



# DAMODAR INDUSTRIES LIMITED

Date: August 24, 2017

To,  
The Manager – CRD  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai – 400001  
Script Code: 521220

To,  
National Stock Exchange of India Limited  
The Corporate Relation Department,  
Exchange Plaza, Plot no. C/1, G Block  
Bandra - Kurla Complex  
Bandra (E) Mumbai - 400 051  
Script Symbol : DAMODARIND

Subject: Annual Report 2016-17.

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the Annual Report for the Financial Year 2016-17 duly approved in the 29<sup>th</sup> Annual General Meeting of the Company held on Friday, August 11, 2017 at 11.30 A.M. at the Maheshwari Bhawan, 603, Chira Bazar (J. S. Road), Mumbai – 400 002.

Kindly take the same on record.

Thanking You,  
For Damodar Industries Limited

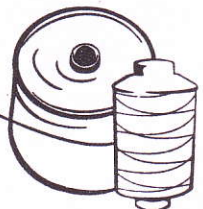
Subodh Kumar Soni  
Company Secretary

Encl: As above.

Regd. Office : A1 / 202, Centre Point, 243-A, N. M. Joshi Marg, Lower Parel (East), Mumbai- 400 013.  
Tel.: 91-22-6661 0301/2, 91-22-2300 1199 | Fax : 91-22-6661 0308

Factory : Survey No. 265 / 10 / 1, 2 & 3, Demni Road, Dadra Village, D. & N. H. (U. T.) - 396 230  
Tel.: 0260-3253390

E-mail : info@damodargroup.com | Website : www.damodargroup.com | CIN : L17110MH1987PLC045575



**TOMORROW'S CREATIVITY  
BROUGHT TODAY**



**DAMODAR INDUSTRIES LTD.**

**29<sup>th</sup> Annual  
Report 2016-17**



## 5 YEAR SNAP SHOT:

( ₹ in Cr.)

| Particulars              | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|--------------------------|---------|---------|---------|---------|---------|
| Turnover                 | 704.27  | 620.94  | 593.04  | 734.97  | 583.38  |
| Total Income             | 704.72  | 621.37  | 593.34  | 735.27  | 583.72  |
| Total Expenses           | 679.21  | 593.27  | 562.77  | 701.25  | 555.35  |
| PBDIT                    | 38.04   | 41.10   | 49.82   | 57.56   | 49.78   |
| Interest                 | 12.53   | 13.00   | 19.25   | 23.54   | 21.41   |
| PBDT                     | 25.51   | 28.10   | 30.57   | 34.02   | 28.37   |
| Depreciation             | 11.87   | 12.78   | 12.50   | 11.11   | 9.82    |
| PBT                      | 13.64   | 15.32   | 18.07   | 22.91   | 18.54   |
| Tax                      | 4.78    | 4.92    | 6.18    | 8.13    | 6.37    |
| PAT                      | 8.86    | 10.40   | 11.89   | 14.78   | 12.17   |
| Earning Per Share ( EPS) | 7.97    | 9.34    | 13.30   | 16.60   | 13.68   |
| Equity Share Capital     | 11.12   | 11.12   | 8.9     | 8.9     | 8.9     |
| Dividend ( % )           | 28      | 27      | 25      | 24      | 20      |

### Important Communication to Members

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

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

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



## CORPORATE INFORMATION

### Board of Directors

|   |   |   |
|---|---|---|
| <b>Mr. Arunkumar Biyani</b><br>Chairman                       | <b>Mr. Ajay D. Biyani</b><br>Managing Director        | <b>Mr. Anil D. Biyani</b><br>Executive Director |
| <b>Mr. Girdharlal S. Daga</b><br>Independent Director         | <b>Mr. Ashok Kumar Damani</b><br>Independent Director |   |
| <b>Mrs. Farida Bomi Jambusarwalla</b><br>Independent Director | <b>Mr. Raghavan Srinivas</b><br>Independent Director  |   |

**Chief Financial Officer**  
Mr. R. Kumar

**Auditors**  
M/s. Jitendra Mishra & Co.  
Chartered Accountants, Mumbai

**Bankers**  
State Bank of India  
Bank of Baroda  
Union Bank of India  
Kotak Mahindra Bank Limited  
Yes Bank Limited

**Company Secretary & Compliance Officer**  
Mr. Subodh Kumar Soni

**Cost Auditors**  
M/s. Dilip M. Bathija  
Cost Accountants

### Registered Office

Damodar Industries Limited  
A1/202, Centre Point,  
243-A, N. M. Joshi Marg,  
Lower Parel (E), Mumbai – 400 013,  
Maharashtra.  
Ph.: 022-66610301-2, Fax: 022-66610308  
E-mail: cs@damodargroup.com  
Website: www.damodargroup.com  
CIN No.: L17110MH1987PLC045575

### Plant Location

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

### Registrar & Share Transfer Agent

Link Intime India Pvt. Limited,  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (W), Mumbai – 400083  
Tel. No.: 022- 49186000  
Fax No.: 022- 49186060  
E-mail: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.com

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**NOTICE**

**NOTICE** is hereby given that the 29th Annual General Meeting of the members of Damodar Industries Limited will be held on Friday, 11th August, 2017 at 11.30 A.M. at the Maheshwari Bhawan, 603, Chira Bazar (J. S. Road), Mumbai – 400 002, Maharashtra, to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Boards of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Ajay D. Biyani (DIN: 00014896), who retires by rotation and is eligible for re-appointment.
4. To ratify the appointment of Auditors and to fixed their remuneration and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provision of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and pursuant to the approval of Members at the 27th Annual General Meeting, the appointment of M/s. Jitendra Mishra & Co. Chartered Accountants, (Firm Registration No. 125334W), as Statutory Auditors of the Company, be and is hereby ratified to hold office as such from the conclusion of 29th Annual General Meeting until the conclusion of next Annual General Meeting of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.”

**Special Business:**

5. To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2018 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such Orders, Rules, Notifications as may be promulgated by the appropriate authorities in this regard, the Cost Auditors appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, be paid the remuneration as set out in the statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any one Director of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in this respect and further to do all such acts, deeds and things and to execute all documents, writings, agreements, deeds, etc. as may be necessary, proper, desirable or expedient to give effect to this resolution.”

6. To approve the expenses for service of documents to members and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder, the consent of the Company be and is hereby accorded to charge, from a member, fee in advance being a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by such member for delivery of such document to him through such mode of service provided that such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.



**RESOLVED FURTHER THAT** the Company Secretary of the Company be and is hereby authorized to estimate the actual expenses and intimate the member for payment of appropriate fee in advance.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any one Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in this respect and further to do all such acts, deeds and things and to execute all documents, writings, agreements, deeds, etc. as may be necessary, proper, desirable or expedient to give effect to this resolution."

7. To Approve the material related party transactions and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015, governing the Related Party Transactions and such other rules as may be applicable and amended from time to time, consent of the shareholders be and is hereby accorded for the following arrangements/transactions (including transfer of resource, service or obligation) to be entered into by the Company with effect from date of passing this resolution at ensuing Annual General Meeting and every year thereafter, up to the maximum per annum amounts as appended in table below:

| Sl. No. | Name of Parties  | Nature of Transactions                            | Estimated Amount<br>(₹ In Crores) |
|---------|--|---|-----------------------------------|
| 1.      | Suam Overseas Pvt. Ltd.  | Sale/Purchase/Job Work                            | 100.00                            |
| 2.      | Shri Damodar Yarn Manufacturing Pvt. Ltd.  | Sale/Purchase/Job Work                            | 50.00                             |
| 3.      | Arunkumar Biyani, Ajay D. Biyani and Anil D. Biyani  | Remuneration to Director                          | 2.00                              |
| 4.      | Arunkumar Biyani, Ajay D. Biyani and Anil D. Biyani  | Interest on Loan                                  | 0.50                              |
| 5.      | Aditya Biyani, Payal Biyani, Abhishek Biyani, Radhika Biyani, Aman Biyani, Bhawna Biyani, Manju Biyani, Sanju Biyani, Kanta Biyani, Akshay Biyani, Reiya Biyani, Risha Biyani, Savitridevi Damodarlal Biyani, Arunkumar Biyani-HUF, Ajay Biyani-HUF, Damodarlal Biyani-HUF, Kiara Biyani | Interest on Fixed Deposits                        | 0.20                              |
| 6.      | Aditya Biyani, Payal Biyani, Radhika Biyani, Aman Biyani   | Remuneration to Employee                          | 0.60                              |
| 7.      | Arunkumar Biyani-HUF, Ajay Biyani-HUF, Aditya Biyani, Shri Damodar Foundation, Arunkumar Biyani, Ajay D. Biyani  | Leasing/sublease/rent for office/Residential flat | 0.15                              |

AND to do all such acts, deeds, matters and things, etc. as may be necessary or desirable including any negotiation/ re-negotiation/ modification/ amendments to or termination thereof, of the subsisting arrangements/ transactions or any future arrangements/ transactions and to make or receive/ pay monies in terms of such arrangements/ transactions.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded to the Board of Directors of the Company and/or a Committee thereof, to severally do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related parties and severally execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving full effect to this resolution, in the best interest of the Company."



8. To Approve the Acceptance of Fixed Deposits and in this regard to consider and if thought to fit to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 73 and 76 and read with Companies (Acceptance of Deposit) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for acceptance of deposits from its members and public on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever and appointment of trustee for depositors and obtain the credit rating from credit rating agencies and extent of deposit insurance from insurance company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

**Registered Office:**

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

Place : Mumbai

Dated: May 29, 2017

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

Sd/-  
**Subodh Kumar Soni**  
Company Secretary



## 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. Pursuant to Section 105 of Companies Act, 2013 and rules made thereunder, a person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution /authority, as applicable.
3. Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the items of special business is annexed herewith..
4. The Share Transfer Books and Register of members of the Company will remain closed from **Wednesday, June 21, 2017 to Saturday, June 24, 2017 (both days inclusive).**
5. Pursuant to Regulation 36 of the SEBI (LODR) Regulations, 2015, the brief resume/details of the Director being re-appointed, annexed hereto.
6. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting.
7. Section 72 and rule 19(1) Share Capital and Debentures Rules 2014 of the Companies Act, 2013, provides for Nomination by the Shareholders of the Company in the prescribed Form No. SH-13 for shares held in physical form. Blank forms will be supplied by M/s. Link Intime India Pvt. Ltd. on request. Members holding shares in dematerialized form may contact their respective Depository Participants for recording of nomination.
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. Pursuant to Section 101 of Companies Act, 2013 read with the relevant Rules, the Company is allowed to serve documents like notice, annual reports, etc., in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2017, will be sent in electronic form to those Members who have registered their e-mail address with their DPs and made available to the Company by the Depositories. However, in case a Member wishes to receive a physical copy of the said documents, the Member is requested to send an e-mail duly quoting his DP ID and Client ID or the Folio number, as the case may be, to [cs@damdoargroup.com](mailto:cs@damdoargroup.com) accordingly, the Company shall update its database by incorporating/updating the designated e-mail address in its records. Please note that the said documents will also be uploaded on the website of the company at [damodargroup.com](http://damodargroup.com) and made available for inspection at the registered office of the Company during business hours of the Company with prior notice.
10. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report of 2017 will be available on the Company's website [www.damodargroup.com](http://www.damodargroup.com). The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.
11. Route Map showing directions to reach to the venue of the 29th AGM is given at the end of this Notice as per the requirement of Secretarial Standards-2 on "General Meeting".
12. Members holding shares in physical form are requested to inform M/s Link Intime India Pvt. Ltd. (Company's Registrar & Transfer Agent), immediately of any change in their address and bank details. Members holding





shares in dematerialized form are requested to intimate all changes with respect to their address, bank details, and mandate etc. to their respective Depository Participants. These changes will then be automatically reflected in the Company's records. This will help the Company to provide efficient and better service to the members.

13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market for transaction of transfer, transmission/transposition and deletion of name of deceased holder. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar & Share Transfer Agents, M/s. Link Intime India Pvt. Ltd. Accordingly, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to M/s. Link Intime India Pvt. Ltd.
14. Members attending the Annual General Meeting are requested to bring with them the followings (as applicable):
  - a) Members holding shares in dematerialized form, their DP & Client ID Numbers.
  - b) Members holding shares in physical form their folio numbers.
  - c) Copy of the Annual Report & Notice.
  - d) The Attendance slip duly completed as per the specimen signature lodged with the Company.
  - e) Member Companies/Institutions are requested to send a copy of the resolution of their Board/Governing Body, authorizing their representative to attend and vote at the Annual General Meeting
15. The Company is pleased to offer e-Voting facility for its Members to enable them to cast their votes electronically. The business as set out in the Notice may be transacted and that:
  - (A) The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (B) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
  - (C) The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again.

**The procedure and instructions for members for voting electronically are as under:**

- I. The voting period begins at 9.00 A. M. on August 8, 2017 and ends at 5.00 P.M. on August 10, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 3, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- IV. Now click on "Shareholders" to cast your votes
- V. Now, select the "Damodar Industries Limited" from the drop down menu and click on "Submit".
- VI. Now Enter your User ID.
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.



- VII. Next enter the Image Verification as displayed and Click on Login.
- VIII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- IX. If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |   |
|--|---|
| PAN  | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul> |
| Dividend Bank Details Or Date of Birth (DOB)               | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>  |

- X. After entering these details appropriately, click on "SUBMIT" tab.
- XI. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XIII. Click on the EVSN for Damodar Industries Limited.
- XIV. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XVI. 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.
- XVII. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVIII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XIX. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XX. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.



XXI. Non-Individual shareholders and Custodian:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

XXII. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- (A) The voting right of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut off date of August 3, 2017.
- (B) Mr. Vishal Manseta (Membership No. ACS 25183), Practicing Company Secretary, Mumbai has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
- (C) The Scrutinizer shall within a period of three (3) working days from the conclusion of the Shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, votes cast in favour or against, if any, to the chairman of the Company.
- (D) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.damodargroup.com](http://www.damodargroup.com) and on the website of CDSL within 3 (three) days of passing of the resolution at the AGM of the Company and communicated to the exchanges i.e. BSE Limited and National Stock Exchange of India Limited.
- (E) Members who are not casting their vote electronically may cast their vote at the Annual General Meeting.

**EXPLANATORY STATEMENT**

(Pursuant To Section 102 (1) of the Companies Act, 2013)

**Item No. 5:**

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Dilip M. Bathija, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 at a remuneration of Rs. 30,000/- (Rupees Thirty Thousand only), subject to payment of applicable taxes thereon and re-imbursement of out of pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, consent of the members is sought to ratify the remuneration payable to the Cost Auditors.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel and their relatives, is concerned or interested (financially or otherwise) in the resolution as set out at Item No. 5 of the Notice.

**Item No. 6:**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on May 29, 2017 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel and their relatives, is concerned or interested (financially or otherwise) in the resolution as set out at Item No. 6 of the Notice.

**Item No. 7:**

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The Listing Regulation which has come into operation with effect from December 1, 2015 has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to Section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

All the proposed transactions put up for approval are in ordinary course of business and at arm's length basis. Pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following contracts / arrangements / transactions is material in nature and require the approval of the unrelated shareholders of the Company by a Ordinary Resolution:





| Sl. No. | Name of Parties   | Nature of Transactions                            | Estimated Amount<br>(₹ In Crores) | Material Terms/Particulars of the contract or arrangement   |
|---------|---|---|-----------------------------------|---|
| 1.      | Suam Overseas Pvt. Ltd.   | Sale/Purchase/Job Work                            | 100.00                            | Purchase of material by the Company from and the sale of Company's product(s) to these companies are dependent on the requirement of the Company for its products from time to time and ability of supply of specified material by these companies. However, such transactions would at all times be on arm's lengths basis and in the ordinary course of the Company's business. |
| 2.      | Shri Damodar Yarn Manufacturing Pvt. Ltd.   | Sale/Purchase/Job Work                            | 50.00                             |   |
| 3.      | Arunkumar Biyani, Ajay D. Biyani and Anil D. Biyani   | Remuneration to Director                          | 2.00                              | As per Agreement with Directors and approved by shareholders.   |
| 4.      | Arunkumar Biyani, Ajay D. Biyani and Anil D. Biyani   | Interest on Loan                                  | 0.50                              | Interest at rates not more than the rates prevailing in the market for similar loans.   |
| 5.      | Aditya Biyani, Payal Biyani, Abhishek Biyani, Radhika Biyani, Aman Biyani, Bhawna Biyani, Manju Biyani, Sanju Biyani, Kanta Biyani, Akshay Biyani, Reiya Biyani, Risha Biyani, Savitridevi Damodarlal Biyani, Arunkumar Biyani-HUF, Ajay Biyani-HUF, Damodarlal Biyani-HUF, Kiara Biyani. | Interest on Fixed Deposits                        | 0.20                              | As per Unsecured Fixed Deposit Scheme of the Company.   |
| 6.      | Aditya Biyani, Payal Biyani, Radhika Biyani, Aman Biyani  | Remuneration to Employee                          | 0.60                              | The Board of Director has appointed.  |
| 7.      | Arunkumar Biyani-HUF, Ajay Biyani-HUF, Aditya Biyani, Shri Damodar Foundation, Arunkumar Biyani, Ajay D. Biyani   | Leasing/sublease/rent for office/Residential flat | 0.15                              | The Company has entered into agreements with respective related parties for leasing/subleasing/ office sharing of the property/flat situated at Mumbai and Silvasa.   |



The other related information as envisaged under Companies (Meetings of Board and its Powers) Rules, 2014 and amendments thereto are furnished hereunder:

| Name of the Related Party   | As per table above   |
|---|--|
| Name of the Director or Key Managerial Personnel who is related, if any                                   | Arunkumar Biyani, Ajay D. Biyani & Anil D. Biyani  |
| Nature of Relationship  | <p>Arunkumar Biyani, Ajay D. Biyani &amp; Anil D. Biyani, Directors of the Company holds 6.67%, 20% &amp; 15% shares respectively of Suam Overseas Pvt. Ltd.</p> <p>Arvind Damodarlal Biyani, Director of Shri Damodar Yarn Manufacturing Pvt. Ltd. is brother of Arunkumar Biyani, Ajay D. Biyani &amp; Anil D. Biyani, directors of Damodar Industries Limited.</p> <p>Aditya Biyani - Payal Biyani, Aman Biyani- Bhawana Biyani are sons and daughters in law of Arunkumar Biyani. Abhishek Biyani- Radhika Biyani are son and daughter in law of Shri Ajay D. Biyani. Smt. Manju Biyani, Smt. Kanta Biyani and Smt. Sanju Biyani are respective wives of Arunkumar Biyani, Ajay D. Biyani and Anil D. Biyani. Akshay Biyani is Son of Anil D. Biyani. Savitridevi Biyani is mother of Arunkumar Biyani, Anil D. Biyani, Ajay D. Biyani, Directors of the Company. Reiya and Risha Biyani are Daughters of Aman Biyani. Kaira Biyani is daughter of Aditya Biyani</p> |
| Any other information relevant or important for the members to take a decision on the proposed resolution | None   |

The above contracts / arrangements / transactions were approved by the Audit Committee at its meeting held on May 29, 2017 and recommended by the Board of Directors to the unrelated shareholders of the Company for their approval.

