, both in the domestic and in the exports markets. Your Company believes that its scale of operations and integration across the textile chain will, in future, offer significant advantages in both cost and revenue.

8. DIRECTORS

As per the provisions of Companies Act, 2013, Mr. Arunkumar Biyani shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The Board is pleased to recommend their re-appointment.

the Company, Shri S.P. Tulsian was appointed as an Additional Director designated as an Independent Director w.e.f. 25th April, 2014 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Shri S.P. Tulsian for appointment as an Independent Director.

pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Shri Ashok Kumar Damani and Shri Girdharlal S.Daga have been appointed Independent Directors of the Company to hold the positions as such for more than Five years.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

9. AUDITORS

M/s A. J. Baliya & Associates, Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified 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 ₹ 378.51 Lacs. Unclaimed deposits till the date of this report is ₹ 1,40,000.

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. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 3rd August, 2013 (date of last Annual General Meeting) on the Company's website (www.damodargroup.com), as also on the Ministry of Corporate Affairs' website.

**14. 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.

15. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 134 (5) of the Companies Act, 2013, (erstwhile Section 217(2AA) of the Companies (Amendment) Act, 2000), we hereby state that:

- i. In the preparation of the annual accounts, the applicable accounting standard had been followed.
- ii. We have 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, 2014 and of the Profit for the year ended March 31, 2014.
- iii. We have taken 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. We have been prepared the annual accounts on a going concern basis.

16. 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.

17. 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 Auditors 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.

18. APPRECIATION

The Company is grateful to its customers, suppliers, financial institutions, bankers, Central and State Governments for their constant support to the Company.

Your Company's employees are instrumental in your Company scaling new heights, year after year. Their commitment and contribution is deeply acknowledged.

Your involvement as Shareholders is greatly valued. Your Directors look forward to your continuing support.

For and on behalf of the Board

Place: Mumbai
Date: May 26, 2014

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:

	2013-14	2012-13
[A] Power and fuel consumption		
1. Electricity		
A) Purchased unit	34456370	30007400
Amount (₹ 000)	149602.62	123065.21
Rate/Unit (₹)	4.35	4.10
B) Own Generation		
i) Through Diesel Generator Unit	27860	31547
ii) Unit/Liter of Diesel Oil	4	4
iii) Fuel cost / unit (₹)	13.40	11.51
[B] Electricity units Consumption in		
Production of Yarn per KG. (Unit/Kg)	2.36	2.27

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	2013-14	2012-13
Foreign Exchange outgo (used)	500.50	579.90
Earned (FOB Value of Export goods)	46568.80	26342.03

For and on behalf of the Board

Place: Mumbai
Date: May 26, 2014

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, 2014, 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 149 of the Companies Act, 2013, 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	Directorship of Other Indian Public Limited Companies	Membership of Other Companies' Committees	Chairmanship Membership 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
7.**	Mr. S.P. Tulsian	Independent Non Executive Director	Nil	Nil	Nil

* Mr. Rajendra Prasad Khator has resigned from the Directorship w.e.f. 25.04.2014

** Mr. S.P. Tulsian has appointed as Non –Executive Independent director of the company w.e.f. 25.04.2014

(ii) Appointment/Re-appointment of Directors

Pursuant to the provisions of Sections 152(6) of the Companies Act, 2013, Mr. Arunkumar Biyani shall retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

(iii) Brief Resume of Directors seeking Appointments/Re-appointments

Shri Arunkumar Biyani, aged 57 years, is a Commerce graduate and having experience around 37 years in the textile industry. Shri Arunkumar Biyani is the key person in setting up Company's unit and he is Chairman of the Company.

Shri S. P. Tulsian a renowned market analyst with rich experience of above 36 Yrs. Shri S. P. Tulsian is a Commerce graduate and fellow member of Institute of Chartered Accountant of India and Institute of Company Secretaries of India.

Shri Ashok Kumar Damani, aged 56 years, having 35 years experience in the financial market. His guidance will be helpful in the business of the company.

Shri Girdharlal S. Daga holds a Bachelor's degree in commerce and is a fellow member of Institute of Chartered Accountant of India. Shri Daga is a Practicing Chartered Accountant. He has over 34 years experience in financial and taxation planning of individuals and limited companies and Banks. He is the chairman of 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 Director	No. of Board Meeting held	No. of 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	6	Yes
5	Mr. Rajendra Prasad Khator	6	6	Yes
6	Mr. Ashok Kumar Damani	6	3	Yes

During the Financial Year 2013-14, Six Board Meetings were held on April 12, 2013, May 29, 2013, July 26, 2013, August 13, 2013, October 29, 2013 and February 07, 2014 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.
- Minutes of meeting of the Board, Committees, resolutions passed by circulations.
- 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 1A 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 / Investor's Grievance Committee / Stakeholders Relationship Committee
- Remuneration Committee / Nomination and Remuneration Committee
- Corporate Social Responsibility 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:

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Girdharlal S. Daga	Chairman	Independent Director
2.	Mr. Ashok Kumar Damani	Member	Independent Director
3.*	Mr. Arunkumar Biyani	Member	Executive Director
4.**	Mr. Rajendra Prasad Khator	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.

* Mr. Arunkumar Biyani was inducted as a member of the Audit Committee w.e.f. 25th April, 2014.

** Mr. Rajendra Prasad Khator has resigned as a director of the company w.e.f. 25th April, 2014 and consequently ceased to be a member of the committee.

During the year under review, the committee met Four times on May 29, 2013, July 26, 2013, October 29, 2013 and February 07, 2014. The details of attendance of the members are as follows:

Sr. No.	Name of the Member	Designation	No. of Meetings	
			Held	Attended
1.	Mr. Girdharlal S. Daga	Chairman	4	4
2.	Mr. Rajendra Prasad Khator	Member	4	4
3.	Mr. Ashok Kumar Damani	Member	4	3

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess Financial/accounting expertise/exposure.

Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report



5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
 1. Evaluation of internal financial controls and risk management systems;
 2. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matter 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;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and



5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

The Board has constitute the Shareholder's/Investor's 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 Shareholder's/Investor's Grievance Committee of the Board comprises of the one Independent Non Executive Directors and One Executive Director. The composition of the Shareholders'/Investors' Grievance Committee as on March 31, 2014 is as under:

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Girdharlal S. Daga	Chairman	Independent Non-Executive Director
2.	Mr. Arun Kumar Biyani	Member	Executive Director

During the year under review, the committee met Four times on May 29, 2013, July 26, 2013, October 29, 2013 and February 07, 2014. The details of attendance of the members are as follows:

Sr. No.	Name of the Member	Designation	No. of Meetings	
			Held	Attended
1.	Mr. Girdharlal S. Daga	Chairman	4	4
2.	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.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The 'Stakeholders Relationship Committee' was constituted by the Board on May 26, 2014 consequent to the dissolution of the 'Shareholders'/Investors' Grievance Committee'. The Stakeholder Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.