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of material Related Party Transactions is sought from the shareholders.

The Board recommends the Ordinary Resolution as set out at item No. 7 of the Notice for approval of the members.

Save and except Mr. Arunkumar Biyani, Mr. Ajay D. Biyani and Mr. Anil D. Biyani Executive Directors of the Company and their relatives, to the extent of their shareholding interest, if any, none of the other directors/ key managerial personnel of the Company and their relatives is in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 7 of the Notice.

#### Item No. 8:

The Company is required to obtain approval of scheme of Acceptance of Unsecured Fixed Deposits, in terms of the provisions of Companies Act, 2013 and read with Companies (Acceptance of Deposit) Rules, 2014 amended from time to time. Therefore, the special resolution as Item 8 to the annexed is recommended for your approval.



The scheme, Terms and conditions and other details of the fresh Schemes for acceptance Unsecured Fixed Deposits Scheme is given hereunder:

The circular or circular in the form of advertisement shall contain the following:

**1. GENERAL INFORMATION**

- (a) Name of the Company : DAMODAR INDUSTRIES LIMITED  
A1/202, Centre point, 243-A, N. M. Joshi Marg,  
Lower Parel (E), Mumbai – 400 013  
Phone No.: 022-66610301/2  
Fax No.: 022- 66610308  
Email ID: cs@damodargroup.com  
www.damodargroup.com  
CIN No.: L17110MH1987PLC045575

- (b) Date of incorporation of the company : 11th December, 1987

- (c) The business carried on by the Company & its Subsidiaries with details of branches or units, if any:

The Company is engaged in the business of manufacturing and processing of Cotton yarn and Fancy yarn.

The Company has its Registered Office at Mumbai and factory at Silvassa.

OFFICE : The Company has office at:-  
Mumbai : A1/202, Centre Point, 243-A, N.M. Joshi Marg, Lower Parel (East), Mumbai - 400 013  
: 5/145-B, Dr. Viegas street, Ground floor, Kalbadevi, Mumbai – 400 002  
WORKS : The Company's manufacturing units are situated at:-  
Dadra (U.T.) : Survey No. 265/10/1, 2, 3, Demni Road, Dadra Village, D & N.H. (U.T.)– 396 230  
Daman (U.T.) : Plot No. 165/67/68, Dabhel Ind. Co.-Op. Soc., Dabhel, Nani Daman (U.T.) – 396210

The Company has no subsidiaries.

- (d) Brief particulars of the Managements of the Company.

The Company is managed by the Managing Director and Whole-Time Director's, subject to the supervision, direction and control of the Board of Directors.

- e) Name, Occupation, DIN and Addresses of the Directors:

| Name of Director                                   | Address  | DIN      | Occupation |
|--|--|----------|------------|
| (i) Shri Arunkumar Biyani<br>(Chairman)            | 1702, Sumer Trinity<br>Tower No.1, New Prabhadevi<br>Road, Mumbai – 400 025                        | 00016519 | Business   |
| (ii) Shri Ajay D. Biyani<br>(Managing Director)    | 1704, B-2, 17th Floor,<br>Sumer Trinity, New Prabhadevi<br>Road, Prabhadevi,<br>Mumbai – 400 025   | 00014896 | Business   |
| (iii) Shri Anil D. Biyani<br>(Whole-Time Director) | 1804, B-2, 18th Floor,,<br>Sumer Trinity, New Prabhadevi<br>Road, Prabhadevi ,<br>Mumbai – 400 025 | 00016554 | Business   |



| Name of Director   | Address  | DIN      | Occupation                            |
|--|--|----------|---------------------------------------|
| (iv) Shri Girdharlal S. Daga<br>(Independent Director)         | 31-7th Floor, Gita Smruti<br>Building PT, Ramabhai Road,<br>Gamdevi, Mumbai – 400 007                        | 00115772 | Practicing<br>Chartered<br>Accountant |
| (v) Shri Raghavan Srinivas<br>(Independent Director)           | E 203, Vatika Township<br>Near Model Town<br>Dumbhal, Surat - 395010   | 07090385 | Service                               |
| (vi) Shri Ashok Kumar Damani<br>(Independent Director)         | 83, Mistry Park Co- op Society<br>77, Bhulabhai Desai Road,<br>Breach Candy,<br>Mumbai – 400026, Maharashtra | 00069143 | Business                              |
| (vii) Smt. Farida Bomi Jambusarwalla<br>(Independent Director) | 495, Homiyar Villa, Daulat<br>Nagar, VapiDaman Road,<br>Chala,Vapi - 396191 Gujarat.                         | 07139945 | Consultant                            |

(f) Management's perception of risk factors:

The deposit accepted by the company are unsecured and rank pari passu with other unsecured liabilities of the company.

(g) The Company has not made any default in -

- i) repayment of Deposits or interest thereon
- ii) statutory dues;
- iii) debentures and interest thereon - N.A.
- iv) loan from any bank or financial institution and interest thereon.

## 2. PARTICULARS OF THE DEPOSIT SCHEME

|    |  |   |
|----|--|---|
| a. | Date of passing of Board Resolution                  | May 29, 2017  |
| b. | Date of passing of resolution in the General Meeting | Resolution has been proposed for the Approval of members in the notice convening 29th Annual General Meeting to be held August 11, 2017 |
| c. | Type of deposits                                     | UNSECURED DEPOSITS  |

d. Amount which the company can raise and the aggregate deposits actually held as on 31st March, 2017.

(₹ in Lakhs)

| SI No. | Particulars  | Limit up to which deposit can be accepted | Deposit outstanding as on March 31, 2017 |
|--------|--|---|--|
| 1.     | From Public (35% of the aggregate paid up capital and free reserves)   | 3278.08                                   | 1022.78                                  |
| 2.     | From Share Holders or any guarantee by any Director (10% of the aggregate paid up capital and free reserves) | 936.60                                    | 0.00                                     |
|        | <b>Total</b>   | <b>4214.68</b>                            | <b>1022.78</b>                           |





- The Aggregate of Deposit actually held on the last day of the immediately preceding financial year, i.e. March 31, 2017: Rs. 10,22,78,000/-
- The aggregate of Deposits repayable within the next Twelve months as on the last day of the immediately preceding financial year i.e. March 31, 2017: Rs. 2,78,21,000/-

**e. Terms of rising of deposits: Duration, Rate of interest, mode of payment and repayment:**

**SCHEME**  
**Quarterly Interest Payable**

| <b>Period (Months)</b> | <b>Minimum deposit (Amount in ₹)</b> | <b>Rate of Interest (p.a.)</b> | <b>Rate of Interest (p.a.) Senior Citizen / Employee of the Company</b> |
|------------------------|--------------------------------------|--------------------------------|---|
| 12                     | 5,000                                | 10%                            | 10.50%  |
| 24                     | 5,000                                | 10.50%                         | 11%   |
| 36                     | 5,000                                | 11%                            | 11.50%  |

**f. TERMS & CONDITION GOVERNING FIXED DEPOSIT SCHEME APPLICATION AND AMOUNT OF DEPOSIT:**

1. APPLICATION FOR UNSECURED DEPOSITS will be accepted in the prescribed form, duly completed, should be lodged at the Fixed deposit Department of the company at the Company's Registered Office at Mumbai or Factory at Silvassa or at the offices of the authorised brokers.
2. Deposit should be made by an "A/c Payee: cheque /bank draft payable at Mumbai and drawn in favour of DAMODAR INDUSTRIES LIMITED and payable at Mumbai. OUTSTATION CHEQUE WILL NOT ACCEPTED.
3. Deposited will not be accepted in cash and Fixed cannot be placed out of/utilizing any kind of borrowed funds & depositors will have to give a declaration that the deposit is not made out of the borrowed funds from any sources.
4. Minimum amount of Unsecured deposit accepted in Rs.5000/- and in Multiples of Rs.1000/- thereafter.
5. Unsecured Deposits will be accepted from Resident Individuals (either in single name or in joint names not exceeding three). Deposits from minors will be accepted only through guardians. Deposit will not be accepted from Non- Residents, Foreign Nationals, Unregistered Trust and Partnership Firm. Signature by thumb impression must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his official Seal.

**PERIOD OF DEPOSIT AND INTEREST**

6. Unsecured Deposit shall be for a fixed period of 1, 2 or 3 years. Interest will be due and payable quarterly on 31st March, 30th June, 30th September and 31st December every year and last payment of interest will be on the date of maturity of deposit. Interest will be calculated on the basis of 365 days a year from the date of realization of the cheque/demand draft by the company.
7. Interest will cease on the date of maturity of the deposit.
8. Payment of interest will be made by ECS/"account payee" cheques drawn on the Company's Bankers and payable at par at specified branches in India. Interest warrants will be dispatched by ordinary post and shall not be responsible for any loss and delay in transit. Where the due date falls on a Sunday/ Bank Holiday, the payment will be made on the next working day.
9. Notification to the company regarding change in address etc. must be lodged at least 45 days before the date on which interest payment falls due.



10. Excess Interest paid, if any, under any circumstances, will be recovered from the subsequent payment of interest or the principal amount.

#### **INCOME TAX ON INTEREST:**

11. If the interest paid at any time exceeds the limits prescribed by the Income Tax Act, 1961, Tax at appropriate rate will be deducted at source from Interest. Under the regulation currently in force, no tax will be deducted if the amount of interest paid and/or credited in a year does not exceed Rs. 5000/-. In case of a depositor with total income less than the minimum liable to tax during the financial year (i.e. 1st April to 31st March), no tax will be deducted on producing a declaration to the effect in the prescribed Form (in duplicate) duly signed by the depositor at the beginning of each financial year.
12. Tax to be deducted will be determined after clubbing all deposits a person have in his/her capacity as the first named depositor.

#### **UNSECURED FIXED DEPOSIT RECEIPTS:**

13. Unsecured Deposits will be accepted in joint name not exceeding three. The First depositor will be regarded as the benefit owner of the Deposit and will be treated as the payee for the purpose of deducting tax U/s 194A of the Income Tax Act, 1961.
14. All Correspondence in such deposits will be address to the person whose name appears first on the unsecured deposit receipt. All cheque/warrants for the payment of principal amount will be drawn in favour of the person(s) opted in the application from. Any discharge given by such persons for payment of interest and the principal amount shall be valid and binding on all the joint depositor. No subsequent change in the order of names of depositor/s or replacement of the joint depositors/ will be accepted.
15. In case of instruction on any matters (except re-payment as opted in the application for overleaf), relating to this fixed deposit are to be given, application in that behalf should be signed by all the joint holders and not by any one of them. The Company shall not act upon instruction of any one of them and they shall not be binding to the company.
16. Deposit Receipt will be forwarded by Registered Post/Courier at the address of the first applicant given in the Applicant Form.
17. In case deposits made in joint names, all correspondence/payment of interest and refund will be in favour of the first named depositor only.
18. In the event of loss, destruction or mutilation of the Fixed Deposit Receipt, the Company may, at its sole discretion, issue a duplicate receipt, subject to compliance with such terms and conditions, including indemnity from the depositor(s) as the Company may require. All expenses in this connection will be borne by the depositor(s).
19. Deposit receipts are neither negotiable nor transferable. However, the Company may, at its sole discretion permit the addition of one name of the Deposit Receipt under certain circumstances and subject to such terms and conditions as it may deem fit.
20. The Company will take approximately Twenty one days to issue Deposit Receipts.

#### **RENEWAL / REPAYMENT OF DEPOSITS:**

21. The deposit receipt duly discharged on a revenue stamp should be sent to the Company at its Registered Office at Mumbai at 30 days before the date of maturity, to enable the Company to renew/refund the deposit on the due date. No renewals will be done after expiry of a period of 3 months from the date of maturity. Deposits may be renewed on the basis of fresh application but solely at the discretion of the Company.
22. NO PART RENEWAL/REFUND will be permitted. No change in the order of depositors will be allowed.
23. Fixed deposits will be repaid only on maturity. However, the Company may, at its sole discretion, permit



premature refund. In such cases, the rate of interest payable on such deposits will be reduced by such percentage as prescribed under the Companies (Acceptance of Deposits) Rules, 2014. Excess interest paid, if any, will be recovered from the principal amount at the time of repayment. It is clarified that no interest will be paid on premature withdrawal of deposits before a period of six months.

24. Repayment of fixed deposits will be made by account payee cheques drawn on Company's bankers and payable at per at all its branches in India. Refund cheques will be dispatched by ordinary post/Courier. However, cheques of ₹ 10,000/- and above will be sent by Registered Post. Where the due date for the payment falls on Sunday / Holiday, the payment will be made on the next working day.
25. In event of death of the first depositor, the repayment of deposit and payment of interest will be made to the person first in order of the heirs and/or legal representatives of the deceased.
26. In the event of death of sole depositor, the fixed deposit amount together with interest due thereon, will be paid to the nominee, if any, stated in the application, on proof of identity or to the legal representative(s) of the deceased on production of proper legal representation such as Probate of the Will, Succession Certificate or Letters of Administration granted by a Court of Competent Jurisdiction.

**NOMINATION:**

27. Nomination facility may be availed only by individuals applying singly Minors may also be nominated.  
However the applicant should appoint a guardian other than himself. In the event of death of the deposit holder, the Company will deal with the guardian, till the minor attains majority. The nominee must be a Resident Indian Only. An NRI cannot be nominated. If the nominee pre-deceases the deposit holder, he applicant can, on production of death certificate, substitute the name of the nominee and guardian.
28. The company will not recognize any lien on or assignment of Unsecured Fixed Deposit and/or interest thereon.
29. The Company reserves the right, subject to the provision of the companies (Acceptance of Fixed Deposits) Rules, 2014 as amended from time to time.
  - (a) To accept deposited only for such period as it may decided from time to time.
  - (b) To reject any application for a fresh deposit or for renewal without assigning any reason.
  - (c) To repay deposits prematurely before the due date.
30. Deposit will be subject to the Companies (Acceptance of Deposit) Rules, 2014 as amended from time to time and any other regulation prescribed by the Central Government, the Reserve Bank of India, or any other statutory authority.
31. In case Deposit is made under Power of Attorney, the relevant Power of Attorney must be lodged with the company at the time of Application.  
In case of loss refund/interest cheque, duplicate will be issued only after 4 months on production of an indemnity bond duly signed by all depositors. All expenses in this connection will be borne by the depositor(s).
32. The Company reserves the right to commence/discontinue at any time acceptance of deposits and to alter or amend any of the terms and conditions mentioned hereinabove without assigning any reasons.
33. All complaints/ grievances may be sent to Stakeholder Relation Committee.
34. Unsecured Fixed Deposits accepted are subjected to Mumbai Jurisdiction.

**g. Proposed Schedule:**

This Scheme is applicable on the date on which the members of the company will approve the same. The circular issued under this scheme is valid until expiry of the six months from the date of closure of Financial Year



in which it is issued or until the date on which the financial statement is laid before the company in Annual General Meeting or, where the annual general meeting for any year has not been held, the latest day on which that meeting should have been held in accordance with the provision of the Act, whichever is earlier.

**h. Object of raising the deposit:**

To meet financial requirement for the running the business of the company.

**i. Credit rating obtained:**

Name of the Credit Rating Agencies Rating obtained: CRISIL Limited

Rating : FA-/Stable

Meaning of the rating obtained: This rating indicates that the degree of safety regarding timely payment of interest and principal is satisfactory.

Date on which rating was obtained: 19/08/2016

**j. Extent of deposit insurance:**

The Company will obtain cover for the unsecured deposit and interest due thereon. The deposit insurance contract shall provide in case the company defaults repayment of Principal amount and interest thereon, the depositor shall be entitled to the repayment Principal amount and interest thereon, in case of any deposit and interest not exceeding rupees Twenty Thousand, the deposit insurance contract provides for payment of the full amount of deposit and interest and in the case of any deposit and interest thereon in excess of rupees Twenty Thousand, the deposit insurance covers for payment of upto Rupees Twenty Thousand for each depositor.

The same terms and conditions including rate of interest are also applicable to Promoter Directors and key Managerial personnel.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is in any way concerned or interested, financially or otherwise, in the aforesaid resolution.

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

Place: Mumbai  
Dated: May 29, 2017

Sd/-  
**Subodh Kumar Soni**  
Company Secretary





|   |   |
|---|---|
| Name of the Director                    | Mr. Ajay D. Biyani  |
| Date of Birth                           | 04/05/1962  |
| Nationality                             | Indian  |
| Date of appointment on Board            | 05/06/1988  |
| Qualification                           | B.Com.  |
| Expertise in specific functional areas  | He is the Managing Director of the Company, He oversees the production activities, Strategic Planning Functions, Expansion and Acquisition Plans. |
| Directorships held other companies      | Panna Yarn Pvt. Ltd.  |
| Member of Committees of the Board       | Risk Management Committee   |
| Member of committees in other Companies | Nil   |
| Shares held in the Company              | 17,00,000   |



## BOARD'S REPORT

Dear Shareholders,

Your Directors have the pleasure of presenting their Twenty Ninth Annual Report on the business and operations of the Company on standalone basis and the accounts for the financial year ended March 31, 2017.

### FINANCIAL RESULTS:

(₹ In Lakhs)

| Particulars                                     | 2016-17  | 2015-16  |
|---|----------|----------|
| Sales & Other Income                            | 70472.56 | 62136.80 |
| Profit before Depreciation & Tax                | 2551.79  | 2809.94  |
| Depreciation                                    | 1187.05  | 1277.97  |
| Profit before Tax                               | 1364.74  | 1531.97  |
| Provision for Taxation including Deferred Taxes | 478.21   | 492.56   |
| Profit after Tax                                | 886.53   | 1039.41  |
| Profit brought forward from previous year       | 4550.84  | 4295.49  |
| Profit available for appropriation              | 5437.37  | 5334.91  |
| Appropriation                                   |          |          |
| Transfer to General Reserve                     | 200.00   | 422.52   |
| Interim Dividend @ 15%                          | -        | 166.89   |
| Proposed Final Dividend @ 28 %                  | 311.52   | 133.51   |
| Corporate Dividend Tax                          | 63.42    | 61.15    |
| Profit carried to Balance Sheet                 | 4862.43  | 4,550.84 |

### REVIEW OF PERFORMANCE

Your Company has delivered another year of strong performance in the financial year 2016-17 in a competitive market environment. On the standalone basis, your Company recorded total sales of Rs. 70427.46 Lakhs with a growth of 13.41% over Rs. 62094.56 Lakhs of the last fiscal. Total Export Turnover of the Company was Rs. 43771.44 Lakhs in the year 2016-17. The profit after tax for the financial year is Rs. 886.53 Lakhs and during the previous year it was Rs. 1039.41 Lakhs.

### LISTING AT NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Our Company shares were listed at National Stock Exchange of India Limited on July 4, 2016 with scrip code of DAMODARIND.

### DIVIDEND

The Directors recommend a dividend of Rs.2.80 per equity share (28%) per Equity Share of Rs.10 each for the year 2016-17. The dividend, if sanctioned at the forthcoming Annual General Meeting, will be paid to those members whose names appear in the Company's Register of Members on June 20, 2017. In respect of shares held in dematerialised form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Security Depository Limited and Central Depository Services (India) Limited.

### TRANSFER TO RESERVES

The Company proposes to transfer Rs. 200.00 Lakhs to the General Reserve out of the amount available for appropriations and an amount of Rs. 4862.43 Lakhs is proposed to be retained in the Profit and Loss Account.

### RESERVE AND SURPLUS

Reserves and Surplus stood at to Rs. 8253.36 Lakhs as at March 31, 2017 compared to Rs. 7741.78 Lakhs as at March 31, 2016. The increase was due to retained earnings.

**BOARD MEETINGS**

The Board of Directors duly met 6 times during the financial year from April 1, 2016 to March 31, 2017. The dates on which the meetings were held are as follows:

May 27, 2016, August 5, 2016, August 20, 2016, November 9, 2016, January 30, 2017 and March 9, 2017.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The current policy is to have an appropriate mix of executive and independent directors. On March 31, 2017 the Board consists of seven members, three of whom are executive directors or whole Time Director and four are independent directors.

The policy of the Company on directors' appointment and remuneration including criteria for determining qualification, positive attributes independence of director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013 is available on our website [www.damodargroup.com](http://www.damodargroup.com). There has been no change in the policy since the last fiscal year. We affirm that remuneration paid to directors is as per the terms laid out in the nomination and remuneration policy of the company.

**DECLARATION BY INDEPENDENT DIRECTOR(S)**

The Board of Directors hereby certify that the Independent Directors appointed on the Board, meet the criteria pursuant to Section 149(6) of the Companies Act, 2013.

Further, The Company has received necessary declaration from each independent director under section 149 (7) of the Companies Act, 2013, that he/she meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

**BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings.

**FAMILIARIATION PROGRAMME FOR INDEPENDENT DIRECTORS**

All new independent directors inducted into the Board attend an orientation programme. The Details of training and familiarisation programme are provided in the Corporate Governance Report and also available on our website [www.damodargroup.com](http://www.damodargroup.com).

**CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for prevention of insider trading is available on our website [www.damodargroup.com](http://www.damodargroup.com).

**CHANGE IN NATURE OF BUSINESS, IF ANY**

During the year, there was no change in the nature of business of the Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENT****Mr. Ajay D. Biyani - Retiring Director:**

As per the provisions of Companies Act, 2013 Mr. Ajay D. 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.

**Mr. R. Kumar as Chief Financial Officer:**

The Board of Directors at its meeting held on May 29, 2017 had appointed Mr. R. Kumar, as Chief Financial Officer of the Company in place of Mr. Nirbhay R. Bora.

Mr. R. Kumar, having Master Degree in Commerce and he has experience in the field of Commerce, Banking and Finance.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134(3) of the Companies Act, 2013, the Directors would like to state:

- (a) that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the annual financial statements have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**COMMITTEE OF THE BOARD**

The Board has five committees, the Audit Committee, the Nomination and Remuneration Committee, the Stake holders Relationship Committee, the Corporate Social Responsibility Committee, the Risk Management Committee. The detailed note on the composition of the Board and its committees is provided in the Corporate Governance report section of this Annual Report.

**STATUTORY AUDITORS AND AUDITOR'S REPORT**

In accordance with Section 139 of the Companies Act, 2013, M/s. Jitendra Mishra & Co, Chartered Accountants (FRN No. 125334W), were appointed by the shareholders of the Company at the 27th Annual General Meeting held on August 7, 2015, as Statutory Auditors for a period of 5 years to hold office until the conclusion of the 32nd Annual General Meeting of the Company in calendar year 2020.

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of the Statutory Auditor is required to be ratified by the shareholders at every Annual General Meeting during their tenure.

M/s. Jitendra Mishra & Co, Chartered Accountants (FRN No. 125334W), have confirmed that they are eligible for having their appointment as Statutory Auditors ratified at this Annual General Meeting (AGM). Accordingly, approval of shareholders is being sought at this AGM for ratification of their appointment.

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2017.



**SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s. Pramod Jain & Co., Practicing Company Secretaries, as its Secretarial Auditor to undertake the Secretarial Audit for the financial year 2017-18.

The Secretarial Audit Report of M/s. Pramod Jain & Co., Practicing Company Secretaries for the financial year ended March 31, 2017 is annexed as **Annexure-A**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**COST AUDIT**

M/s. Dilip M. Bathija, Cost Accountants (FRN No.100106) have been duly appointed as Cost Auditors for conducting Cost Audit in respect of products manufactured by the Company which are covered under the Cost Audit Rules for current financial year ending March 31, 2018. They were also the Cost Auditors for the previous year ended March 31, 2017. As required by Section 148 of the Companies Act, 2013, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by the Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2018.

**INTERNAL AUDITOR**

As per requirements of Section 138(1) of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, the Board of Directors of the Company had appointed M/s. Shailendra Jain & Associates, Chartered Accountants as Internal Auditor of the Company to conduct Internal Audit of business processes, financial reporting controls, compliance with applicable laws, regulations etc for the year 2016-17.

The Board of Director appointed M/s. Pokharna Somani & Associates, Chartered Accountants as internal Auditor of the Company for the F.Y. 2017-18.

**FIXED DEPOSITS**

Details relating to Fixed Deposits, covered under Chapter V of the Companies Act, 2013, as under:

- |   |                     |
|---|---------------------|
| a. Accepted during the year   | : Rs. 5,99,44,000/- |
| b. Remained unpaid or unclaimed as at the end of the year   | : Rs. 3,25,000      |
| c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year | : Nil               |

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, 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 August 20, 2016 (date of last Annual General Meeting) on the Company's website ([www.damodargroup.com](http://www.damodargroup.com)), as also on the Ministry of Corporate Affairs' website.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.



## **CORPORATE GOVERNANCE**

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

A separate section on corporate governance and a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per Regulations 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

## **RISK MANAGEMENT**

At present there is no identifiable risk which, in the opinion, of the Board may threaten the existence of the Company.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

As required under Regulation 34(2) (e) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

## **VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES**

The Company has established a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism provides for adequate safeguards against victimization of person who use vigil mechanism and also provide direct access to Chairman of the Audit Committee and Managing Director of the Company in appropriate and exceptional cases.

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.damodargroup.com](http://www.damodargroup.com)

## **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION & REDRESSAL) ACT, 2013**

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero- tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action.

The Company has established a policy as per under Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 against Sexual Harassment for its employees. The policy allows any employee to freely report any such act and prompt action will be taken thereon. The Policy lays down severe punishment for any such act. Further, your Directors state that during the year under review, there were no cases of sexual harassment reported to the Company.

## **MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT**

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report other than those disclosed in the financial statements.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-B** to this report.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-C**.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate Social Responsibility is the Company's intent to make a positive difference to the society. As per Companies Act, 2013 which requires Companies contribute some part of its profits towards the CSR activities. We have adopted Corporate Social Responsibility as a strategic tool for sustainable growth. With the CSR Vision, Build a powerful partnership Society for Sustainable Development and to improve the quality of life of the communities we serve through long term stakeholders' value creation. We are committed to operate our business with emphasis on CSR in all areas of our operation. The Corporate Social Responsibility Policy enumerating the CSR activities to be undertaken by the Company, in accordance with Schedule VII to the Companies Act, 2013 was recommended to the Board and the Board adopted the same.

The said policy is also available on the website [www.damodargroup.com](http://www.damodargroup.com). The Annual Report under CSR activities is annexed to the report as **Annexure D**.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The prescribed particulars of Employee required under section 197 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-E** as form the part of Boards Report.

**PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

The Company has formulated a policy on dealing with Related Party Transaction. The said policy is available on the Company's website [www.damodargroup.com](http://www.damodargroup.com)

Pursuant to the provisions of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, prior approval of Audit Committee was sought for entering into related party transactions. During the year the Company had entered into related party transaction with family members of executive directors of the company as per Listing Regulations. The Company had taken the approval from the shareholders at Annual General Meeting held on August 20, 2016 for entering into related party transaction as per listing regulations and the particulars contracts entered during the year as per form AOC-2 is enclosed as **Annexure-F**.

**DISCLOSURE OF POLICIES**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed Companies. All our Corporate Governance policies are available on our website [www.damodargroup.com](http://www.damodargroup.com). All our corporate policies are reviewed periodically by the Board and undated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have adopted by the Company are as follows:

- **NOMINATION, REMUNERATION AND EVALUATION POLICY:** The policy formulates the criteria for determining qualification competencies, positive attributes and independence of a director and also criteria for determining the remuneration of the directors' key managerial personnel and other employees. The said policies is attached as **Annexure-G** as form the part of Boards Report.
- **RELATED PARTY TRANSACTION POLICY:** The Policy regulated all transaction between the Company and its related party in terms of Section 188 of the Companies Act, 2013
- **CORPORATE SOCIAL RESPONCIBILITY:** The Policy outlines the Company strategy to bring about a positive impact on society through programme relating to hunger, education healthcare and environment.
- **POLICY ON MATERIAL SUBSIDIARIES:** The policy used to determine the material subsidiaries and material non listed Indian subsidiaries of the Company.



- **WHISTLE BLOWER POLICY:** The Company adopted the whistle blower mechanism for director and employee to report concerns about unethical behavior, actual or suspected fraud, violation of Company rules of other matters or activity on account of which the interest of the company affected.
- **INSIDER TRADING POLICY:** The policy provides the framework in dealing with securities of the Company.

#### **INTERNAL CONTROL SYSTEM AND AUDIT**

In terms of Section 134 of the Companies Act 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditors report to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee on a regular basis.

#### **GENERAL DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

##### **(A) ISSUE OF SHARE WITH DIFFERENTIAL RIGHTS**

The Company has not issued any shares with differential rights and hence no disclosure is required as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

##### **(B) ISSUE OF SWEAT EQUITY SHARES**

The Company has not issued any sweat equity shares during the year under review and hence no disclosure is required as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

##### **(C) ISSUE OF EQUITY SHARES UNDER EMPLOYEE STOCK OPTION SCHEME**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no disclosure is required as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

#### **APPRECIATION**

Your Directors thank the viewers, suppliers, bankers, Financial Institutions, Central and State Governments and Shareholders, for their consistent support to the Company. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the company.

**For and on behalf of the Board**

**Sd/-**

**Arunkumar Biyani**  
**Chairman**

Place: Mumbai

Date: May 29, 2017

**Annexure – A****Form -MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

**M/s. Damodar Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Damodar Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from April 1, 2016 and ended March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Damodar Industries Limited** ("The Company") for the financial year ended on 31st March, 2017 and made available to me, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
  - v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - vi. Other laws applicable specifically to the Company.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
  - i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - ii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008





- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. We have also examined compliance with the applicable clauses of the following:
  - i. Secretarial Standards issued by The Institute of Company Secretaries of India, and
  - ii. The Listing Agreements entered into by the Company with the Stock Exchanges i.e., National Stock Exchange of India and BSE Limited;
4. During the financial year under report, the Company has complied with the provisions of the Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations ;

#### **OBSERVATIONS:**

- (a) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of:
  - (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - (ii) Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
  - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (b) As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
6. We further report that:
  - (a) The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.
  - (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
7. We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Pramod Jain & Co.  
Company Secretaries**

Sd/-

**Pramod Kumar Jain**  
Proprietor

Place : Indore  
Date : May 29, 2017

**FCS-6711, CP No: 11043**

**Annexure – B****Conservation of energy, research and Development, Technology absorption, foreign exchange earnings and outgo** (Particulars pursuant to Section 134 (8) (3) of the Companies Act, 2013).**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:

| Particulars                          | 2016-17   | 2015-16   |
|--------------------------------------|-----------|-----------|
| [A] Power and fuel consumption       |           |           |
| 1. Electricity                       |           |           |
| A) Purchased unit                    | 33177891  | 36025490  |
| Amount (₹)                           | 137851741 | 153404505 |
| Rate/Unit (₹)                        | 4.15      | 4.26      |
| B) Own Generation                    |           |           |
| i) Through Diesel Generator Unit     | 29134     | 32752     |
| ii) Unit/Liter of Diesel Oil         | 4         | 4         |
| iii) Fuel cost / unit (₹)            | 13.61     | 12.20     |
| [B] Electricity units Consumption in |           |           |
| Production of Yarn per KG. (Unit/Kg) | 2.01      | 2.42      |

**RESEARCH AND DEVELOPMENT**

- Specific areas in which R & D was carried out by the Company:  
The Company is actively engaged in product up gradation design development.
- Benefits derived as a result of the above R & D:  
Improved product designs resulted in higher value added products and better realisations.
- Future plan of action:  
Emphasis on the above activities is the ongoing exercise.
- 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**

- 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.
- Development of new export markets for cotton yarn:  
  
Your Company is consistently exploring possibilities of exporting its products to new markets. This is an ongoing process.
- Total Foreign Exchange Earnings and outgo:

(₹ In Lakhs)

| Particulars                        | 2016-17  | 2015-16  |
|------------------------------------|----------|----------|
| Foreign Exchange outgo (used)      | 302.81   | 358.26   |
| Earned (FOB Value of Export goods) | 40963.90 | 32852.99 |



## Annexure-C

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

|      |   |  |
|------|---|--|
| i)   | CIN   | L17110MH1987PLC045575  |
| ii)  | Registration Date   | 11.12.1987   |
| iii) | Name of the Company   | Damodar Industries Limited   |
| iv)  | Category / Sub-Category of the Company                            | Public Company / Limited by Shares   |
| v)   | Address of the registered office                                  | A1/202, Centre Point, 243-A,<br>N. M. Joshi Marg, Lower Parel (E),<br>Mumbai – 400 013<br>Phone No.: 022-66610301/2<br>Fax No.: 022-66610308<br>Email ID: cs@damodargroup.com<br>Website: www.damodargroup.com               |
| vi)  | Whether listed company  | Yes  |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent | Link Intime India Pvt. Limited,<br>C-101, 247 Park, L.B.S. Marg, Vikhroli (W),<br>Mumbai – 400083<br>Tel. No.: 022-49186000<br>Fax No.: 022-49186060<br>E-mail: rnt.helpdesk@linkintime.co.in<br>Website: www.linkintime.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products/services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | YARN – Manufacturing of Cotton & Fancy Yarn    | 131                              | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : Nil**