The composition of the Stakeholders Relationship Committee is as under:

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Girdharlal S. Daga	Chairman	Independent Non-Executive Director
2.	Mr. Arun Kumar Biyani	Member	Executive Director
3.	Mr. Ashok Damani	Member	Independent Non-Executive Director

The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

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, 2014
1.	Non received of Share Certificate	0	0	0	0
2.	Non received of Dividend	0	0	0	0

Compliance Officer:

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

REMUNERATION COMMITTEE

The Remuneration Committee of the Board comprises of the Three Independent Non- Executive Directors. The composition of the Remuneration Committee as on March 31, 2014 is as under:

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Girdharlal S. Daga	Chairman	Independent Non-Executive Director
2.	Mr. Rajendra Prasad Khator	Member	Independent Non-Executive Director
3.	Mr. Ashok Kumar Damani	Member	Independent Non-Executive Director

During the year under review, the committee met Four times on May 29, 2013, July 26, 2013, October 29, 2013 and February 07, 2014. The details of attendance of the members are as follows:

Sr. No.	Name of the Member	Designation	No. of Meetings	
			Held	Attended
1.	Mr. Girdharlal S. Daga,	Chairman	4	4
2.	Mr. Rajendra Prasad Khator	Member	4	4
3.	Mr. Ashok Kumar Damani	Member	4	3

NOMINATION AND REMUNERATION COMMITTEE

The 'Nomination and Remuneration Committee' was constituted by the Board on May 26, 2014 consequent to the dissolution of the 'Remuneration Committee' as per companies Act 2013.

The composition of the Nomination and Remuneration Committee is as under:

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Girdharlal S. Daga	Chairman	Independent Non-Executive Director
2.	Mr. S.P. Tulsian	Member	Independent Non-Executive Director
3.	Mr. Ashok Damani	Member	Independent Non-Executive Director



The Nomination and Remuneration Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

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.
- (vi) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; Formulation of criteria for evaluation of Independent Directors and the Board;
- (vii) Devising a policy on Board diversity;
- (viii) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries.

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 2013-14.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility was constituted by the Board on May 26th,2014 considering requirements of the Companies Act, 2013 relating to the constitution of a Corporate Social Responsibility Committee. The Board also empowered the Committee to look into matters related to sustainability and overall governance. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy'.

The composition of the Nomination and Remuneration Committee is as under:

Sr. No.	Name of the Member	Designation	Category
1.	Mr. Arunkumar Biynai	Chairman	Chairman
2.	Mr. Girdharlal S. Daga	Member	Member
3.	Mr. Anil D. Biynai	Member	Member

The role and terms of reference of the Corporate Social Responsibility Committee as defined by the Board are as under:

- 1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.
- 2. To recommend the amount of expenditure to be incurred on the CSR activities and To monitor the implementation of the framework of the CSR Policy.



3. To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities.
4. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

4. DIRECTORS' REMUNERATION & SITTING FEE

- a) The details of remuneration paid to Directors during the Financial Year 2013-14 as approved by the Board and shareholders:

(Amt. in ₹)

Sr. No.	Name of Directors	Salary	Contribution to Provident Fund	Perquisites & Allowances	Commission	Total
1.	Mr. Arun Kumar Biyani	36,00,000	9,360	21010	15,00,000	5130370
2.	Mr. Ajay D. Biyani	36,00,000	9,360	-	15,00,000	5109360
3.	Mr. Anil D. Biyani	36,00,000	9,360	-	15,00,000	5109360

- b) The Non-executive directors of the Company are entitled to sitting fees of ₹1,000/- for each meeting of Board of Directors attended. Details of payment for sitting fee during the year 2013-14 are as under:

(Amt. in ₹)

Sl. No.	Name of Directors	Sitting fees
1.	Mr. Girdharlal S. Daga	6000
2.	Mr. Rajendra Prasad Khator	6000
3.	Mr. Ashok Kumar Damani	3000

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.54.

Compliances by the Company

During the financial year 2013-14, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI for any matter. The Company has fairly complied with the requirements of the Stock Exchanges 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's 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

7. 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 to be passed by Postal Ballot.

a. Particulars of previous three Annual General Meetings:

Meeting	Year	Venue	Date	Time
AGM	2013	Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002	August,03, 2013	11.30 A.M.
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.

b. Special Resolutions during previous three Annual General Meetings:

Financial Year	Particulars of Special Resolutions Passed
2011-12/2012-13	Nil
2010-11	Commencement of business as specified in clause 34 & 51 in the other objects of the Memorandum of Association of the company.

- 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 09, 2014
Time	11.30 A.M.
Venue	Maheshwari Bhawan, 603, Chira Bazar, (J S Road), Mumbai – 400 002
Book closure	Wednesday June 25, 2014 to Saturday June 28, 2014 (Both day inclusive)

Financial Calendar

Financial Calendar (tentative and subject to change):

Financial year : April 1,2014 to March 31,2015 for the Financial Year 2014-15, quarterly un-audited/annual audited results will be announced by:
 First quarter : Second week of July 2014
 Second quarter : Last week of October 2014



Third quarter : Last week of January 2015
Fourth quarter : Mid of May 2015
Annual Audited : May 2015

- **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 2014-15 have been paid, within the stipulated time to the above to stock Exchanges 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, 2014.

- **Certificate of Corporate Governance:**

A Certificate from M/s. A.J. Baliya & Associates, Chartered Accountants, Mumbai 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 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@damoargroup.com

- **Investor Relations:**

All the complaints have been resolved and as on March 31, 2014 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 96.43% holding of the Company is in demat form.

- **Distribution of Shareholders**

Distribution of shareholding as on March 31, 2014

Slab of shares	Number of Shareholders	Percentage of shareholders	Number of shares	Percentage of shareholding
1 - 500	3191	88.71	420778	4.73
501 - 1000	173	4.81	130422	1.47
1001 - 2000	109	3.03	158281	1.78
2001 - 3000	18	0.50	45365	0.51
3001 - 4000	13	0.36	48287	0.54
4001 - 5000	11	0.31	52189	0.58
5001 - 10000	22	0.61	154816	1.74
Above 10000	60	1.67	7890512	88.65
	3597	100	8900650	100

Shareholding Pattern as on March 31, 2014

Sl. No.	Category of Shareholders	No. of Shares held	% of shareholding
1.	Promoters, Directors & Relatives	5671870	63.72
2.	Associate Body Corporate	498000	5.60
3.	Banks and Financial Institutions	700	0.01
4.	NRIs/OCBs	8784	0.09
5.	Private Corporate Bodies	474219	5.33
6.	Indian Public	2246052	25.24
7.	Clearing Members	1025	0.01
	TOTAL	8900650	100

**Shareholding Pattern of Non Executive Director as on March 31, 2014**

Non-Executive directors hold shares in the company during the period ended 31st March, 2014.