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding :**

| Sr. No.    | Category of Shareholders  | No. of Shares held at the beginning of the year (As on 01-April-2016) |          |                |                   | No. of Shares held at the end of the year (As on 31-March-2017) |          |                |                   | % Change during the year |
|------------|---|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
|            |   | Demat   | Physical | Total          | % of Total Shares | Demat   | Physical | Total          | % of Total Shares |                          |
| <b>(A)</b> | <b>Shareholding of Promoter and Promoter Group</b>                            |   |          |                |                   |   |          |                |                   |                          |
| [1]        | <b>Indian</b>   |   |          |                |                   |   |          |                |                   |                          |
| (a)        | Individuals / Hindu Undivided Family  | 7090000   | 0        | 7090000        | 63.73             | 7090000   | 0        | 7090000        | 63.73             | 0                        |
| (b)        | Central Government / State Government(s)                                      | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (c)        | Financial Institutions / Banks  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (d)        | Any Other (Specify)   |   |          |                |                   |   |          |                |                   |                          |
|            | Bodies Corporate  | 610000  | 0        | 610000         | 5.48              | 610000  | 0        | 610000         | 5.48              | 0                        |
|            | Sub Total (A)(1)  | 7700000   | 0        | 7700000        | 69.21             | 7700000   | 0        | 7700000        | 69.21             | 0                        |
| [2]        | <b>Foreign</b>  |   |          |                |                   |   |          |                |                   |                          |
| (a)        | Individuals (Non-Resident Individuals/Foreign Individuals)                    | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (b)        | Government  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (c)        | Institutions  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (d)        | Foreign Portfolio Investor  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (e)        | Any Other (Specify)   |   |          |                |                   |   |          |                |                   |                          |
|            | Sub Total (A)(2)  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
|            | <b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>     | <b>7700000</b>  | <b>0</b> | <b>7700000</b> | <b>69.21</b>      | <b>7700000</b>  | <b>0</b> | <b>7700000</b> | <b>69.21</b>      | <b>0</b>                 |
| <b>(B)</b> | <b>Public Shareholding</b>  |   |          |                |                   |   |          |                |                   |                          |
| [1]        | <b>Institutions</b>   |   |          |                |                   |   |          |                |                   |                          |
| (a)        | Mutual Funds / UTI  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (b)        | Venture Capital Funds   | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (c)        | Alternate Investment Funds  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (d)        | Foreign Venture Capital Investors   | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (e)        | Foreign Portfolio Investor  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (f)        | Financial Institutions / Banks  | 0   | 875      | 875            | 0.01              | 0.00  | 875.00   | 875.00         | 0.01              | 0                        |
| (g)        | Insurance Companies   | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (h)        | Provident Funds/ Pension Funds  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (i)        | Any Other (Specify)   |   |          |                |                   |   |          |                |                   |                          |
|            | Sub Total (B)(1)  | 0   | 875      | 875            | 0.01              | 0.00  | 875.00   | 875.00         | 0.01              | 0                        |
| [2]        | <b>Central Government/ State Government(s)/ President of India</b>            |   |          |                |                   |   |          |                |                   |                          |
|            | Sub Total (B)(2)  | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| [3]        | <b>Non-Institutions</b>   |   |          |                |                   |   |          |                |                   |                          |
| (a)        | Individuals   |   |          |                |                   |   |          |                |                   |                          |
| (i)        | Individual shareholders holding nominal share capital upto Rs. 1 lakh.        | 1024412   | 372142   | 1396554        | 12.55             | 1201415   | 367527   | 1568942        | 14.10             | 1.55                     |
| (ii)       | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 1383925   | 0        | 1383925        | 12.44             | 1182574   | 0        | 1182574        | 10.63             | -1.81                    |
| (b)        | NBFCs registered with RBI   | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (c)        | Employee Trusts   | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (d)        | Overseas Depositories(holding DRs) (balancing figure)                         | 0   | 0        | 0              | 0                 | 0   | 0        | 0              | 0                 | 0                        |
| (e)        | Any Other (Specify)   |   |          |                |                   |   |          |                |                   |                          |
|            | Trusts  | 1250  | 0        | 1250           | 0.01              | 0.00  | 0.00     | 0.00           | 0.00              | -0.01                    |
|            | Hindu Undivided Family  | 269354  | 0        | 269354         | 2.42              | 303252  | 0.00     | 303252         | 2.73              | 0.30                     |
|            | Non Resident Indians (Non Repat)  | 4586  | 0        | 4586           | 0.04              | 4687  | 0.00     | 4687           | 0.04              | 0.00                     |
|            | Non Resident Indians (Repat)  | 22989   | 0        | 22989          | 0.21              | 18967   | 0.00     | 18967          | 0.17              | -0.04                    |
|            | Clearing Member   | 26439   | 0        | 26439          | 0.24              | 28167   | 0.00     | 28167          | 0.25              | 0.02                     |
|            | Bodies Corporate  | 313090  | 6750     | 319840         | 2.87              | 311598  | 6750     | 318348         | 2.86              | -0.01                    |



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding : (CONTD.)

| Sr. No. | Category of Shareholders   | No. of Shares held at the beginning of the year (As on 01-April-2016) |               |                 |                   | No. of Shares held at the end of the year (As on 31-March-2017) |               |                 |                   | % Change during the year |
|---------|--|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
|         |  | Demat   | Physical      | Total           | % of Total Shares | Demat   | Physical      | Total           | % of Total Shares |                          |
|         | <b>Sub Total (B)(3)</b>  | 3046045   | 378892        | 3424937         | 30.78             | 3050660   | 374277        | 3424937         | 30.78             | 0.00                     |
|         | <b>Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)</b>                      | <b>3046045</b>  | <b>379767</b> | <b>3425812</b>  | <b>30.79</b>      | <b>3050660</b>  | <b>375152</b> | <b>3425812</b>  | <b>30.79</b>      | <b>0.00</b>              |
|         | <b>Total (A) + (B)</b>   | <b>10746045</b>   | <b>379767</b> | <b>11125812</b> | <b>100.00</b>     | <b>10750660</b>   | <b>375152</b> | <b>11125812</b> | <b>100.00</b>     | <b>0.00</b>              |
| (C)     | Non Promoter - Non Public  |   |               |                 |                   |   |               |                 |                   |                          |
| [1]     | Custodian/DR Holder  | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00                     |
| [2]     | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0   | 0             | 0               | 0                 | 0   | 0             | 0               | 0                 | 0.00                     |
|         | <b>Total (A) + (B) + (c)</b>   | <b>10746045</b>   | <b>379767</b> | <b>11125812</b> | <b>100.00</b>     | <b>10750660</b>   | <b>375152</b> | <b>11125812</b> | <b>100.00</b>     | <b>0.00</b>              |

## ii. Shareholding of Promoters and Promoter Group:

| Sl. No. | Shareholder's Name            | Shareholding at the beginning of the year (01.04.2016) |                                  |  | Shareholding at the end of the year (31.03.2017) |                                  |  | % change in shareholding during the year |
|---------|-------------------------------|--|----------------------------------|--|--|----------------------------------|--|--|
|         |                               | No. of Shares  | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                                    | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1       | Ajay D. Biyani                | 1700000  | 15.28                            | 0  | 1700000  | 15.28                            | 0  | 0  |
| 2       | Anil D. Biyani                | 1475000  | 13.26                            | 0  | 1475000  | 13.26                            | 0  | 0  |
| 3       | Arunkumar Biyani              | 1325000  | 11.91                            | 0  | 1325000  | 11.91                            | 0  | 0  |
| 4       | Manju Biyani                  | 670000   | 6.02                             | 0  | 670000   | 6.02                             | 0  | 0  |
| 5       | Kanta Biyani                  | 370000   | 3.33                             | 0  | 370000   | 3.33                             | 0  | 0  |
| 6       | Arunkumar Biyani (HUF)        | 355000   | 3.19                             | 0  | 355000   | 3.19                             | 0  | 0  |
| 7       | Sanju A. Biyani               | 325000   | 2.92                             | 0  | 325000   | 2.92                             | 0  | 0  |
| 8       | Savitridevi Damodarlal Biyani | 55000  | 0.49                             | 0  | 55000  | 0.49                             | 0  | 0  |
| 9       | CSS Mercantile Pvt. Ltd.      | 250000   | 2.25                             | 0  | 250000   | 2.25                             | 0  | 0  |
| 10      | Suam Overseas Pvt. Ltd.       | 235000   | 2.11                             | 0  | 235000   | 2.11                             | 0  | 0  |
| 11      | Aditya Biyani                 | 160000   | 1.44                             | 0  | 160000   | 1.44                             | 0  | 0  |
| 12      | Panna Yarn Pvt. Ltd.          | 125000   | 1.12                             | 0  | 125000   | 1.12                             | 0  | 0  |
| 13      | Aman Biyani                   | 135000   | 1.21                             | 0  | 135000   | 1.21                             | 0  | 0  |
| 14      | Damodarlal Biyani (HUF)       | 70000  | 0.63                             | 0  | 70000  | 0.63                             | 0  | 0  |
| 15      | Bhawna A. Biyani              | 95000  | 0.85                             | 0  | 95000  | 0.85                             | 0  | 0  |
| 16      | Ajay D. Biyani (HUF)          | 90000  | 0.81                             | 0  | 90000  | 0.81                             | 0  | 0  |
| 17      | Akshay Anil Biyani            | 125000   | 1.12                             | 0  | 125000   | 1.12                             | 0  | 0  |
| 18      | Abhishek A. Biyani            | 85000  | 0.76                             | 0  | 85000  | 0.76                             | 0  | 0  |
| 19      | Payal A. Biyani               | 30000  | 0.27                             | 0  | 30000  | 0.27                             | 0  | 0  |
| 20      | Radhika A. Biyani             | 25000  | 0.22                             | 0  | 25000  | 0.22                             | 0  | 0  |
|         | <b>Total</b>                  | <b>7700000</b>   | <b>69.21</b>                     | <b>0</b>   | <b>7700000</b>                                   | <b>69.21</b>                     | <b>0</b>   | <b>0</b>                                 |

**(iii) Change in Promoters Shareholding:**

| Sl. No. | Name                           | Shareholding at the beginning of the year (01.04.2016) |                                  | Date                      | Increase/ (Decrease) in shareholding | Reason | Cumulative Shareholding at the end of the year (31.03.2017) |                   |
|---------|--------------------------------|--|----------------------------------|---------------------------|--------------------------------------|--------|---|-------------------|
|         |                                | No. of Shares  | % of total shares of the Company |                           |                                      |        | No. of Shares   | % of total Shares |
| 1       | Ajay D. Biyani                 | 1700000  | 15.28                            | No change during the year |                                      |        | 1700000   | 15.28             |
| 2       | Anil D. Biyani                 | 1475000  | 13.26                            | No change during the year |                                      |        | 1475000   | 13.26             |
| 3       | Arunkumar Biyani               | 1325000  | 11.91                            | No change during the year |                                      |        | 1325000   | 11.91             |
| 4       | Manju Biyani                   | 670000   | 6.02                             | No change during the year |                                      |        | 670000  | 6.02              |
| 5       | Kanta Biyani                   | 370000   | 3.33                             | No change during the year |                                      |        | 370000  | 3.33              |
| 6       | Arunkumar Biyani (HUF)         | 355000   | 3.19                             | No change during the year |                                      |        | 355000  | 3.19              |
| 7       | Sanju A. Biyani                | 325000   | 2.92                             | No change during the year |                                      |        | 325000  | 2.92              |
| 8       | Savitridevi Damodar Lal Biyani | 55000  | 0.49                             | No change during the year |                                      |        | 55000   | 0.49              |
| 9       | CSS Mercantile Pvt. Ltd        | 250000   | 2.25                             | No change during the year |                                      |        | 250000  | 2.25              |
| 10      | Suam Overseas Pvt. Ltd.        | 235000   | 2.11                             | No change during the year |                                      |        | 235000  | 2.11              |
| 11      | Aditya Biyani                  | 160000   | 1.44                             | No change during the year |                                      |        | 160000  | 1.44              |
| 12      | Panna Yarn Pvt. Ltd.           | 125000   | 1.12                             | No change during the year |                                      |        | 125000  | 1.12              |
| 13      | Aman Biyani                    | 135000   | 1.21                             | No change during the year |                                      |        | 135000  | 1.21              |
| 14      | Damodarlal Biyani (HUF)        | 70000  | 0.63                             | No change during the year |                                      |        | 70000   | 0.63              |
| 15      | Bhawna A. Biyani               | 95000  | 0.85                             | No change during the year |                                      |        | 95000   | 0.85              |
| 16      | Ajay D. Biyani (HUF)           | 90000  | 0.81                             | No change during the year |                                      |        | 90000   | 0.81              |
| 17      | Akshay Anil Biyani             | 125000   | 1.12                             | No change during the year |                                      |        | 125000  | 1.12              |
| 18      | Abhishek A. Biyani             | 85000  | 0.76                             | No change during the year |                                      |        | 85000   | 0.76              |
| 19      | Payal A. Biyani                | 30000  | 0.27                             | No change during the year |                                      |        | 30000   | 0.27              |
| 20      | Radhika A. Biyani              | 25000  | 0.22                             | No change during the year |                                      |        | 25000   | 0.22              |





## iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name & Type of Transaction    | Shareholding at the beginning of the year 01.04.2016 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year 31.03.2017 |                                  |
|---------|-------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|         |                               | No. of shares held                                   | % of total shares of the Company | Date of transaction          | No. of shares | No. of shares held  | % of total shares of the Company |
| 1       | Dilipkumar H. Parmar          | 229086   | 2.06                             |                              |               | 229086  | 2.06                             |
|         | Transfer                      |  |                                  | 20 May 2016                  | (581)         | 228505  | 2.05                             |
|         | Transfer                      |  |                                  | 27 May 2016                  | 4350          | 232855  | 2.09                             |
|         | Transfer                      |  |                                  | 15 Jul 2016                  | (11000)       | 221855  | 1.99                             |
|         | Transfer                      |  |                                  | 22 Jul 2016                  | (4905)        | 216950  | 1.95                             |
|         | Transfer                      |  |                                  | 05 Aug 2016                  | 5000          | 221950  | 1.99                             |
|         | Transfer                      |  |                                  | 12 Aug 2016                  | (3450)        | 218500  | 1.96                             |
|         | Transfer                      |  |                                  | 18 Nov 2016                  | (500)         | 218000  | 1.96                             |
|         | Transfer                      |  |                                  | 09 Dec 2016                  | (3600)        | 214400  | 1.93                             |
|         | Transfer                      |  |                                  | 27 Jan 2017                  | (100)         | 214300  | 1.93                             |
|         | Transfer                      |  |                                  | 10 Feb 2017                  | (83)          | 214217  | 1.93                             |
|         | Transfer                      |  |                                  | 17 Feb 2017                  | (8063)        | 206154  | 1.85                             |
|         | Transfer                      |  |                                  | 24 Feb 2017                  | (10000)       | 196154  | 1.76                             |
|         | Transfer                      |  |                                  | 10 Mar 2017                  | (911)         | 195243  | 1.75                             |
|         | Transfer                      |  |                                  | 17 Mar 2017                  | (17000)       | 178243  | 1.60                             |
|         | Transfer                      |  |                                  | 24 Mar 2017                  | (10000)       | 168243  | 1.51                             |
|         | at the end of the year        |  |                                  |                              |               | 168243  | 1.51                             |
| 2       | Dindayal Biyani Equities Ltd. | 125000   | 1.12                             |                              |               | 125000  | 1.12                             |
|         | at the end of the year        |  |                                  |                              |               | 125000  | 1.12                             |
| 3       | Omkarnath Damodar Malpani-HUF | 120000   | 1.08                             |                              |               | 120000  | 1.08                             |
|         | at the end of the year        |  |                                  |                              |               | 120000  | 1.08                             |
| 4       | F L Dadabhoy                  | 96000  | 0.86                             |                              |               | 96000   | 0.86                             |
|         | at the end of the year        |  |                                  |                              |               | 96000   | 0.86                             |
| 5       | Pushpadevi Sitaram Biyani     | 72591  | 0.65                             |                              |               | 72591   | 0.65                             |
|         | Transfer                      |  |                                  | 27 May 2016                  | 1111          | 73702   | 0.66                             |
|         | at the end of the year        |  |                                  |                              |               | 73702   | 0.66                             |
| 6       | Sitadevi Biyani               | 63028  | 0.57                             |                              |               | 63028   | 0.57                             |
|         | at the end of the year        |  |                                  |                              |               | 63028   | 0.57                             |
| 7       | Suman Rajkumar Damani         | 62500  | 0.56                             |                              |               | 62500   | 0.56                             |
|         | at the end of the year        |  |                                  |                              |               | 62500   | 0.56                             |
| 8       | Thyagarajan Gurumurthy        | 87128  | 0.78                             |                              |               | 87128   | 0.78                             |
|         | Transfer                      |  |                                  | 29 Apr 2016                  | (5000)        | 82128   | 0.74                             |
|         | Transfer                      |  |                                  | 05 Aug 2016                  | (7475)        | 74653   | 0.67                             |
|         | Transfer                      |  |                                  | 12 Aug 2016                  | (8811)        | 65842   | 0.59                             |
|         | Transfer                      |  |                                  | 19 Aug 2016                  | (4928)        | 60914   | 0.55                             |
|         | at the end of the year        |  |                                  |                              |               | 60914   | 0.55                             |
| 9       | Bina Daga                     | 62500  | 0.56                             |                              |               | 62500   | 0.56                             |
|         | Transfer                      |  |                                  | 29 Jul 2016                  | (4500)        | 58000   | 0.52                             |
|         | at the end of the year        |  |                                  |                              |               | 58000   | 0.52                             |
| 10      | Anil Kumar Goyal              | 52500  | 0.47                             |                              |               |   |                                  |
|         | at the end of the year        |  |                                  |                              |               | 52500   | 0.47                             |



## v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name                      | Shareholding at the beginning of the year (01.04.2016) |                                  | Date                      | Increase/ (Decrease) in shareholding | Reason | Cumulative Shareholding at the end of the year (31.03.2017) |                                  |
|---------|---------------------------|--|----------------------------------|---------------------------|--------------------------------------|--------|---|----------------------------------|
|         |                           | No. of Shares held                                     | % of total shares of the Company |                           |                                      |        | No. of Shares held  | % of total shares of the Company |
| 1       | Ajay D. Biyani            | 1700000  | 15.28                            | No change during the year |                                      |        | 1700000   | 15.28                            |
| 2       | Anil D. Biyani            | 1475000  | 13.26                            | No change during the year |                                      |        | 1475000   | 13.26                            |
| 3       | Arunkumar Biyani          | 1325000  | 11.91                            | No change during the year |                                      |        | 1325000   | 11.91                            |
| 4       | Farida Bomi Jambusarwalla | 89878  | 0.81                             | No change during the year |                                      |        | 89878   | 0.81                             |
| 5       | Girdharlal S. Daga        | 325  | 0.00                             | No change during the year |                                      |        | 325   | 0.00                             |

The following Directors / Key Managerial Personnel (KMP) did not hold any shares during financial year 2016-17.

• Ashok Kumar Damani      • Raghavan Srinivas      • Nirbhay R. Bora\*      • Subodh Kumar Soni

\* Mr. Nirbhay R. Bora has resigned as Chief Financial Officer of the Company with effect from March 31, 2017.

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment :

(Amt. in ₹)

| Particulars   | Secured Loans excluding deposits | Unsecured Loans   | Deposits        | Total Indebtedness |
|---|----------------------------------|-------------------|-----------------|--------------------|
| Principal Amount  | 772063321                        | 70927680          | 54980500        | 897971501          |
| Interest due but not paid                               | -                                | -                 | -               | -                  |
| Interest accrued but not due                            | -                                | -                 | -               | -                  |
| <b>Total (i+ii+iii)</b>                                 | <b>772063321</b>                 | <b>70927680</b>   | <b>54980500</b> | <b>897971501</b>   |
| <b>Change in Indebtedness during the financial year</b> |                                  |                   |                 |                    |
| Addition  | 111762304                        | -                 | 19476500        | 131238804          |
| Reduction   | -                                | (44127680)        | -               | (44127680)         |
| <b>Net Change</b>                                       | <b>111762304</b>                 | <b>(44127680)</b> | <b>19476500</b> | <b>87111124</b>    |
| <b>Indebtedness at the end of the financial year</b>    |                                  |                   |                 |                    |
| Principal Amount  | 883825625                        | 26800000          | 74457000        | 985082625          |
| Interest due but not paid                               | -                                | -                 | -               | -                  |
| Interest accrued but not due                            | -                                | -                 | -               | -                  |
| <b>Total (i+ii+iii)</b>                                 | <b>883825625</b>                 | <b>26800000</b>   | <b>74457000</b> | <b>985082625</b>   |



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amt. in ₹)

| SI No. | Particulars of Remuneration   | Name of Managing Director/Whole Time Director                                |                  |                  | Total              |
|--------|---|--|------------------|------------------|--------------------|
|        |   | Ajay D. Biyani   | Arunkumar Biyani | Anil D. Biyani   |                    |
| 1      | Gross salary  |  |                  |                  |                    |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 52,80,000  | 52,80,000        | 52,80,000        | 1,58,40,000        |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil  | Nil              | Nil              | Nil                |
|        | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961              | Nil  | Nil              | Nil              | Nil                |
| 2      | Stock Option  | Nil  | Nil              | Nil              | Nil                |
| 3      | Sweat Equity  | Nil  | Nil              | Nil              | Nil                |
| 4      | Commission  | Nil  | Nil              | Nil              | Nil                |
| 5      | Other, Please specify   | Nil  | Nil              | Nil              | Nil                |
|        | <b>Total (A)</b>  | <b>52,80,000</b>   | <b>52,80,000</b> | <b>52,80,000</b> | <b>1,58,40,000</b> |
|        | <b>Ceiling as per the Act</b>   | In compliance of Section 197 read with Schedule V of the Companies Act, 2013 |                  |                  |                    |

### B. Remuneration to other directors:

(Amt. in ₹)

| SI No. | Particulars of Remuneration                  | Name of Directors  |                        |                       |                                | Total              |
|--------|--|--|------------------------|-----------------------|--------------------------------|--------------------|
|        |  | Mr. Girdharlal Daga  | Mr. Ashok Kumar Damani | Mr. Raghavan Srinivas | Mrs. Farida Bomi Jambusarwalla |                    |
| 1      | Independent Directors                        |  |                        |                       |                                |                    |
|        | · Fee for attending board committee meetings | 13,000   | 11,000                 | 11,000                | 11,000                         |                    |
|        | · Commission                                 | Nil  | Nil                    | Nil                   | Nil                            |                    |
|        | · Others, please specify                     | Nil  | Nil                    | Nil                   | Nil                            |                    |
|        | <b>Total (1)</b>                             | <b>13,000</b>  | <b>11,000</b>          | <b>11,000</b>         | <b>11,000</b>                  | <b>46,000</b>      |
| 2      | Other Non-Executive Directors                | N.A.   | N.A.                   | N.A.                  | N.A.                           |                    |
|        | · Fee for attending board committee meetings |  |                        |                       |                                |                    |
|        | · Commission                                 |  |                        |                       |                                |                    |
|        | · Others, please specify                     |  |                        |                       |                                |                    |
|        | <b>Total (2)</b>                             | <b>N.A.</b>  | <b>N.A.</b>            | <b>N.A.</b>           | <b>N.A.</b>                    |                    |
|        | <b>Total (B) = (1 + 2)</b>                   | <b>13,000</b>  | <b>11,000</b>          | <b>11,000</b>         | <b>11,000</b>                  | <b>46,000</b>      |
|        | <b>Total Managerial Remuneration (A+B)</b>   |  |                        |                       |                                | <b>1,58,86,000</b> |
|        | <b>Ceiling as per the Act</b>                | In compliance of Section 197 read with Schedule V of the Companies Act, 2013 |                        |                       |                                |                    |



## C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD:

(₹ in Lakhs)

| Sl No.       | Particulars of Remuneration   | Name of KMP |  |                           | Total        |
|--------------|---|-------------|--|---------------------------|--------------|
|              |   | CEO         | Company Secretary<br>(Subodh Kumar Soni) | CFO<br>(Nirbhay R. Bora)* |              |
| 1            | Gross salary  |             |  |                           |              |
|              | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil         | 8.15                                     | 8.14                      | 16.29        |
|              | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil         | Nil                                      | Nil                       | Nil          |
|              | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | Nil         | Nil                                      | Nil                       | Nil          |
| 2            | Stock Option  | Nil         | Nil                                      | Nil                       | Nil          |
| 3            | Sweat Equity  | Nil         | Nil                                      | Nil                       | Nil          |
| 4            | Commission<br>- as % of profit<br>- others, specify                                 | Nil         | Nil                                      | Nil                       | Nil          |
| 5            | Others, please specify  | Nil         | Nil                                      | Nil                       | Nil          |
| <b>Total</b> |   |             | <b>8.15</b>                              | <b>8.14</b>               | <b>16.29</b> |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type              | Section of the Companies Act | Brief Description | Details of Penalty/<br>Punishment/<br>Compounding | Authority<br>(RD/NCLT/<br>COURT) | Appeal made,<br>if any (give Details) |
|-------------------|------------------------------|-------------------|---|----------------------------------|---------------------------------------|
| <b>COMPANY</b>    |                              |                   |   |                                  |                                       |
| Penalty           | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |
| Punishment        | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |
| Compounding       | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |
| <b>DIRECTOR</b>   |                              |                   |   |                                  |                                       |
| Penalty           | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |
| Punishment        | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |
| Compounding       | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |
| <b>OFFICER IN</b> |                              |                   |   |                                  |                                       |
| Penalty           | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |
| Punishment        | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |
| Compounding       | Nil                          | Nil               | Nil   | Nil                              | Nil                                   |



## Annexure - D

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The CSR Policy was approved by the Board of Directors of the Company and has been uploaded on the Company's Website i.e. [www.damodargroup.com](http://www.damodargroup.com). A gist of the programs/activities that the Company has undertaken under the CSR Policy are mentioned below (Please refer Pont No. 5(c)).

**2. The Composition of the CSR Committee:**

The Company has a Corporate Social Responsibility Committee of Directors comprising of Mr. Arunkumar Biyani, Chairman, Mr. Girdharlal S. Daga and Mr. Anil D. Biyani, Members.

**3. Average net profit of the Company for last three financial years:**

The average net profit of the Company was Rs. 1876.74 Lakhs.

**4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above): Rs.37.53 Lakhs.****5. Details of CSR spent during the financial year:**

- (a) Total amount to be spent for the financial year: Rs.37.53 Lakhs.
- (b) Amount unspent, if any: Nil.
- (c) Manner in which the amount spent during the financial year is detailed below:

| SI No. | CSR project or activity       | Sector in which the project is covered   | Location    | Amount Outlay (Budget) Project or Program wise (₹ in lacs) | Amount spent on the Projects or Programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ in lacs) | Cumulative Expenditure upto the reporting period i.e. FY 2016-2017 (₹ in lacs) | Amount Spent Direct or through Implementing Agency |
|--------|-------------------------------|--|-------------|--|--|--|--|
| 1      | Establishment of Eye Hospital | Healthcare   | Maharashtra | 16.00  | 16.00  | Nil  | By the Company                                     |
| 2      | To promote Environment        | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil. | Gujarat     | 21.53  | 21.53  | Nil  | through Implementing Agency                        |

**RESPONSIBILITY STATEMENT**

The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR&G) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Place: Mumbai  
Date: May 29, 2017

Sd/-  
**Arunkumar Biyani**  
Chairman, CSR Committee

Sd/-  
**Anil D. Biyani**  
Executive Director



**Annexure - E**

**Particulars of Employees pursuant to section 197 of the Companies Act, 2013 read with Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17, The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17:

| <b>Name of Directors</b>                       | <b>Ratio of remuneration of each director to median remuneration of the employees</b> | <b>% increase in Remuneration in the Financial Year 2016-17</b> |
|--|---|---|
| Mr. Arunkumar Biyani                           | 46.80   | 10%   |
| Mr. Ajay D. Biyani                             | 46.80   | 10%   |
| Mr. Anil D. Biyani                             | 46.80   | 10%   |
| Mr. Girdharlal S. Daga                         | N.A.  | N.A.  |
| Mr. Ashok Kumar Damani                         | N.A.  | N.A.  |
| Mr. Raghavan Srinivas                          | N.A.  | N.A.  |
| Mrs. Farida Bomi Jambusarwalla                 | N.A.  | N.A.  |
| *Mr. Nirbhay R. Bora (Chief Financial Officer) | N.A.  | Nil   |
| Mr. Subodh Kumar Soni (Company Secretary)      | N.A.  | 7%  |

\* Mr. Nirbhay R. Bora has resigned as Chief Financial Officer of the Company with effect from March 31, 2017.

- (ii) The MRE of the Company during the financial year under review was Rs.1,12,800/- as compared to Rs.1,32,188/- in previous year.
- (iii) The increase in MRE in the financial year 2016-17 as compared to the financial year 2015-16 was 8%.
- (iv) Number of permanent employees on the rolls of company: 429 as on 31.03.2017
- (v) The explanation on the relationship between average increase in remuneration and company Performance:  
The Company, being a manufacturing company, invest in quality human capital and the remuneration paid/increment given by it to the employee is governed by its objective to attract & retain best talents and to related to the financial performance of the company.
- (vi) Comparison of the remuneration of the KMP against the performance of the Company:

**(₹ in Lakhs)**

|   |          |
|---|----------|
| Aggregate remuneration of KMP in Financial Year 2016-17 | 69.09    |
| Revenue   | 70427.46 |
| Remuneration of KMPs (as % of revenue)                  | 0.09     |
| Profit before Tax (PBT)                                 | 1364.74  |
| Remuneration of KMPs (as % of PBT)                      | 5.06     |

- (vii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:

The Market Capitalisation of the company has increased from Rs.71.54 Lakhs as of March 31,2016 to Rs. 87.89 Lakhs as of March 31,2017. Over the same period, the price earning ration moved from 9.91 to 6.88.

The Stock price of the Company as at March 31, 2016 has increased by 124.42 % to Rs. 78.55 (BSE) over last public issue i.e., Right Issue in January 2008 at the price of Rs.35 per shares.





(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 8% to 10%, whereas the increase in the managerial remuneration for the same financial year was 7%.

(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

Average increase in remuneration of all employee was 8% for the year 2016-17 which is based partly on the result of the company for the year ended 2016 and partly on the individuals employee's performance. Total Sales in year 2017 has increased by 13.41% over previous year.

(x) Component of Remuneration of directors is not variable during the particular year.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

The Managing Director and whole Time Directors is the highest paid directors. No employee received remuneration higher than the Managing Director and Whole Time Director.

(xii) It is hereby affirmation that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employee of the company.

Particulars of Employees pursuant to section 197 of the Companies Act, 2013 reaped with Rules 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 : NIL

**Annexure - F****FORM AOC - 2**

(Pursuant to clause (h) of Sub-section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Account) Rules, 2014.

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis: N.A.

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis: -

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2017 is as follows:

| <b>Name of the party</b>        | <b>Nature of Transaction</b> | <b>Amount in ₹</b> |
|---------------------------------|------------------------------|--------------------|
| Arunkumar Biyani                | Interest on Unsecured Loan   | 133,244            |
|                                 | Directors Remuneration       | 5,280,000          |
|                                 | Rent                         | 120,000            |
|                                 | Unsecured Loan Balance       | 5,930,000          |
| Ajay D. Biyani                  | Interest on Unsecured Loan   | 116,982            |
|                                 | Directors Remuneration       | 5,280,000          |
|                                 | Rent                         | 120,000            |
|                                 | Unsecured Loan Balance       | 2,320,000          |
| Anil D. Biyani                  | Interest on Unsecured Loan   | 235,121            |
|                                 | Directors Remuneration       | 5,280,000          |
|                                 | Unsecured Loan Balance       | 3,450,000          |
| Shri Damodar Yarn Mfg Pvt. Ltd. | Sales                        | 35,677,277         |
|                                 | Purchases                    | 2,770,656          |
|                                 | Job Work                     | 9,732,367          |
| Suam Overseas Pvt. Ltd.         | Sales                        | 267,650,409        |
|                                 | Purchases                    | 321,712,553        |
|                                 | Assets Purchased             | 5,833,125          |
|                                 | Job Work Sales               | 2,995,063          |
|                                 | Job Work Purchases           | 1,661,124          |
| Shri Damodar Foundation         | Purchases                    | 294,000            |
|                                 | Rent                         | 840,000            |
|                                 | Sundry Creditors Balance     | 6000               |
| Arunkumar Biyani-HUF            | Interest on FD               | 79,848             |
|                                 | Rent                         | 120000             |
| Ajay D. Biyani-HUF              | Interest on FD               | 36,404             |
|                                 | Rent                         | 90,000             |



| Name of the party      | Nature of Transaction | Amount in ₹ |
|------------------------|-----------------------|-------------|
| Kanta Biyani           | Interest on FD        | 85,394      |
| Abhishek Biyani        | Interest on FD        | 9,950       |
| Akshay Biyani          | Interest on FD        | 45,783      |
| Manju Biyani           | Interest on FD        | 159,151     |
| Sanju Biyani           | Interest on FD        | 189,895     |
| Bhawna Biyani          | Interest on FD        | 103,633     |
| Reiya Biyani           | Interest on FD        | 48,758      |
| Risha Biyani           | Interest on FD        | 61,046      |
| Savitridevi Biyani     | Interest on FD        | 270,607     |
| Aman Biyani            | Interest on FD        | 9,756       |
|                        | Employee Remuneration | 2,100,000   |
| Aditya Biyani          | Interest on FD        | 91,103      |
|                        | Employee Remuneration | 2,100,000   |
|                        | Rent                  | 120,000     |
| Payal Biyani           | Interest on FD        | 47,162      |
|                        | Employee Remuneration | 900,000     |
| Damodar Lal Biyani-HUF | Interest on FD        | 28,139      |
| Kiara Biyani           | Interest on FD        | 19,123      |
| Radhika Biyani         | Interest on FD        | 36,052      |
|                        | Employee Remuneration | 660,000     |

- a) Duration of the contracts / arrangements/transactions: FY 2016-17
- b) Salient terms of the contracts or arrangements or transactions including the value, if any:  
All proposed transactions are proposed to be carried out based on business requirements of the Company and shall be in ordinary course of business and at arms' length.
- c) Date of approval by the Board: 27/05/ 2016 and Approval from shareholders: dt. 20.08.2016
- d) Amount paid as advances, if any: Nil

**Annexure - G****Nomination, Remuneration and Evaluation Policy**

This Nomination, Remuneration and Evaluation Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Damodar Industries Limited (the “Company”).

“Key Managerial Personnel (KMP) means –

- (i) Managing Director;
- (ii) Company Secretary,
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) Such other Officer as may be prescribed.

The term “Senior Management Personnel” means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the different functions of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and under the Listing Regulations.

**1. Purpose**

The primary objective of the Policy is to provide a framework and set standards for the selection, nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

**2. Accountabilities**

- The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations and nominations to the Board.