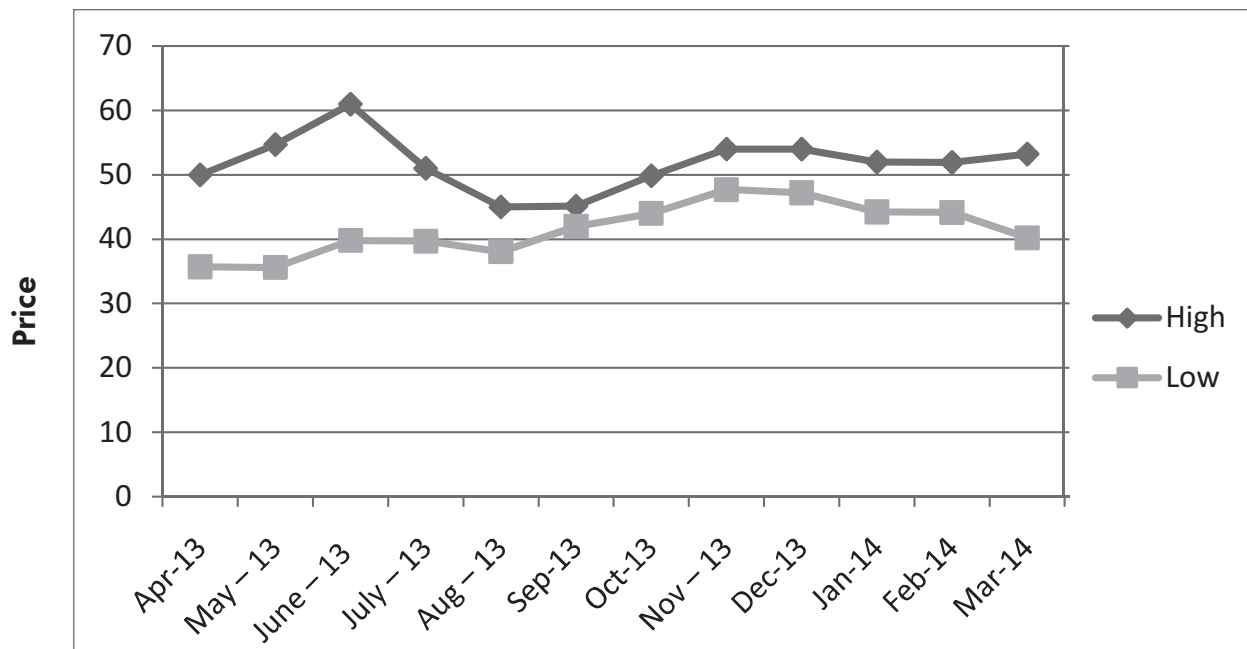
Sr. No.	Name of Non – Executive Directors	No. of Shares
1.	Mr. Girdharlal S. Daga	260
2.*	Mr. Rajendra Prasad Khator	25000
3.	Mr. Ashok Kumar Damani	Nil

*Mr. Rajendra Prasad Khator has resigned from the directorship form 25th April, 2014.

- Market Price Data**

The details of Monthly high and low quotation of shares traded on Bombay Stock Exchange Limited during the financial year as 2013-2014 were under:

Month	Share Price - BSE		
	High (in ₹)	Low (in ₹)	Volume (nos)
Apr - 13	50	35.7	385457
May - 13	54.7	35.6	94201
June - 13	61	39.8	190020
July - 13	51	39.7	184904
Aug - 13	45	38.05	2712234
Sep - 13	45.15	42	2380861
Oct - 13	49.85	44	883686
Nov - 13	54	47.7	945933
Dec - 13	54	47.2	24736555
Jan - 14	52	44.25	760159
Feb - 14	51.95	44.15	874934
March - 14	53.25	40.2	1932234

BSE Price Chart



- **Liquidity:**

Shares of the Company are actively traded on the BSE. 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 96.43% of the Equity Shares of the Company have been dematerialised and only 317598 shares are in physical form as at March 31, 2014.

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:**

- | | |
|--|---|
| 1. 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 | 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 (U.T.)- 396210
Ph.: 0260-3253356 | 4. Survey No. 174/2,
Naroli Village,
D. & N.H. (U.T.) – 396235 |

- **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

Place: Mumbai
Date: May 26, 2014

Arun Kumar Biyani
Chairman

**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, 2014 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
Date: May 26, 2014

Ajay D. Biyani
Managing Director



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, 2014 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, 2014.

For **Damodar Industries Limited**

Place: Mumbai
Date: May 26, 2014

Ajay D. Biyani
Managing Director

AUDITORS' CERTIFICATE

To,
The Members,
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, 2014, 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 2013-14.

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)

(C.A. A. J. BALIYA)
Partner
Membership No.FCA 35989

Place: Mumbai
Dated: May 26, 2014.



MANAGEMENT DISCUSSION & ANALYSIS

COMPANY SCENARIO:

Over the years, the company has intensively focused on offering value-added textile products such as apparels, home furnishing and knit wear. The Home Textile sector was predominantly using polyester filament yarns but now with our continuous R&D efforts and support from leading curtain makers we have developed linen-like spun yarns which have become extremely popular not only in India but has resulted in exports abroad too. Damodar is continuously expanding in new areas by leveraging the latest in technology to innovate as per latest trends and preferences. We have pioneered and consistently introduced new fibers, new effects and set new trends. Our steadily growing exports are a reflection of our continuous efforts and commitment.

Infrastructure: The Company has increased its production capacity by installing 41374 spindles .

Association with Brands:

The company has been associated with renowned brand names such as Arvind, Siyaram's, Mandhana, Raymond, Grasim and D'Decor in the domestic market. This year with continuous efforts the company has been able to penetrate its products farther and added various international brands such as like Esprit, HnM, Zara etc.

Export Growth:

In the year 2012-13 our export sales were ₹ 397.72 Cr., and in the year 2013-14 the sales were ₹ 499.29 Crores. There has been a growth of 25.54% in export Sales. This achievement has been mainly due to the aggressive stance to market our products, participate in various trade fairs and continuous efforts to develop new customers and markets.

FUTURE PLANS AND GROWTH PLANS:

Infrastructure:

The company is in process of automating its production facilities, increase its efficiency and reduce production losses due to labour shortage. Automating will also help in improving the quality standards as required for exports.

Technology Upgradation:

To maintain a competitive edge in production, even with challenging problems related to Labour and Quality, it is very important to upgrade technology for better productivity. We are continuously upgrading our technology with respect to Productivity and Value-added yarn production. This year we have installed five units of Yarn Compacting and slub system.

Market Development:

We consistently participate in all relevant Exhibitions and plan to forge partnerships with major international brands across the globe. In a bid to keep in touch with them, we send our marketing communication and latest catalogues regularly. Keeping in line with international standards we have also applied for BCI, Organic Cotton Certification which is a new requirement by major brands. To develop our domestic market, we have tied up with major designers who predict trends and give us a competitive edge.

INDUSTRY STRUCTURE & DEVELOPMENT (OVERVIEW) – A GLOBAL PERSPECTIVE

The Textile industry occupies a unique place in the country and ranks next only to Agriculture. One of the earliest to come into existence in India, it accounts for fourteen percent of the total Industrial production, contributes to nearly 11% percent share of the country's total exports basket and is the second largest employment generator after agriculture. The GDP of the Textile Industry in India has been quite beneficial in the economic affairs of the country. It provides direct employment to about forty five million people and about 27% of the foreign exchange earnings are on account of export of textiles and clothing alone.

The textile industry in India has been a pioneer industry as India's industrialization in other arenas has chiefly been achieved on the back of the resources generated by this industry. It plays a vital role in the Indian economy in terms



of Industrial Production, Employment and Foreign Exchange earning. The Textile Industry has achieved a good growth in the last two decades in terms of yarn production. Our country has achieved significant quantitative increase in cotton production. The World estimated cotton production is 25.70 metric tons in 2013-14 as per the ICAC release.

India's textile industry is also significant in a global context, ranking second only to China in the production of both cotton yarn and fabric as well as fifth in the production of synthetic fibers and yarns. India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 per cent to 8 per cent and reach US\$ 80 billion by 2020.

ECONOMIC DEVELOPMENT

The Indian textiles industry has witnessed a phenomenal growth through Industrial Policy 1991 and development of globalization and Indian textile industry took place simultaneously since then. The process of globalization and Indian textile industry development was the effect of rapid acceptance of 'open market' policy by the developing countries, much in the lines of the developed countries of the world.

Today, globalization has brought opportunities for the Indian textile industry. At the same time it is also exposed to threats and therefore the industry has to fight for its share in international textile trade. The WTO has played an important role in the growth and development of the textiles industry at global level and various steps have been taken to uplift the sector. The WTO will ensure better distribution of the world trade, in no way will it be free for all and only the fittest will survive. The WTO benefits for India will not be any different from that of the other developing countries so the Indian textile industry should not only bank upon its strengths, but should also endeavor to remove its weaknesses.

COTTON SCENARIO – INDIA

As per the Cotton Corporation of India, cotton crop for 2013-14 was 372 Lacs bales which is 1.95% higher than last year's production of 365 Lacs bales. Due to increased cotton prices this year, the estimated cultivation area was 116.99 Lacs Hectare which is lesser than 2.33% of 2012-13 and total yield of cotton was 541 per Kg per Hectare in 2013-14 compared to previous year 518 per Kg per Hectare. As per meteorological updates, the monsoons are expected to be normal this year. It has been estimated that the next year crop will be around 350 Lac bales approximately.

India's 2014-15 cotton production is forecast at 280 Lacs bales from 118 Lacs hectares, down 10 Lacs bales from 2013-14. Projected area is the third highest on record while yields are expected to drop closer to recent averages following the strong performance of the 2013 monsoon. Cotton consumption is expected to increase to 235 Lacs bales as yarn exports and strong domestic demand steer cotton to India's growing textile sector. Exports are forecast 25 percent lower at 60 Lacs bales. Exportable supplies are likely to compete more directly with domestic demand as supplies tighten in response to lower production. India has emerged as a significant regional exporter and supplier of cotton to China in recent years. While regional exports are expected to continue at current levels, Chinese demand and trade policies will likely have a significant effect on India's 2014-15 overall export volumes.

COTTON SCENARIO - GLOBAL

World 2013-14 cotton production has been forecast to decline 3 percent from a year ago to 117.2 million bales, as relatively higher expected crops in several major cotton countries are more than offset by declines in China and the United States. Brazil and Australia are estimated to produce 4.5 million bales and 7.0 million bales, respectively, up 5 percent and 21 percent from the preceding year. India and Pakistan are forecast to produce 27.0 and 9.5 million bales, respectively, in 2013-14, an increase of 2 percent each from a year ago. China's 2013-14 production is forecast to decline 3 percent from a year earlier to 34.0 million bales. The United States is expected to produce 13.5 million bales in 2013-14, down 22 percent from the previous year.

Global 2013-14 area harvested is forecast at 33.9 million hectares, down 1 percent from a year ago and the second consecutive annual decline in world harvested area. Weaker world market prices for the fiber since 2010 explain much of this decline. World cotton yield is forecast at 753 Kg/hectare in 2013-14.

**DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE****Financial Highlights:**

Revenue from operations increased from ₹ 583.72 crores approx in 2012-13 to ₹ 735.27 crores approx. in year 2013-14.

Profit before Tax increased from ₹ 18.54 crores to ₹ 22.91 crores.

Profit after Tax increased from ₹ 12.17 crores to ₹ 14.78 crores.

Basic Earning Per share (EPS) increased from ₹ 13.68 to ₹ 16.60

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place a well defined organizational structure and adequate internal controls for efficient operations. The team has also devised various internal policies, and is cognizant of applicable laws and regulations, particularly those related to protection of property, recourses and assets besides the accurate reporting of financial transactions. The Company continually upgrades these systems. The internal control is supplemented by extensive internal audits, periodical review by management and audit committee, documented policies, prescribed guidelines, rules & procedures. All activities of the Company are 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 assets.

HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS:

The Company continues to enjoy harmonious and cordial relations amongst its entire employee family. The key to 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 us to respond swiftly and creatively to the customers' evolving needs.

Human resources continue to be an invaluable and intangible asset and a key success factor for the Company to grow and sustain its market position in a highly competitive 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 combined strength of its people.

The company focuses on developing leadership skills, building talent for the future, and improving organizational & human capability through competency mapping of managerial positions in all areas of the Company's operations. The Company is committed to provide the best environment to its employees to work and to inculcate a sense of ownership and pride.

CAUTIONARY STATEMENT:

Certain statements as discussed and mentioned in the Management Discussion & Analysis and elsewhere constitute forward-looking statements articulated as the management's expectation in the future. 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:

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 & on behalf of Board of Directors

Place: Mumbai
Date: 26th May, 2014

Arun Kumar Biyani
Chairman



INDEPENDENT AUDITOR'S REPORT

To the Members of
DAMODAR INDUSTRIES LTD.

We have audited the accompanying financial statements of Damodar Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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

The Company's 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 notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- 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 notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For A.J. Baliya & Associates
Chartered Accountants
(Registration No. 100948W)

Place: Mumbai
Dated: 26th May, 2014.

(C.A. A. J. BALIYA)
Partner
Membership No.FCA 35989

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

[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-two parties repayable on demand. At year end aggregate outstanding balance of such loans was ₹ 2,90,92,438/- and the maximum amount outstanding during the year was ₹ 6,42,08,834/-.
 - (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, 2014 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. The details of dues of Income Tax which have not been deposited on account of dispute are given below:

Sr. No.	Name of the Statute	Nature of the dues	Amount	Period to which the amount relates	Forum where disputes pending
1.	DEPB Entitlement Refund	Custom	81,18,321/-	F.Y. 2010-11	DGFT
2.	Central Sales Tax Act, 1956	C.S.T	74,37,996/-	F.Y. 2006-07	Deputy Commissioner (Appeal)
3.	Maharashtra Value Added Commissioner	MVAT	42,91,001/-	F.Y. 2006-07	Deputy Tax (Appeal)
			Total ₹. 1,98,47,318/-		

- (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)