**3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) is responsible for:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, with the objective to diversify the Board;
- identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- recommending to the Board on the selection of individuals nominated for directorship;
- making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;
- assessing the independence of independent directors;
- such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing regulations and provisions of the Companies Act 2013 and Rules thereunder.
- to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;



- ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- to devise a policy on Board diversity;
- to develop a succession plan for the Board and to regularly review the plan;

**The composition and term of Nomination and Remuneration Committee shall be subject to the following:**

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **CHAIRMAN**

- Chairman of the Committee shall be an Independent Director.
- Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **COMMITTEE MEMBERS' INTERESTS**

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **VOTING**

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have the casting vote.

### **4. Appointment of Directors/KMPs/Senior Officials**

- 4.1 Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment as KMP or a level below KMP and to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:
  - assessing the appointee against a range of criteria which includes but will not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
  - the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
  - the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
  - the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

**4.2 Personal specifications:**

- Degree holder in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

**5. Letters of Appointment**

Each of Directors/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

**6. Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and other senior officials. The Directors, Key Managerial Personnel and other senior official's remuneration shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed under the Companies Act, 2013 and the Rules made thereunder, if any.

The Nominations & Remuneration Committee shall determine and recommend individual remuneration packages for Directors, KMPs and Senior Officials of the Company to the Board of Directors after taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government / other guidelines.

**(I) Remuneration:****a) Base Compensation (fixed salaries)**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/ non-statutory benefits which are normal part of remuneration package in line with market practices).

**b) Variable salary:**

The Nominations & Remuneration Committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, for fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable shall be determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

**(ii) Statutory Requirements:**

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.





- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V to the Companies Act, 2013.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

6.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

6.2 The remuneration payable to the Directors shall be as per the Company's policy and subject to the provisions of the Companies Act, 2013 and shall be valued as per the applicable Income Tax Act / Rules.

6.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board and subject to the provisions of the Companies Act, 2013 having regard to their experience, leadership abilities, initiative taking abilities and knowledge base. The composition and term of Nomination and Remuneration Committee shall be subject to the following:

## 7. Evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis to comply with the requirements of the Listing Regulations and Companies Act, 2013. The following criteria may assist in determining how effective the performance of the Directors/KMPs/Senior officials have been:

- leadership & stewardship abilities;
- contributing to clearly defined corporate objectives & plans;
- communication of expectations & concerns clearly with subordinates;
- obtain adequate, relevant & timely information from external sources;
- review & approve achievement of strategic and operational plans, objectives, budgets;
- regular monitoring of corporate results against projections;
- identify, monitor & mitigate significant corporate risks;
- assess policies, structures & procedures;
- direct, monitor & evaluate KMPs, senior officials;
- review management's succession plan;
- effective meetings and assuring appropriate board size, composition, independence, structure;
- clearly defining roles & monitoring activities of committees and
- review of Company's ethical conduct.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Wholetime/Non-Independent Directors in a separate meeting of the Independent Directors.



The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. The Independent Director being evaluated will not participate in the said evaluation discussion.

The Nomination and Remuneration Committee shall also carry out evaluation of the performance of Directors of the Company at regular intervals.

### **8. Review and Amendment**

- The Nomination and Remuneration Committee or the Board may review the policy as and when it deems necessary.
- The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this policy, if it thinks necessary.
- This policy may be amended or substituted by the Board of Directors on the of the recommendation Nomination and Remuneration Committee.



## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2016-2017

Pursuant to Regulation 34 (3) read with Schedule V of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

The Corporate Governance Report, for Financial Year 2016-17, which forms a part of Boards Report, is prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). This report is for compliance with the Listing Regulations.

### COMPANY PHILOSOPHY:

The Company's philosophy on Corporate Governance mirrors its belief that principles of transparency, fairness and accountability towards the stakeholders are the pillars of a good governance system. The Company believes in adopting the best practices in the areas of Corporate Governance. Even in the fiercely competitive business environment, the Management and Employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are Fundamental to the Company as a whole. The Company will continue to focus its resources, strengths and strategies for creation and safeguarding of the shareholders wealth and at the same time protect the interests of all its shareholders.

The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations. Good Corporate Governance is an integral part of the Company's value system and the Company Management places considerable emphasis on compliance therewith aimed at providing good governance.

Accordingly, this Company's philosophy extends beyond what is being reported under this Report and it has been the Company's constant endeavour to attain the highest levels of Corporate Governance.

The detailed report on implementation by the Company, of the Corporate Governance Code is set out below:

### 1. BOARD OF DIRECTORS

The Board of Directors ensures that the Company runs its business on fair and ethical principles and plays an important role in creation of value for its stakeholders, in terms of the Company's Corporate Governance and Ethics Policy. All statutory and other significant and material information including information mentioned in Regulation 17(7) read with Part A of Schedule II the Listing Regulations, is placed before the Board of Directors to enable it to discharge its responsibilities of strategic supervision of the Company with due compliance of laws and as trustees of stakeholders. The Managing Director and Executive Director are responsible for the day-to-day management of the Company, subject to the supervision, direction and control of the Board of Directors. The Executive Directors are ably assisted by the Management Committee and Operating Committee, which implement the decisions and the strategic policies of the Board of Directors.

#### Composition

Your company endeavours to have a judicious mix of executive, non executive and independent directors, so as to have independence on the Board and separate its function of governance from that of management. Your Company also has a woman director which brings diversity on the Board.

The composition of the Board of Directors of the Company ('the Board') is in conformity with the requirement of Regulation 17 of the Listing Regulations. As on March 31, 2017, the Board comprises of seven directors including one woman director. The Chairman of the Board is an Executive Director and the number of Independent Directors is more than 50% of the total number of Directors.

None of the Directors on the Board is serving as an Independent Director in more than seven / three Listed entities, as specified in Regulation 25 of the Listing Regulations.

None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees (as specified in Regulation 26 of Listing Regulations), across all the public companies in which he/she is a Director.

Further, the maximum tenures of Independent Directors are in line with provisions of section 149(10) and (11) of the Act and Rules made thereunder.



## DAMODAR INDUSTRIES LIMITED

The information on composition of the Board, category and their Directorships, Committee Membership / Chairmanship across all the companies in which they are Directors, as on March 31, 2017 is as under:

| Name of Director                                 | Nature of Directorship             | Relationship with other Directors                    | *No. of Directorship     | **No. of Chairmanship/ Membership of Committees in public companies |              |
|--|------------------------------------|--|--------------------------|---|--------------|
|  |                                    |  | Public Limited Companies | Membership  | Chairmanship |
| Mr. Arun Kumar Biyani<br>DIN – 00016519          | Executive Chairman                 | Brother of Mr. Ajay D. Biyani & Mr. Anil D. Biyani   | Nil                      | Nil   | Nil          |
| Mr. Ajay D. Biyani<br>DIN – 00014896             | Managing Director                  | Brother of Mr. Arunkumar Biyani & Mr. Anil D. Biyani | Nil                      | Nil   | Nil          |
| Mr. Anil D. Biyani<br>DIN – 00016554             | Executive Director                 | Brother of Mr. Arunkumar Biyani & Mr. Ajay D. Biyani | Nil                      | Nil   | Nil          |
| Mr. Girdharlal S. Daga<br>DIN – 00115772         | Non-Executive Independent Director | None   | Nil                      | Nil   | Nil          |
| Mr. Ashok Kumar Damani<br>DIN – 00069143         | Non-Executive Independent Director | None   | Nil                      | Nil   | Nil          |
| Mr. Raghavan Srinivas<br>DIN – 07090385          | Non-Executive Independent Director | None   | Nil                      | Nil   | Nil          |
| Mrs. Farida Bomi Jambusarwalla<br>DIN - 07139945 | Non-Executive Independent Director | None   | Nil                      | Nil   | Nil          |

\*Excludes alternate Directorship, Directorship of Private Limited Companies, Section 8 Companies and Companies incorporated outside India.

\*\*In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all Public Limited Companies have been considered.

None of the Directors are disqualified for appointment under section 164 (2) of Companies Act, 2013.

### Board Meetings & Attendance:

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.

During the Financial Year 2016-17, The Board met Six (6) times on May 27, 2016, August 5, 2016, August 20, 2016, November 9, 2016, January 30, 2017 and March 9, 2017. The intervening gap between the above said Meetings was within the timelines as stipulated under the Companies Act, 2013.

**Details of Directors' attendance at Board Meetings held during the year 2016-17 and at the last Annual General Meeting (AGM) held on August 20, 2016 are given in the following table:**

| Name of Director               | No. of Board Meeting held | No. of Meeting attended | Last AGM attended |
|--------------------------------|---------------------------|-------------------------|-------------------|
| Mr. Arunkumar Biyani           | 6                         | 6                       | Yes               |
| Mr. Ajay D. Biyani             | 6                         | 5                       | No                |
| Mr. Anil D. Biyani             | 6                         | 6                       | Yes               |
| Mr. Girdharlal S. Daga         | 6                         | 6                       | Yes               |
| Mr. Ashok kumar Damani         | 6                         | 5                       | No                |
| Mr. Raghavan Srinivas          | 6                         | 5                       | Yes               |
| Mrs. Farida Bomi Jambusarwalla | 6                         | 5                       | Yes               |



### Shareholding of Non-Executive Directors

The Individual shareholding of Non Executive Independent Directors of the Company as on March 31, 2017 is given below:

| Name of Non – Executive Directors | No. of Shares |
|-----------------------------------|---------------|
| Mr. Girdharlal S. Daga            | 325           |
| Mr. Ashok Kumar Damani            | Nil           |
| Mr. Raghavan Srinivas             | Nil           |
| Mrs. Farida Bomi Jambusarwalla    | 89,878        |

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

Ajay D. Biyani, aged 55 years, is a Commerce graduate from the University of Mumbai, having experience of 35 years in the textile industry. Shri Ajay D. Biyani is the key person in setting up Company's unit. He is Managing Director of the Company. He oversees the Production Activities, Strategic Planning Functions, Expansion and Acquisition Plans.

### Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on January 30, 2017, as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. All the Independent Directors i.e. Mr. Girdharlal S. Daga, Mr. Ashok Kumar Damani, Mr. Raghavan Srinivas and Mrs. Farida Bomi Jambusarwalla attended the Meeting of Independent Directors. Mr. Ghirdhar S. Daga Chaired the meeting.

### Code of Conduct

The Company has adopted Code of Conduct for its Executive Directors, Senior Management Personnel and other employees of the Company. The Company has confirmations from Executive Directors and Senior Management Personnel regarding compliance of the aforesaid Code for the financial year ended March 31, 2017. The Company has received confirmations from the Directors regarding compliance of the Code for the financial year ended March 31, 2017.

### Board, Director and Committee Evaluation and Criteria for Evaluation

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for performance evaluation of individual Directors and the Board / Committees.

The criteria for evaluation of individual Directors include aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Executive Directors.

The criteria for Board Evaluation include degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The criteria for committee evaluation includes degree of fulfilment of key responsibilities, adequacy of Board committee composition, effectiveness of meetings, committee dynamics, quality of relationship of the committee with Board and the management.

### Familiarization Programme for Independent Directors

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.



The details of familiarization programmes imparted to the Independent Directors is disclosed on the Company's Website at [www.damodargroup.com](http://www.damodargroup.com)

## **2. STATUTORY BOARD COMMITTEES**

### **A. Audit Committee**

The Audit Committee of the Company is constituted in line with Regulation 18 of the Listing Regulation and Section 177 of Companies Act, 2013. As on March 31, 2017 the Audit Committee of the Company comprises of four Directors, out of whom three are Non-Executive Independent Directors. Mr. Girdharlal S. Daga, Chairman of the Committee is an Independent Director. All the Members of the Committee possess accounting and financial management expertise. The Company Secretary functions as Secretary to the Committee.

During the year under review, four meetings of the Committee were held on May 27, 2016, August 05, 2016, November 9, 2016, January 30, 2017. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the Listing Regulations.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

| Name of the Member     | Designation | No. of Meetings |          |
|------------------------|-------------|-----------------|----------|
|                        |             | held            | attended |
| Mr. Girdharlal S. Daga | Chairman    | 4               | 4        |
| Mr. Ashok Kumar Damani | Member      | 4               | 4        |
| Mr. Arunkumar Biyani   | Member      | 4               | 4        |
| Mr. Raghavan Srinivas* | Member      | N.A             | N.A      |

\*Mr. Raghavan Srinivas, Non-Executive Independent Director of the Company has appointed as a Member of the Committee w.e.f. January 30, 2017.

Members of the Audit Committee have requisite financial, legal and management expertise.

The Chairman of the Audit Committee briefs the Board members about the significant discussions held at the Audit Committee meetings. The erstwhile Chairman of the Audit Committee, Mr. Girdharlal S. Daga was present at the Annual General Meeting held on August 20, 2016.

### **Terms of Reference**

The Committee has been mandated to comply with the requirements as specified in Part C of Schedule II of the Listing Regulations and the provisions of section 177 of the Act. The terms of reference are reviewed from time to time by the Board.

### **The functions of the Committee include:**

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
  - a. Evaluation of internal financial controls and risk management systems;
  - b. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- 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;
- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- 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;
- 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 Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;



- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

**B. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee (NRC) of the Company is constituted in line with Regulation 19 of the Listing Regulations and Section 178 of the Companies Act, 2013. As on March 31, 2017, the NRC comprises of three Non-Executive Independent Directors. The composition of the NRC and the details of Meetings attended by the Members are given below:

| Name of the Member     | Designation | Category                           |
|------------------------|-------------|------------------------------------|
| Mr. Girdharlal S. Daga | Chairman    | Non-Executive Independent Director |
| Mr. Ashok Kumar Damani | Member      | Non-Executive Independent Director |
| Mr. Raghavan Srinivas  | Member      | Non-Executive Independent Director |

**Meeting and attendance during the year:**

During the financial year 2016-17, the Nomination and Remuneration Committee met on March 09, 2017. Mr. Girdharlal S. Daga, Mr. Ashok Kumar Damani and Mr. Raghavan Srinivas members of the committee have attended the meeting.

**The terms of reference of the Nomination and Remuneration Committee are as under:**

The Committee has been mandated to comply with the requirements as specified in Part C of Schedule II of the Listing Regulations and the provisions of section 178 of the Act. The terms of reference are reviewed from time to time by the Board.

- (i) 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;
- (ii) Devising a policy on Board diversity;
- (iii) 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.
- (iv) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (LODR), Regulations 2015, the performance of all the Directors have been evaluated by the Board periodically at its various meetings as to their contribution for the betterment and progress of the Company. The board also, carried out annual performance evaluation of the working of its Audit, Nomination and



Remuneration as well as Stakeholder Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

## REMUNERATION TO DIRECTORS

### a. Managing Director / Executive Director

The remuneration paid to the Managing Director / Executive Director for the year ended March 31, 2017 is as under:

(Amt. in ₹)

| Name of Directors    | Remuneration | Total     |
|----------------------|--------------|-----------|
| Mr. Arunkumar Biyani | 5,280,000    | 5,280,000 |
| Mr. Ajay D. Biyani   | 5,280,000    | 5,280,000 |
| Mr. Anil D. Biyani   | 5,280,000    | 5,280,000 |

### b. Non-Executive Directors

The Non-Executive Independent Directors of the Company are paid sitting fees for attending the meeting of the Board of Directors for the financial year 2016-17 as under:

(Amt. in ₹)

| Name of Director               | Sitting Fee | Total  |
|--------------------------------|-------------|--------|
| Mr. Girdharlal S. Daga         | 13,000      | 13,000 |
| Mr. Ashok Kumar Damani         | 11,000      | 11,000 |
| Mr. Raghavan Srinivas          | 11,000      | 11,000 |
| Mrs. Farida Bomi Jambusarwalla | 11,000      | 11,000 |

No sitting fee is being paid to the Directors for attending the Meeting of the Committees of the Board.

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee presently comprises of Mr. Girdharlal S. Daga, Chairman of the Committee, Mr. Arunkumar Biyani and Mr. Ashok Kumar Damani, Directors of the Company, as the other members of the Committee.

During the year under review, four meetings of Stakeholders' Relationship Committee were held on May 27, 2016, August 05, 2016, November 9, 2016, January 30, 2017. The attendance of the Members at the above meetings is as under:

| Name of the Member     | Designation | No. of Meetings |          |
|------------------------|-------------|-----------------|----------|
|                        |             | held            | attended |
| Mr. Girdharlal S. Daga | Chairman    | 4               | 4        |
| Mr. Arunkumar Biyani   | Member      | 4               | 4        |
| Mr. Ashok Kumar Damani | Member      | 4               | 4        |

The Committee's composition is in line with the provisions of section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

### Terms of reference of the Committee

- Review statutory compliance relating to all security holders;
- Consider and resolve the grievances of security holders of the company including complaints related to transfer of securities, non-receipt of annual
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund;
- Oversee and review all matters related to the transfer of securities of the Company;



- Approve issue of duplicate certificates of the Company;
- Review movements in shareholding and ownership structures of the Company;
- Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent;
- Recommend measures for overall improvement of the quality of investor services.

## Investors' Grievance Redressal:

Details of investor complaints received and resolved during the year under review are as follows:

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| Nil             | 1                        | 1                        | Nil             |

Compliance Officer:

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

## D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is constituted in line with the provisions of section 135 of the Act. Presently, the Committee comprises of Mr. Arunkumar Biyani as Chairman, Mr. Girdharilal Daga and Mr. Anil D. Biyani as Members of the Committee. During the year under review, three meeting of the Committee were held. The Committee functions in accordance with the terms of reference as specified under the Act, and as may be specified by the Board from time to time, which inter-alia includes:

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.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the CSR Committee in its meeting held on May 27, 2016 and November 09, 2016 & January 30, 2017.