(C.A. A. J. BALIYA)
Partner
Membership No.FCA 35989

Place: Mumbai
Dated: 26th May, 2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note No.	As at 31-03-2014 (₹)	As at 31-03-2013 (₹)
EQUITY AND LIABILITIES			
Shareholders' Fund:			
Share Capital	2	89,006,500	89,006,500
Reserves and Surplus	3	638,689,358	515,887,065
Non-Current Liabilities			
Long Term Borrowings	4	444,180,770	509,530,055
Deferred Tax Liabilities (Net)	11	71,431,718	72,144,779
		515,612,488	581,674,834
Current Liabilities			
Short Term Borrowings	5	804,050,856	610,011,053
Trade Payables	6	83,162,158	68,356,306
Other Current Liabilities	7	140,231,315	196,843,265
Short Term Provisions	8	21,622,627	20,882,955
		1,049,066,956	896,093,579
TOTAL		2,292,375,302	2,082,661,978
ASSETS			
Non Current Assets			
Fixed Assets	9		
Tangible Assets		840,204,692	870,638,833
Intangible Assets		5,246,834	537,198
Capital Work-in-Progress		27,608,799	-
		873,060,325	871,176,031
Non Current Investments	10	4,100	4,100
Long Term Loans and Advances	12	5,281,224	2,892,893
		5,285,324	2,896,993
Current Assets			
Inventories	14	476,222,379	497,200,974
Trade Receivables	15	758,895,280	564,716,825
Cash and Bank Balances	16	19,233,267	20,171,731
Short Term Loans and Advances	12	159,665,199	126,472,366
Other Current Assets	13	13,528	27,058
		1,414,029,653	1,208,588,954
TOTAL		2,292,375,302	2,082,661,978
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. 35989

Place : Mumbai
Date : 26-05-2014

For and on behalf of the Board of Directors

Arunkumar Biyani
Chairman

Ajay D. Biyani
Managing Director

Subodh Kumar Soni
Company Secretary

Suresh Chandra Gattani
Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

	Note No.	2013-14 (₹)	2012-13 (₹)
INCOME			
Revenue from Operations (Gross)	17	7,349,776,901	5,823,796,605
Revenue from Operations (Net)		<u>7,349,776,901</u>	<u>5,823,796,605</u>
Other Income	18	2,927,611	13,425,886
Total		<u>7,352,704,512</u>	<u>5,837,222,491</u>
EXPENDITURE			
Cost of Material and Components Consumed	19	2,478,094,856	2,111,165,678
Purchase of traded goods	20	3,536,682,583	2,616,156,288
(Increase)/Decrease in Inventories of Finished Goods Work-in-progress and Trade Goods	21	1,147,242	(26,144,594)
Employee Benefit Expenses	22	174,783,197	126,445,330
Finance Costs	23	235,397,489	214,150,831
Other Expenses	24	586,376,127	511,745,454
Total		<u>7,012,481,494</u>	<u>5,553,518,987</u>
Profit/(Loss) before Depreciation and Amortization and Exceptional Items and Tax		340,223,018	283,703,504
Depreciation and Amortization Expenses	25	<u>111,132,471</u>	<u>98,281,657</u>
Profit/(Loss) before Exceptional Items and Tax		229,090,547	185,421,847
Less: Exceptional Items		-	-
Profit/(Loss) before Tax		<u>229,090,547</u>	<u>185,421,847</u>
Less: Tax Expenses			
Current Tax		82,009,357	58,240,000
Deferred Tax		(713,061)	3,170,600
Earlier years adjustments		-	2,290,834
		<u>147,794,251</u>	<u>121,720,413</u>
Profit/(Loss) for the period		<u>147,794,251</u>	<u>121,720,413</u>
Earnings per Equity Share (Nominal Value of share ₹ 10/-each)	26		
Basic		16.60	13.68
Diluted		16.60	13.68
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

For and on behalf of the Board of Directors

(CA A.J.BALIYA)
Partner
Membership No. 35989

Arunkumar Biyani
Chairman

Ajay D. Biyani
Managing Director

Place : Mumbai
Date : 26-05-2014

Subodh Kumar Soni
Company Secretary

Suresh Chandra Gattani
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2014**

	2013-14 (₹)	2012-13 (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra-ordinary Items	229,090,547	185,421,847
Adjustment for :		
Depreciation and amortisation	111,132,471	98,281,657
Interest	215,639,638	189,729,780
(Profit)/loss On Sale of Fixed Assets	160,747	(35,609)
Dividend Received		(150)
	<u>326,932,856</u>	<u>287,975,678</u>
Operating Profit Before Working Capital Changes	556,023,403	473,397,525
Adjustment for :		
Trade & Other Receivable	-226,962,277	(229,883,518)
Inventories	20,978,595	19,471
Trade Payable	17,259,834	8,724,194
	<u>(188,723,848)</u>	<u>(221,139,853)</u>
Cash generated from Operations	367,299,555	252,257,672
Direct Tax paid(net)	<u>(90,363,775)</u>	<u>(45,568,919)</u>
Cash flow before Extra-Ordinary Items	276,935,780	206,688,753
Prior Years Tax Adjustments		(104,867)
Net Cash from Operating Activities A	276,935,780	206,583,886
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Fixed Assets including Capital Work-in-Progress	(113,613,982)	(197,944,804)
Sale of Fixed Assets / Investments	450,000	1,235,030
Dividend Income	-	150
Net Cash used in Investing Activities B	(113,163,982)	(196,709,624)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings & Fixed deposits	73,311,460	205,479,662
Interest Paid	(215,639,638)	(189,729,780)
Dividend	(19,109,225)	(25,072,241)
Tax on Dividend	<u>(3,272,859)</u>	<u>(4,043,299)</u>
Net Cash used in Financing Activities C	(164,710,262)	(13,365,658)
Net increase in cash and cash equivalents (A+B+C)	(938,464)	(3,491,396)
Opening Balance of Cash & Cash Equivalents	20,171,731	23,663,127
Closing Balance of Cash & Cash Equivalents	19,233,267	20,171,731
() indicates 'minus'		

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

For and on behalf of the Board of Directors

(CA A.J.BALIYA)
Partner
Membership No. 35989

Arunkumar Biyani
Chairman

Ajay D. Biyani
Managing Director

Place : Mumbai
Date : 26-05-2014

Subodh Kumar Soni
Company Secretary

Suresh Chandra Gattani
Chief Financial Officer



1 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 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, 2014**

	As at 31.03.2014	As at 31.03.2013
2. Share Capital		
Authorized Shares		
15000000 (31 March 2013: 15000000) Equity Shares of ₹ 10/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and fully paid up Shares		
8900650 (31 March 2013: 8900650) Equity Shares of ₹ 10/- each	89,006,500	89,006,500
	<u>89,006,500</u>	<u>89,006,500</u>

	31-03-2014	31-03-2013
	Nos.	Nos.
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	<u>8,900,650</u>	<u>8,900,650</u>

2.2 Terms/Rights attached to equity shares:

The company has only one class of equity share having a par value of ₹ 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 2014, the amount of per Equity share dividend recognized as distributions to equity shareholders was ₹ 2.40 (31st March 2013 ₹2)

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

	31.03.2014		31.03.2013	
	Nos.	% held	Nos.	% held
Equity shares:				
Equity shares of ₹ 10/- each fully paid				
Name of Shareholder				
Arunkumar Biyani - Director	1,041,200	11.70%	1,005,000	11.29%
Ajay D. Biyani - Director	1,300,000	14.61%	1,210,000	13.59%
Anil D. Biyani - Director	1,159,300	13.02%	1,143,300	12.85%
Manju Biyani	497,950	5.59%	493,350	5.54%

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, 2014

	31.03.2014 ₹	31.03.2013 ₹
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	80,000,000	60,000,000
Add: Amount transferred from surplus balance in the statement of profit and loss	20,000,000	20,000,000
Closing Balance	100,000,000	80,000,000
3.3 Surplus / (Deficit) in the statement of profit and loss		
Balance as per the last financial statements	256,793,415	175,762,118
Profit for the year:	147,794,251	121,720,413
Less: Appropriations		
Proposed final equity dividend	8,900,650	7,120,520
Interim Dividend	12,460,910	10,680,780
Tax on equity dividend	3,630,398	2,887,816
Transfer to general reserve	20,000,000	20,000,000
Total appropriations	44,991,958	40,689,116
Net surplus in the statement of profit and loss	359,595,708	256,793,415
Total Reserves and Surplus	638,689,358	515,887,065

4 Long Term Borrowings

	Non-Current Portion		Current Maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹	₹	₹	₹
Secured				
Term Loans- from banks	139,240,747	202,155,380	122,510,049	179,215,107
	139,240,747	202,155,380	122,510,049	179,215,107
Unsecured				
Unsecured Loans *	282,221,599	285,016,434	-	-
Fixed Deposits from public	22,718,424	22,358,241	15,133,000	13,807,000
	304,940,023	307,374,675	15,133,000	13,807,000
Net Amount	444,180,770	509,530,055	137,643,049	193,022,107

* as stated by Directors taken on long term basis

4.1 The Term Loans of ₹ 2556.38 lacs are secured by first pari passu 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 guarantees of three Directors. Term Loan of ₹ 61.13 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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014**

	31.03.2014 ₹	31.03.2013 ₹
5. Short Term Borrowings		
Secured		
Working Capital Loans from banks	<u>804,050,856</u>	<u>610,011,053</u>
	<u>804,050,856</u>	<u>610,011,053</u>

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.

	Current	
	31.03.2014 ₹	31.03.2013 ₹
6. Trade payables		
Trade Payables*	<u>83,162,158</u>	<u>68,356,306</u>
	<u>83,162,158</u>	<u>68,356,306</u>

*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)	137,643,049	193,022,107
Unpaid Dividend	1,303,107	830,902
Others payables *	<u>1,285,159</u>	<u>2,990,256</u>
	<u>140,231,315</u>	<u>196,843,265</u>

*Includes statutory dues

8. Short Term Provisions		
Provisions for employee benefits:		
Salary ,provident fund and other benefits	11,209,312	7,050,233
Gratuity (Funded)		
Income tax payable	-	5,557,076
Proposed Dividend	8,900,650	7,120,520
Tax on dividend	<u>1,512,665</u>	<u>1,155,126</u>
	<u>21,622,627</u>	<u>20,882,955</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

9. Fixed Assets

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01/04/2013	Additions	Deduction	As at 31/03/2014	Up to 01/04/2013	For the year	Deduction/ Adjustment	Up to 31/03/2014	As at 31/03/2014	As at 31/03/2013
TANGIBLE ASSETS-OWN ASSETS										
FREEHOLD LAND	15,618,849	-		15,618,849	-	-		-	15,618,849	15,618,849
RESIDENTIAL FLATS	213,555			213,555	45,252	3,481		48,733	164,822	168,303
BUILDING	295,661,615	8,925,425		304,587,040	45,993,482	9,916,416		55,909,898	248,677,142	249,668,133
PLANT & MACHINERY	886,235,261	46,352,601		932,587,862	379,792,090	92,838,312		472,630,402	459,957,460	506,443,171
ELECTRICAL INST.	85,190,213	8,573,307		93,763,520	21,376,907	4,176,560		25,553,467	68,210,053	63,813,306
FURNITURE & FIXTURES	7,805,924	4,791,968		12,597,892	1,741,240	578,241		2,319,481	10,278,411	6,064,684
VEHICLES	13,092,533	6,051,493	1,244,740	17,899,286	4,928,882	1,340,440	633,993	5,635,329	12,263,957	8,163,651
AIR CONDITIONERS	2,504,605	578,423		3,083,028	600,214	133,701		733,915	2,349,113	1,904,391
GENERATORS	1,669,695	39,951		1,709,646	1,058,728	80,142		1,138,870	570,776	610,967
WEIGHING SCALE	746,667	118,748		865,415	172,215	37,746		209,961	655,454	574,452
OTHER EQUIPMENTS	21,483,852	4,152,962		25,636,814	5,114,335	1,085,868		6,200,203	19,436,611	16,369,517
COMPUTERS	5,038,640	1,436,180		6,474,820	3,799,231	653,545		4,452,776	2,022,044	1,239,409
Total (A)	1,335,261,409	81,021,058	1,244,740	1,415,037,727	464,622,576	110,844,452	633,993	574,833,035	840,204,692	870,638,833
INTANGIBLE ASSETS										
COMPUTER SOFTWARE	2,158,942	4,984,125		7,143,067	1,621,744	274,489		1,896,233	5,246,834	537,198
Total (B)	2,158,942	4,984,125	-	7,143,067	1,621,744	274,489	-	1,896,233	5,246,834	537,198
Total (A) + (B)	1,337,420,351	86,005,183	1,244,740	1,422,180,794	466,244,320	111,118,941	633,993	576,729,268	845,451,526	871,176,031
Capital Work in Progress (Plant & Machinery under Installtion)									27,608,799	

10. Non Current Investments

10.1 Non-trade Investments

(valued at cost unless stated otherwise)

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

31.03.2014

₹

31.03.2013

₹

1,000

1,000

3,100

3,100

4,100

4,100

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 liability

31.03.2014

₹

31.03.2013

₹

71,431,718

72,144,779

71,431,718

72,144,779

-

-

71,431,718

72,144,779

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014****12 Loans and Advances
(Unsecured, considered good)**

	Non-Current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹	₹	₹	₹
Security Deposit			12,636,943	4,806,345
Advance Income Tax (Net of provision for taxation)	4,871,237	2,073,895		
Prepaid Expenses			4,359,538	1,576,895
Loans to Employees	409,987	818,998	1,676,935	1,237,705
Balances with Statutory Government authorities			11,709,657	10,853,646
Advances to Suppliers			2,379,786	45,060
Others*			126,902,340	107,952,715
	5,281,224	2,892,893	159,665,199	126,472,366

* Includes incentive and duty refundable

13 Other Assets

	Non-Current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	₹	₹	₹	₹
Unamortized Expenditure				
Expenditure on Increase of Share Capital/ Right Issue	-	-	13,528	27,058
			13,528	27,058

14. Inventories

(valued at lower of cost and net realizable value)

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Raw Materials	223,794,201	245,444,211
Work-in-progress	45,810,186	40,986,828
Finished Goods	199,084,939	197,330,981
Traded Goods	-	7,724,558
Stores and spares	2,839,623	1,474,715
Packing Material	4,693,430	4,239,681
	<u>476,222,379</u>	<u>497,200,974</u>