Mr. Subodh Kumar Soni, Company Secretary and Compliance Officer, acts as Secretary to the CSR Committee.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the year 2016-17 forms a part of the Board's Report.

## E. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of Mr. Arunkumar Biyani, Executive Director of the Company, Mr. Ajay D. Biyani, Managing Director of the Company and Mr. Aditya Biyani, Head-Finance & Marketing of the Company.

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which inter-alia includes implementing and monitoring of risk management plan and policy of the Company. One meeting of the Committee was held on January 30, 2017.

## RISK MANAGEMENT

The Company has a well-defined risk management framework in place, which provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the



business of the Company.

The Audit Committee/Board of Directors periodically reviews the risk assessment and minimization procedures and ensures that executive management controls risk through means of a properly defined framework.

The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company.

**Role and Responsibilities of the Committee includes the following:**

- Framing of Risk Management Plan and Policy and monitoring and implementation of Risk Management Plan and Policy. The identified the risk and keep the risk at zero level or minimum level.
- Procedure for Risk Minimisation and periodically reviewing and evaluating the Risk Management Policy.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- Performing such other functions as may be necessary or appropriate for the performance of its oversight function.
- The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives.

### 3. DISCLOSURES

**Related Party Transactions:**

All transactions entered into with Related Parties as defined under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

All related party transaction are periodically placed before Audit committee and Board the review and approval. The details of the related party transaction are discussed in page no.86 in this Annual Report.

The Company has formulated a policy on materiality of related party transaction and dealing with related party transactions and it is available on the Company's website [www.damodargroup.com](http://www.damodargroup.com)

**Prevention of Insider Trading:**

The Company has adopted an Insider Trading Policy to regulate monitor and trading by Insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Policy also includes practices and procedures for fair disclosure of unpublished price- sensitive information, initial and continues disclosures and regulate trading in securities by the Directors and designated employees of the Company.

**Compliances by the Company:**

There are no instances of non - compliance by your Company of penalties, strictures imposed by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

**Compliance with Accounting Standards:**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013 read with General Circulars issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**Vigil Mechanism/Whistle Blower Policy:**

The provisions of Section 177 of the Companies Act, 2013, the Board of Directors has adopted a 'Whistle Blower Policy' to take cognizance of complaints made and suggestions given by the employees and others.

Mr. Ajay D. Biyani, Managing Director of the company is appointed as the Vigilance and Ethics Officer of the Company and the Company has formulated a policy of Vigil Mechanism and it is on the Company Website [www.damodargroup.com](http://www.damodargroup.com).

**4. MEANS OF COMMUNICATION**

- **Website:** The Company's website [www.damodargroup.com](http://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 Regulations 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 Stock Exchanges i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)
- **Designated Exclusive Email ID:** The Company has designated the Email ID [cs@damodargroup.com](mailto:cs@damodargroup.com) exclusively for investor servicing. This Email ID has been displayed on the Company's website [www.damodargroup.com](http://www.damodargroup.com).
- **SEBI Complaints Redress System (SCORES):** SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. All complaints received through SCORES are resolved in a timely manner by the Company, similar to other complaints.
- **NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre):** NEAPS and BSE Listing Centre are web based application systems for enabling corporate to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc.

**5. GENERAL BODY MEETINGS****(i) ANNUAL GENERAL MEETINGS:**

Details of the location of the last three Annual General Meetings / Extra Ordinary 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     | 2016 | Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002 | August,20, 2016 | 11.30 A.M. |
| AGM     | 2015 | Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002 | August,07, 2015 | 11.30 A.M. |
| AGM     | 2014 | Maheshwari Bhawan, 603, Chira Bazar (J S Road), Mumbai – 400 002 | August,09, 2014 | 11.30 A.M. |



b. Special Resolutions during previous three Annual General Meetings:

| Financial Year  | Particulars of Special Resolutions Passed                               |
|-----------------|---|
| August 20, 2016 | Approval of Related party transactions and Acceptance of Fixed Deposits |
| August 7, 2015  | Adoption of Articles of Association                                     |
|                 | Approval of Issue of Bonus Shares                                       |
|                 | Acceptance of Fixed Deposits  |
| August 9, 2014  | No Special Resolution was passed at this meeting.                       |

c. No resolution requiring Postal Ballot has been placed for shareholders' approval at the above meetings.

**(ii) EXTRA ORDINARY GENERAL MEETINGS:**

| Meeting | Year | Venue   | Date/Time                   | Purpose  |
|---------|------|---|-----------------------------|--|
| EGM     | 2014 | Maheshwari Bhawan, 603, Chira Bazar, (J S Road), Mumbai – 400 002 | June 02, 2014 at 11.00 A.M. | 1. To Accept Fixed Deposits.<br>2. Authority to Board of Directors to Borrow.<br>3. Authority to Board of Directors for creation of charge/Mortgage in respect of borrowing. |

**6. GENERAL SHAREHOLDER INFORMATION**

• **Company Registration Details**

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17110MH1987PLC045575.

• **Annual General Meeting**

|              |  |
|--------------|--|
| Day & Date   | Friday, August 11, 2017  |
| Time         | 11.30 A.M.   |
| Venue        | Maheshwari Bhawan, 603, Chira Bazar, (J S Road), Mumbai – 400 002      |
| Book closure | Wednesday June 21, 2017 to Saturday June 24, 2017 (Both day inclusive) |

• **Financial Calendar**

Financial Calendar (tentative and subject to change):

Financial year : April 1, 2017 to March 31, 2018 for the Financial Year 2017-18, quarterly un-audited/annual audited results will be announced by:

First quarter : Second week of August 2017

Second quarter : Last week of October 2017

Third quarter : Last week of January 2018

Fourth quarter : Mid of May 2018

Annual Audited : May 2018

• **Listing on Stock Exchanges:**

The Equity Shares of the Company are listed with the BSE Limited and National Stock Exchange of India Limited.

| Exchange | Code/Symbol | ISIN         |
|----------|-------------|--------------|
| BSE      | 521220      | INE497D01014 |
| NSE      | DAMODARIND  |              |





- **Payment of Listing Fees:**

Listing fees for the financial Year 2017-18 has been paid, within the stipulated time to Stock Exchanges where the Company's Equity Shares are listed.

- **CEO/CFO Certification:**

As required under Regulation 17 (8) of the Listing Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding financial statements for the year ended March 31, 2017.

- **Certificate of Corporate Governance:**

As required by Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Certificate on corporate Governance of the Practicing Company Secretaries is annexed to the Board's report.

- **Code of Conduct:**

In compliance with Regulation 26 (3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and pursuant to the provision of the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and ethics. The code of conduct is applicable to the members of the Board, and senior management personnel and all employee of the Company. These codes have posted on the company's Website [www.damodargroup.com](http://www.damodargroup.com)

- **Share Transfer System:**

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

- **Investor Services and Investor Grievance Handling Mechanism:**

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

Investors are requested to correspond directly on all share related matters with RTA i.e. Link Intime India Pvt. Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (E), Mumbai – 400083. Tel. No.:022-49186000, Fax No. 022-49186060, E-mail: [rnt.helpdesk@linkintime.co.in](mailto: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](mailto:cs@damoargroup.com).

- **Investor Relations:**

All the complaints have been resolved and as on March 31, 2017 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.



- Dematerialization of shares**

As on March 31, 2017, 1,07,50,660 equity shares (96.63% of the total number of shares) are in dematerialized form as compared to 1,07,44,345 equity shares (94.57% of the total number of shares) as on March 31, 2016.

The Company's shares are compulsorily traded in dematerialized form and are admitted in both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited. (CDSL).

| Particulars of Shares | Equity Shares of ₹ 10/- each |              |
|-----------------------|------------------------------|--------------|
|                       | Number                       | % of total   |
| Dematerialized        |                              |              |
| CDSL                  | 7933954                      | 71.31        |
| NSDL                  | 2816706                      | 25.32        |
| Sub – Total           | <b>10750660</b>              | <b>96.63</b> |
| Physical Form         | 375152                       | 3.37         |
| <b>TOTAL</b>          | <b>11125812</b>              | <b>100</b>   |

**Distribution of Shareholding of Equity Shares as on March 31, 2017**

| Slab of shares | Number of Shareholders | Percentage of shareholders | Number of shares | Percentage of shareholding |
|----------------|------------------------|----------------------------|------------------|----------------------------|
| 1 -500         | 3992                   | 84.16                      | 589406           | 5.30                       |
| 501 -1000      | 323                    | 6.81                       | 244512           | 2.20                       |
| 1001 -2000     | 203                    | 4.28                       | 304461           | 2.73                       |
| 2001 -3000     | 78                     | 1.64                       | 195986           | 1.77                       |
| 3001 -4000     | 33                     | 0.70                       | 116238           | 1.04                       |
| 4001 -5000     | 19                     | 0.41                       | 89048            | 0.80                       |
| 5001 -10000    | 36                     | 0.76                       | 262400           | 2.36                       |
| Above 10000    | 58                     | 1.24                       | 9323761          | 83.80                      |

**Statement showing Shareholding Pattern as on March 31, 2017**

| Category & Name of the shareholders   | Nos. of shareholders | Total No. of shares | % to total no of shares |
|---|----------------------|---------------------|-------------------------|
| <b>Shareholding of Promoter &amp; Promoter Group</b>                                | <b>20</b>            | <b>7700000</b>      | <b>69.21</b>            |
| <b>Public Shareholding</b>  |                      |                     |                         |
| <b>Institutions</b>   |                      |                     |                         |
| Financial Institutions / Banks  | 1                    | 875                 | 0.01                    |
| <b>Non-Institutions</b>   |                      |                     |                         |
| Individuals   |                      |                     |                         |
| i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.         | 4443                 | 1670096             | 15.01                   |
| ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs. | 19                   | 1081420             | 9.72                    |
| <b>Others</b>   |                      |                     |                         |
| i. Hindu Undivided Family   | 103                  | 303252              | 2.73                    |
| ii. Non Resident Indians (Non Repatriable)  | 7                    | 4687                | 0.04                    |
| iii. Non Resident Indians (Repatriable)   | 23                   | 18967               | 0.17                    |
| iv. Clearing Member   | 45                   | 28167               | 0.25                    |
| v. Bodies Corporate   | 81                   | 318348              | 2.86                    |
| <b>Total Public Shareholding</b>  | <b>4722</b>          | <b>3425812</b>      | <b>30.79</b>            |
| <b>TOTAL</b>  | <b>4742</b>          | <b>11125812</b>     | <b>100.00</b>           |



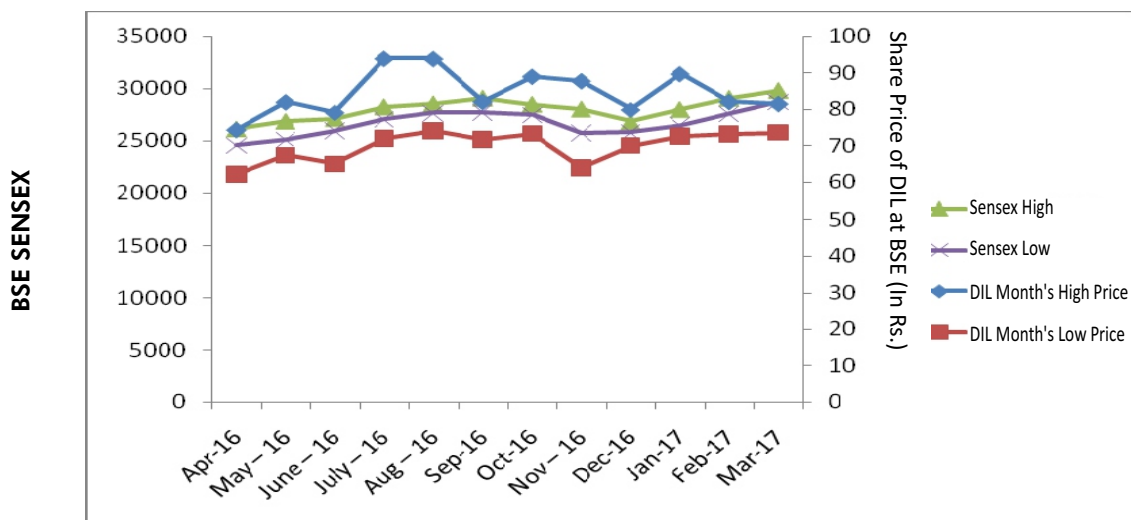
## Market Price Data

The details of Monthly high and low quotation of shares traded on BSE Limited and National Stock Exchange of India during the financial year as 2016-17 were under:

| Month     | BSE Limited |            |              | National Stock Exchange of India Ltd. ("NSE") |            |              |
|-----------|-------------|------------|--------------|---|------------|--------------|
|           | Share Price |            | Volume (nos) | Share Price                                   |            | Volume (nos) |
|           | High (in ₹) | Low (in ₹) |              | High (in ₹)                                   | Low (in ₹) |              |
| Apr -16   | 74.25       | 62.15      | 57013        | -   | -          | -            |
| May -16   | 81.90       | 67.35      | 124686       | -   | -          | -            |
| June -16  | 79.00       | 65.00      | 139390       | -   | -          | -            |
| July -16  | 93.95       | 71.90      | 230951       | 95.00   | 68.00      | 165107       |
| Aug -16   | 93.90       | 74.00      | 124645       | 94.95   | 73.40      | 89843        |
| Sep-16    | 82.00       | 71.50      | 86301        | 82.25   | 70.15      | 68168        |
| Oct -16   | 89.00       | 73.25      | 72498        | 89.50   | 73.50      | 96760        |
| Nov -16   | 87.75       | 63.95      | 117076       | 87.25   | 66.00      | 72753        |
| Dec-16    | 79.80       | 70.00      | 27888        | 77.85   | 69.10      | 34366        |
| Jan -17   | 89.70       | 72.50      | 62058        | 87.80   | 74.00      | 93479        |
| Feb -17   | 82.00       | 73.00      | 64097        | 82.00   | 72.15      | 63021        |
| March -17 | 81.45       | 73.55      | 101911       | 83.60   | 74.10      | 175735       |

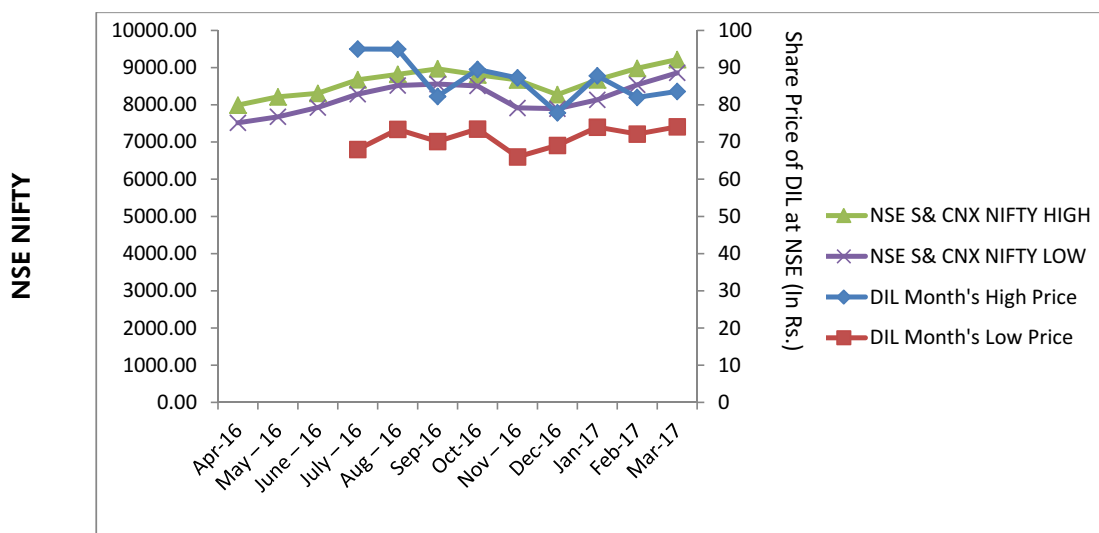
## Share Price performance in comparison to BSE SENSEX & NSE S&P CNX NIFTY

### Our Share Price vis-a-vis BSE SENSEX





### Our Share Price vis-a-vis NSE S&P CNX NIFTY



- Liquidity:**

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

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

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

- Plant Location:**

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

- Company Secretary & Compliance Officer:**

Mr. Subodh Kumar Soni  
Ph: 022- 66610301-2 Fax: 022-66610308  
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-101, 247 Park, L.B.S. Marg,  
Vikhroli (E), Mumbai – 400083.  
Tel. No.: 022-49186000, Fax No. 022-49186060  
E-mail: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.com



**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, 2017 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 our 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) We 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 29, 2017

|                       |                         |
|-----------------------|-------------------------|
| Sd/-                  | Sd/-                    |
| <b>Ajay D. Biyani</b> | <b>R.Kumar</b>          |
| Managing Director     | Chief Financial Officer |

**Declaration on Compliance of Code of Conduct**

To,  
The Members,  
DAMODAR INDUSTRIES LIMITED

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, during the year ended March 31, 2017.

**For Damodar Industries Limited**

Sd/-

Place: Mumbai  
Date: May 29, 2017

**Ajay D. Biyani**  
Managing Director

**PRACTISING COMPANY SECRETARY'S 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, 2017, as per the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

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

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 Pramod Jain & Co.**  
**Company Secretaries**

Sd/-

**Pramod Kumar Jain**  
Proprietor

Place : Indore  
Date : May 29, 2017

**FCS-6711, CP No: 11043**



## **MANAGEMENT DISCUSSION & ANALYSIS**

Historically India has a burly textile-industrial culture and a well-developed and grown-up textile industry that has been the back-bone of the economy. India is now a fast emerging market inching to reach half a billion middle income population by 2030. The Indian textile industry in the long run are set for strong growth, buoy by strong domestic consumption as well as export demand.