15. Trade receivable

(Unsecured, Considered good unless stated otherwise)

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Over Six Months	30,763,456	20,252,887
Others	728,131,824	544,463,938
Total	<u>758,895,280</u>	<u>564,716,825</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
16 Cash and Bank Balances		
Cash and Cash equivalents		
Cash on hand	3,974,614	3,056,154
Balance with banks:		
On Current Accounts	110,885	4,056,367
On Unpaid Dividend Account	1,303,107	830,902
Fixed Deposits with Banks*	13,844,661	12,228,308
Total	19,233,267	20,171,731
* Fixed Deposits with Banks include deposits of ₹ 6996435 within maturity of more than 12 months as on 31.03.2014		
17. Revenue from Operations		
17.1 Sale of products		
Finished Goods	3,464,882,660	2,968,323,159
Traded Goods	3,884,894,241	2,855,473,446
Revenue from Operations (Gross)	<u>7,349,776,901</u>	<u>5,823,796,605</u>
17.2 Particulars of Sale of Products		
Yarn	7,205,347,481	5,710,249,008
Fabric	130,251,014	107,205,518
Others	14,178,406	6,342,080
Total	<u>7,349,776,901</u>	<u>5,823,796,605</u>
18. Other Income		
Commission income	2,927,611	4,240,127
Dividend	0	150
KeyMan Insurance Policy Maturity Proceeds	0	9,150,000
Profit on Sale of Fixed Assets & Investment	0	35,609
	<u>2,927,611</u>	<u>13,425,886</u>
19. Cost of Raw Material and components consumed		
Inventory at the beginning of the year	245,444,211	269,713,636
Add: Purchases	<u>2,456,444,846</u>	<u>2,086,896,253</u>
	2,701,889,057	2,356,609,889
Less: Inventory at the end of the year	<u>223,794,201</u>	<u>245,444,211</u>
Cost of raw material and components consumed	<u>2,478,094,856</u>	<u>2,111,165,678</u>
19.1 Particulars of Materials Consumed		
Particulars		
Yarn and Fibre	1,545,367,102	1,338,530,017
Cotton	896,994,118	732,341,121
Grey Fabrics	32,685,141	38,937,032
Others	3,048,495	1,357,508
	<u>2,478,094,856</u>	<u>2,111,165,678</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014**

	% of Consumption	2013-14	% of Consumption	2012-13
19.2 Cost of Materials Consumed				
Imported	0.13%	3,271,454	3.34	70,420,433
Indigenous	99.87%	<u>2,474,823,402</u>	96.66	<u>2,040,745,245</u>
	100%	<u>2,478,094,856</u>	100.00	<u>2,111,165,678</u>
		As at 31.03.2014 ₹		As at 31.03.2013 ₹
20. Purchase of Traded Goods				
Yarn		3,536,682,583		2,608,851,276
Others		-		-
7,305,012		<u>3,536,682,583</u>		<u>2,616,156,288</u>
21. (Increase)/Decrease in Inventories				
21.1 Details at the end of the year				
Traded Goods		-		7,724,558
Work-in-Progress		45,810,186		40,986,828
Finished Goods		199,084,939		197,330,981
		<u>244,895,125</u>		<u>246,042,367</u>
21.2 Details at the beginning 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
		<u>246,042,367</u>		<u>219,897,773</u>
		1,147,242		(26,144,594)
22. Employee Benefit Expenses				
Salaries, Wages and Bonus and other benefits		167,787,227		119,068,232
Contribution to Provident Fund		2,401,765		1,847,060
Gratuity Expenses		717,484		877,252
Staff Welfare Expenses		3,876,721		4,652,786
		<u>174,783,197</u>		<u>126,445,330</u>
23. Finance Costs				
Interest		215,639,638		189,729,780
Bank charges & Commission		19,757,851		16,370,212
Exchange difference to the extent considered as an adjustment to borrowing costs				8,050,838
		<u>235,397,489</u>		<u>214,150,831</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
24. Other Expenses		
Consumption of Stores and spares	41,630,113	44,771,671
Consumption of Packing Material	51,263,564	34,179,819
Job Work Charges	27,058,919	27,884,980
Power and Fuel	152,626,218	125,878,534
Rent	26,100,018	18,306,142
Rates and Taxes	902,780	736,165
Insurance	4,192,679	3,314,348
Repairs and Maintenance		
Plant and Machinery	5,286,855	1,927,672
Buildings	4,964,928	5,025,429
Others	3,683,692	4,031,836
Legal and Professional fees	2,979,237	5,478,517
Directors' Sitting Fees	16,854	16,000
Payment to Auditor (Refer details below)*	125,000	125,000
Directors Remuneration	15,300,000	12,900,000
Bad debts / Advances written off	757,806	5,620,387
Vehicle Expenses	4,024,917	3,261,020
Freight and Forwarding Charges	155,165,934	129,056,601
Advertising and Sales Promotion	6,850,478	6,467,500
Sales Commission	66,728,922	69,093,851
Travelling and Conveyance	6,870,301	5,227,071
Communication Costs	6,516,609	4,128,126
Printing and Stationery	2,035,923	1,925,498
General Expenses	1,112,623	2,378,907
Loss on Sale of Asset	160,747	
Director Medical Allowance	21,010	10,380
	<u>586,376,127</u>	<u>511,745,454</u>
*Payment to Auditor		
As Auditor		
Audit Fees	100,000	100,000
Tax Audit Fees	25,000	25,000
Reimbursement of Expenses	<u>125,000</u>	<u>125,000</u>
25. Depreciation and Amortization Expenses		
Depreciation of Tangible Assets	110,844,452	97,511,243
Depreciation on Intangible Assets	274,489	298,754
Share Issue Expenses Written Off	13,530	471,660
	<u>111,132,471</u>	<u>98,281,657</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014**

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
26. Earnings per Share (EPS)		
Net profit after tax as per Profit & Loss attributable to Equity Shareholders (in ₹)	147,794,251	121,720,413
Number of Equity Shares	8,900,650	8,900,650
Basic and Diluted Earning per share (in ₹)	16.60	13.68
Face Value per Equity share (in ₹)	10.00	10.00

27. Contingent Liabilities

	(₹) 2013-14	(₹) 2012-13
Counter Gurantees given to Banks	20,338,500	9,588,500
Letter of Credit/Bill Discounting with Banks	763,955,338	645,197,234
DEPB Entitlement Refund Claim by DGFT	8,118,321	8,118,321
Central Sales Tax Dues under Appeal	7,437,996	
Maharashtra Value Added Tax Dues under Appeal	4,291,001	

28. Stores and Spares, Packing Materials Consumed

		%	2013-14	%	2012-13
Stores & Spares	Indigenous	91	37,968,004	95	42,726,179
	Imported	9	3,662,109	5	2,045,492
Total		100	41,630,113	100	44,771,671
Packing Materials	Indigenous	100	51,263,564	99	36,330,288
	Imported	-	-	1	241,605
		100	51,263,564	100	36,571,893

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	Designation
a.	Shri Arun Kumar Biyani	Chairman & Director	k.	Mr. Akshay Biyani	- Relatives
b.	Shri Ajay D. Biyani	Managing Director	l.	Mrs. Manju Biyani	- Relatives
c.	Shri 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 Manufacturing Pvt.Ltd.	- Associates	q.	Mrs Bhawna Biyani	- Relatives
d.	Ajay Biyani HUF	- Associates	r.	Mrs Savitridevi D Biyani	- Relatives
e.	Arun Kumar Biyani HUF	- Associates	s.	Mr. Satyanarayan Biyani	- Relatives
f.	M/s. Suam Overseas Pvt. Ltd.	- Associates	t.	Mr Suresh Biyani	- Relatives
g.	Mrs. Kanta Biyani	- Relatives	u.	Mrs Savitridevi S Biyani	- Relatives
h.	Mr. Aman Biyani	- Relatives	v.	Sunil Biyani	- Relatives
i.	Mr. Aditya Biyani	- Relatives	w.	Shri Damodar Foundation	- Trust
j.	Mr. Abhishek Biyani	- Relatives	x.	Radhika Biyani	- Relatives



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014

Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31st March ,2014.

Particulars	Associates & Relatives		Key Management Personnel		Total (Amt. In ₹)	
	As of March 31		As of March 31		As of March 31	
	2014	2013	2014	2013	2014	2013
Unsecured Loans /share capital fund	9,740,838	8,087,747	193,516,100	30,244,936	203,256,938	38,332,683
Sundry Debtors ,Loans & Advances	3,120,115	562,175	17,810		3,137,925	562,175
Current Liabilities					-	-
Sundry Creditors	3,017,783	215,535		-	3,017,783	215,535
Income					-	-
Sales	183,416,669	123,919,687	23,534	-	183,440,203	123,919,687
Expenditure					-	-
a) Purchase (including Job work)	356,500,074	426,847,817	-	356,500,074	426,847,817	
b) Interest on Loan	1,439,685	385,979	1,397,343	558,996	2,837,028	944,975
c) Directors Remuneration			15,300,000	12,900,000	15,300,000	12,900,000
d) Directors Medical Allowance			21,010	10,380	21,010	10,380
e) Employees Remuneration	3,350,000	2,700,000			3,350,000	2,700,000
f) Rent {Net}	924,000	288,000	300,000	165,000	1,224,000	453,000

	2013-14 ₹	2012-13 ₹
31. Remuneration to Directors		2012-13
Salary	15,300,000	12,900,000
Medical Allowances	<u>21,010</u>	<u>10,380</u>
32. FOB Value Of Exports		
Yarn	<u>4,656,879,886</u>	<u>2,634,203,622</u>
33 C I F Value of Imports		
Raw materials and Stock -in-Trade	1,686,048	59,958,015
Plant & Machinery	-	44,149,000
Stores & Spares	3,662,109	2,045,492
Packing Material	-	241,605
34. Expenditure In Foreign Currency		
Travelling	<u>1,474,171</u>	<u>1,299,849</u>
Commission	48,575,945	56,690,921
35. Financial and Derivative Instruments		
a. Forward Contracts in Foreign currency for export realisation outstanding as at 31st March,2014-		
₹ 998.485 Lacs		
b. Foreign currency exposures that are not hedged by derivative instruments as at 31 st march 2014		
amount to ₹ 2426.180 Lacs		

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2014****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

	2013-14	2013-14	2012-13	2012-13
a. Number of Non Resident Shareholders	8	9	10	10
b. Number of Equity Shares held by them	8,784	14,972	14,972	19,642
c. i) Amount of Dividend Paid	12,158	11,977.60	17,966.00	31,427.20
ii) Tax Deducted at Source	-	-	-	-
iii) Year to which Dividend Relates	2013-14	2012-13	2012-13	2011-12

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.

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

(CA A.J.BALIYA)
 Partner
 Membership No. 35989

Place : Mumbai
 Date : 26-05-2014

For and on behalf of the Board of Directors

Arunkumar Biyani
 Chairman

Ajay D. Biyani
 Managing Director

Subodh Kumar Soni
 Company Secretary

Suresh Chandra Gattani
 Chief Financial Officer

26th ANNUAL REPORT 2013-2014



DAMODAR INDUSTRIES LIMITED

Reg. Off. A1/202, Centre Point, 243-A, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013 India.
 Corporate Identity Number: L17110MH1987PLC045575
 Tel: +91 – 022 -6661 0301 - 2 • Fax: 022- 6661 0308
 • E-mail:cs@damodargroup.com •www.damodargroup.com

Folio No./DP ID/Client ID No.	No. of Shares Held
-------------------------------	--------------------

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company at **Maheshwari Bhawan, 603, Chira Bazar (J. S. Road), Mumbai – 400 002** on Saturday, 9th day of August, 2014 at 11.30 a.m.

NAME OF THE SHAREHOLDER (S) (IN BLOCK CAPITALS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK CAPITALS)	
SIGNATURE OF THE PROXY	

Note: You are requested to sign and handover this slip at the entrance of the meeting venue.

Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L17110MH1987PLC045575
Name of the company	Damodar Industries Ltd.
Registered office	A1/202, Centre Point, 243-A, N. M. Joshi Marg, Lower Parel (E), Mumbai - 400013, India.
Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id	DP ID

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name		
Address		
E - mail ID	Signature	
Or Falling him		
2. Name		
Address		
E - mail ID	Signature	
Or Falling him		
3. Name		
Address		
E - mail ID	Signature	
Or Falling him		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the 9th day of August, 2014 At 11.30 a.m. at Maheshwari Bhawan, 603, Chira Bazar (J. S. Road), Mumbai – 400 002 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of Accounts
2.	Declaration of dividend on equity share
3.	Re-appointment of Shri Arun kumar Biyani who retire by rotation and, being eligible, offer himself for re-appointment
4.	Appointment of Statutory Auditors
Special Business	
5.	Appointment of Shri S.P. Tulsian as an Independent Director
6.	Appointment of Shri Ashok Kumar Damani as an Independent Director
7.	Appointment of Mr. Gidharlal S. Daga as an Independent Director

Signed this..... day of 2014

Signature of shareholder:----- Signature of Proxy holder(s):-----

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



OUR VEDIC LIFESTYLE PRODUCTS ARE

HEALTH



HAIR & BEAUTY



POOJA



HYGIENE



HEALTH:

- Vedic Tulsi Ark • Vedic Go Ark • Vedic Nasal Drops • Vedic Joint Pain Balm
- Vedic Foot Crack Cream

HAIR & BEAUTY:

- Vedic Hair Oil • Vedic Face Pack

POOJA:

- Vedic Hawan Samigri Dhoop Batti

HYGIENE:

- Vastu Floor Purifier



BOOK POST

CALVES N LEAVES

A Vedic Lifestyle

a UNIQUE initiative by DAMODAR Group



**Make a positive difference.
Use Indian cow products.**

If undelivered please return to,

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

Tel.: 022 6661 0301/2

Fax: 022 6661 0308

Website: www.damodargroup.com