With the rise of strong textile exports over the last three decades, India is today among the leading producers of textiles in the world. However, despite this growth, India is not the lowest cost producer of textiles and lacks the benefit of scale economies especially when compared to china, Bangladesh and other Asian countries. In an environment of volatility and intensified global competition, price continues to dominate, Due to high inflation, high interest rates and high labour cost profitability of Indian textile industries.

India's growing middle Income group population has been a key driver of textile consumption growth in the country. Changing lifestyle, rising incomes and increasing demand for quality products are set to fuel demand for Indian Textile products across the globe. Textile sector contributes 14% of industrial production, 4% of India's Gross Domestic Product (GDP) and constitutes 15% of the country's export earnings. Textile sector is the second largest employment provider in the country employing nearly 51 million people directly and 68 million people indirectly. The textiles industry is also labour intensive and is one of the largest employers. It not only generates jobs in its own industry, but also opens up scopes for the other ancillary sectors as per Textile Reviews. (Source: TEXPROCIL)

### **OPPORTUNITIES**

India is the third largest producer of cotton with the largest area under cotton cultivation in the world. It has an edge in low cost cotton sourcing compared to other countries. Average wage rates in India are 50-60 per cent lower than that in developed countries, thus enabling India to benefit from global outsourcing trends in labour intensive businesses such as garments and home textiles. Rising per capita income, favourable demographics, shift in preference to branded products, favourable trade policies , superior quality exports and also rising government focus are favourable policies to support the industry.

Design and fashion capabilities are key strengths that will enable Indian players to strengthen their relationships with global retailers and score over their Chinese competitors. Production facilities are available across the textile value chain, from spinning to garments manufacturing. The industry is investing in technology and increasing its capacities which should prove a major asset in the years to come.

### **THREATS**

We would like to inform you that China is the world leader in the Textile Industries. The China is currently carrying high cost cotton inventory and Indian textile industry is facing challenges with China effecting a change in its cotton policy, rising cost of production and net margins are low.

The textile industry has experienced one of those inexplicable trauma that seem to besiege Indian industry with unwavering regularity. Import of second-hand textile machineries is hitting the local textile industry. Many old imported machines are more than 10 years old particularly in the weaving segment. With the global textile industry moving out of the Western world, mills are looking to dump machinery into markets like India. In Textile industries in India casual workers constitute over 90% of the labour force, resulting in a shortage of skilled workers at the national level. A significant proportion of workers are illiterate or less educated workers need the formal training system.

### **Cotton Scenario – India**

India's cotton production, during the crop year 2016-17, is estimated to be 351.00 lakh bales, as per the Cotton Association of India (CAI). In this current year land under cotton cultivation is said to be increased.

### **Review and Future Outlook of the Company**

The Company is continuously trying to accomplish the desired results. Steps have been taken for cost diminution and manufacturing quality products by various installed machineries of the Company. After the said expansion Company's Spindale capacity stands to 36,720 spindles and 13,260 TFOS. Various aspects of working conditions of workers, health related issues, minimizing risk of accidents at work place etc. are being taken care of by the





Company and by way of various cost cutting techniques and optimum utilization of various resources of the Company.

The Company is going for an expansion by setting up an Automised fancy yarn spinning unit at Amravati, (MIDC), Maharashtra. This will be a mega project at cost of Rs.140 Crores. This plant is expected to start commercial production from the year 2018. Annual sale from this plant is expected to be around Rs. 250 Crores.

**Financial Highlight:**

The revenue from operations increased from Rs. 620.94 Crores in 2015-16 to Rs. 704.27 Crores in 2016-17.

Profit before Tax decreased from Rs. 15.32 Crores in 2015-16 to Rs. 13.64 Crores in 2016-17.

Profit after Tax decreased from Rs. 10.39 Crores in 2015-16 to Rs. 8.86 Crores in 2016-17.

Basic Earnings Per share (EPS) decreased from Rs. 9.34 in 2015-16 to Rs. 7.97 in 2016-17.

**Human Resources/Industrial Relations**

The Company has always valued its human resources and believes in unlimited potential of each of its staff and believes that dedicated and efficient employees are great assets of the Company and most important ingredient for achieving excellence in performance. During the financial year, the overall industrial relations remained cordial in the Company.

**Risk Management and Internal Control System**

The Board of Directors have developed & implemented a robust risk management policy which identifies the key elements of risks that threatens the existence of the Company.

The Company has proper and adequate system of internal control, commensurate with the size and nature of its business. Regular Internal Audits and Checks carried out and also management reviews the internal control system and procedures to ensure orderly and efficient conduct of business and to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

**Cautionary Statement:**

This Management Discussion and Analysis statement of the Annual Report has been included in adherence to the spirit enunciated in the code of corporate governance approved by the Securities and Exchange Board of India. Statement in the Management Discussion and Analysis describing Company's objectives, projections, estimates, expectation may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual result could differ materially from those expressed or implied, important factors that could make a difference to the Company's operation include economic conditions affecting demand/supply and price conditions in the Government regulations, tax laws and other status and other incidental factors.

Further, the discussion following herein reflects the perceptions on major issues as on date and the opinion expressed here are subject to change without notice.

The Company undertakes no obligations to publicly update or revise any of the opinions of forward looking statements expressed in this report, consequent to new information future events, or otherwise. Readers are hence cautioned not to place undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to this statement before taking any action with regard to specific objectives.

**INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of DAMODAR INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **DAMODAR INDUSTRIES LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2017 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' Responsibility for the Financial Statements**

The company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 the Accounting Standards specified under section 133 of Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on my audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted my audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

**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 the affairs of the Company as at March 31, 2017.
- b) in the case of the Statement of Profit and Loss, 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (3) of the Act, We report that:
  - a) We have sought and 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 it appears from my 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 specified under section 133 of Companies Act, 2013. Read with rule 7 of the Companies (Accounts) Rules 2014.
  - e) On the basis of the written representations received from the directors, as on March 31, 2017 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operative effectiveness of such controls, refer to our separate report in 'Annexure B'.
  - g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 in my opinion, and to the best of my information and according to the explanation given to me:
    1. The Company has disclosed the impact of pending litigations on its financial statement.
    2. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    3. The Company has transferred the amounts which were required to be transferred to the Investor Education and Protection Fund.
    4. The Company has provided requisite disclosure in financial statements as to holding as well as dealing in Specified Bank Notes during the period from 08 november 2016 to 30 december 2016. Based on audit procedures and relying on management representation, we report that disclosures are in accordance with books of accounts maintained by the Company and as to produced by the management. Refer Note No. 15 to financial statements

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No: 125334W

**(C.A. Jitendra Mishra)**

Proprietor

Membership No: FCA 116676

Place: Mumbai

Date : 29 May, 2017

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 1, under Report on other Legal and Regulatory Requirements in the Independent Auditor's Report of even date to the members of Damodar Industries Limited (the company) on the financial statements for the year ended March 31, 2017, we report that:

- i. In respect of its Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information
  - (b) The Fixed Assets were physically verified during the year by the management in according with a regular programme of verification which, in our opinion provides for physical verification of major portion of fixed assets at reasonable intervals. According to the information and explanation given to us and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of examination of the records of the company, the title deeds of immovable properties are held in the name of the company
- ii. In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified by the management at regular intervals during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.
  - (b) The discrepancies noticed on verification between the physical stocks and book records were not material.
- iii. The company has not granted any loans, secured or unsecured to the companies, firms, Limited liability partnership or other parties covered in the register maintained under section 189 of the companies Act, 2013. Accordingly, provisions of paragraph 3 (iii) of the Companies (Auditor Report) ordered 2016 were not applicable to the Company.
- iv. The Company has not made investments and granted any loans or provided any guarantees or security to the parties covered under section 185 and 186 of the Companies Act, 2013. Accordingly, provisions of paragraph 3 (iv) of the Companies (Auditor Report) order 2016 were not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder 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 National Company Law Board or Reserve Bank of India or any court or any other tribunal, on the company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government under sub section 1 of section 148 of the Companies Act, 2013 and are of the opinion that prime facie the prescribed accounts and 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.
- vii. In respect of statutory dues:
  - (a) According to information and explanations given to us and on the basis of our examination of the records of the company has been regular in depositing undisputed statutory dues including Provident Fund, investor education and production fund employer state insurance Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, cess and other material statutory dues 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, 2017 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to me, there are no dues in respect of Wealth-Tax, Excise Duty, Service Tax or Cess outstanding on account of any dispute. The details of dues 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 dispute is pending |
|---------|-------------------------|--------------------|-------------|------------------------------------|--------------------------------|
| 1.      | DEPB Entitlement Refund | Custom             | 81,18,321/- | F.Y. 2010-11                       | DGFT                           |

- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions and bank as at the Balance sheet date.
- ix. In our opinion and according to the information and explanations given to us, during the year the company did not raised any money by way of initial public offer or further public offer (including debt instruments) and the term loans availed during the year have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of audit.
- xi. According to the information and explanations given to us, and based on our examination of records of the company, the company has paid/ provided for managerial remuneration in accordance with requisite approvals mandated by the provision of Section 197 read with Schedule V of the Companies Act.
- xii. In our opinion and according to the information and explanations given to us the Company is not a nidhi company, accordingly paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, and based on our examination of records of the company, transaction with the related parties are in compliance with Section 177 & 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, and based on our examination of records of the company, the company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, and based on our examination of records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45 1A of the reserve bank of india Act, 1934. Accordingly paragraph 3(xvi) of the Order is not applicable.

**For Jitendra Mishra & Company**  
Chartered Accountants  
Firm Registration No: 125334W

Place: Mumbai  
Date : 29 May, 2017

**(C.A. Jitendra Mishra)**  
Proprietor  
Membership No: FCA 116676

**Annexure B To The Independent Auditors' Report**

The annexure referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Damodar Industries Limited on the financial statements for the year ended 31st March, 2017.

Report on the Internal Financial controls under clause (i) of sub-section 3 of section 143 of the companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Damodar Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning Of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)



provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No: 125334W

Place: Mumbai

Date : 29 May, 2017

**(C.A. Jitendra Mishra)**

Proprietor

Membership No: FCA 116676



**BALANCE SHEET AS AT 31ST MARCH, 2017**

|   | <b>Note<br/>No.</b> | <b>As at<br/>31-03-2017<br/>(₹)</b> | <b>As at<br/>31-03-2016<br/>(₹)</b> |
|---|---------------------|-------------------------------------|-------------------------------------|
| <b>EQUITY AND LIABILITIES</b>   |                     |                                     |                                     |
| <b>Shareholders' Fund:</b>  |                     |                                     |                                     |
| Share Capital   | 2                   | 111,258,120                         | 111,258,120                         |
| Reserves and Surplus  | 3                   | 825,336,850                         | 774,177,572                         |
|   |                     | <u>936,594,970</u>                  | <u>885,435,692</u>                  |
| <b>Non-Current Liabilities</b>  |                     |                                     |                                     |
| Long Term Borrowings  | 4                   | 179,291,427                         | 183,684,303                         |
| Deferred Tax Liabilities (Net)  | 11                  | 43,177,320                          | 52,853,494                          |
|   |                     | <u>222,468,747</u>                  | <u>236,537,797</u>                  |
| <b>Current Liabilities</b>  |                     |                                     |                                     |
| Short Term Borrowings   | 5                   | 805,791,198                         | 714,287,198                         |
| Trade Payables  | 6                   | 46,443,599                          | 75,912,524                          |
| Other Current Liabilities   | 7                   | 84,093,053                          | 79,245,053                          |
| Short Term Provisions   | 8                   | 44,664,549                          | 20,274,663                          |
|   |                     | <u>980,992,398</u>                  | <u>889,719,438</u>                  |
| <b>Total</b>  |                     | <b><u>2,140,056,115</u></b>         | <b><u>2,011,692,927</u></b>         |
| <b>ASSETS</b>   |                     |                                     |                                     |
| <b>Non Current Assets</b>   |                     |                                     |                                     |
| Fixed Assets  | 9                   |                                     |                                     |
| Tangible Assets   |                     | 657,745,511                         | 684,213,462                         |
| Intangible Assets   |                     | 2,530,236                           | 3,527,851                           |
|   |                     | <u>660,275,747</u>                  | <u>687,741,313</u>                  |
| Non Current Investments   | 10                  | 4,100                               | 4,100                               |
| Long Term Loans and Advances  | 12                  | 10,748,201                          | 13,464,074                          |
|   |                     | <u>10,752,301</u>                   | <u>13,468,174</u>                   |
| <b>Current Assets</b>   |                     |                                     |                                     |
| Inventories   | 13                  | 628,549,824                         | 512,559,680                         |
| Trade Receivables   | 14                  | 742,522,172                         | 711,332,911                         |
| Cash and Bank Balances  | 15                  | 23,696,190                          | 19,456,624                          |
| Short Term Loans and Advances   | 12                  | 74,259,881                          | 67,134,225                          |
|   |                     | <u>1,469,028,067</u>                | <u>1,310,483,440</u>                |
| <b>Total</b>  |                     | <b><u>2,140,056,115</u></b>         | <b><u>2,011,692,927</u></b>         |
| Significant Accounting Policies   | 1                   |                                     |                                     |
| Other Notes on accounts from Nos 2 to 38 are an integral part of the Financial Statements |                     |                                     |                                     |

As per our report of even date

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No: 125334W

**(Jitendra Mishra)**

Proprietor

Membership No. FCA 116676

Place : Mumbai

Date : May 29, 2017

**For and on behalf of the Board of Directors****Arunkumar Biyani**

Chairman

**Ajay D. Biyani**

Managing Director

**Subodh Kumar Soni**

Company Secretary

**R. Kumar**

Chief Financial Officer



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

|   | Note No. | 2016-17<br>(₹)              | 2015-16<br>(₹)              |
|---|----------|-----------------------------|-----------------------------|
| <b>INCOME</b>   |          |                             |                             |
| Revenue from Operations (Gross)   | 16       | 7,042,746,313               | 6,209,456,665               |
| Revenue from Operations (Net)   |          | <u>7,042,746,313</u>        | <u>6,209,456,665</u>        |
| Other Income  | 17       | 4,510,379                   | 4,222,963                   |
| <b>Total</b>  |          | <b><u>7,047,256,692</u></b> | <b><u>6,213,679,628</u></b> |
| <b>EXPENDITURE</b>  |          |                             |                             |
| Cost of Material and Components Consumed  | 18       | 2,620,715,943               | 2,540,684,144               |
| Purchase of traded goods  | 19       | 3,298,844,556               | 2,440,544,378               |
| (Increase)/Decrease in Inventories of Finished Goods Work-in-progress and Trade Goods     | 20       | (4,938,033)                 | 62,219,157                  |
| Employee Benefit Expenses   | 21       | 180,022,023                 | 201,454,415                 |
| Finance Costs   | 22       | 125,251,622                 | 130,047,717                 |
| Other Expenses  | 23       | 572,180,833                 | 557,735,718                 |
| <b>Total</b>  |          | <b><u>6,792,076,944</u></b> | <b><u>5,932,685,529</u></b> |
| <b>Profit/(Loss) before Depreciation and Amortization and Exceptional Items and Tax</b>   |          | 255,179,748                 | 280,994,099                 |
| Depreciation and Amortization Expenses  | 24       | <u>118,705,061</u>          | <u>127,796,715</u>          |
| <b>Profit/(Loss) before Exceptional Items and Tax</b>                                     |          | <u>136,474,687</u>          | <u>153,197,384</u>          |
| Less: Exceptional Items   |          | -                           | -                           |
| <b>Profit/(Loss) before Tax</b>   |          | <u>136,474,687</u>          | <u>153,197,384</u>          |
| Less: Tax Expenses  |          |                             |                             |
| Current Tax   |          | 57,489,045                  | 62,537,417                  |
| Deferred Tax  |          | (9,676,174)                 | (13,356,548)                |
| Earlier years adjustments   |          | <u>8,394</u>                | <u>75,230</u>               |
|   |          | <u>88,653,422</u>           | <u>103,941,284</u>          |
| <b>Profit/(Loss) for the period</b>   |          | <b><u>88,653,422</u></b>    | <b><u>103,941,284</u></b>   |
| Earnings per Equity Share (Nominal Value of share Rs. 10/-each )                          | 25       |                             |                             |
| Basic   |          | 7.97                        | 9.34                        |
| Diluted   |          | 7.97                        | 9.34                        |
| Significant Accounting Policies   | 1        |                             |                             |
| Other Notes on accounts from Nos 2 to 38 are an integral part of the Financial Statements |          |                             |                             |

( ) indicates 'minus'

As per our report of even date

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No: 125334W

**(Jitendra Mishra)**

Proprietor

Membership No. FCA 116676

Place : Mumbai

Date : May 29, 2017

**For and on behalf of the Board of Directors****Arunkumar Biyani**

Chairman

**Ajay D. Biyani**

Managing Director

**Subodh Kumar Soni**

Company Secretary

**R. Kumar**

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2017**

|  | <b>2016-17</b><br>(₹) | <b>2015-16</b><br>(₹) |
|--|-----------------------|-----------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                |                       |                       |
| Net Profit Before Tax & Extra-ordinary Items                 | 136,474,687           | 153,197,384           |
| Adjustment for :   |                       |                       |
| Depreciation and amortisation                                | 118,705,061           | 127,796,715           |
| Interest   | 96,860,091            | 107,563,043           |
| (Profit)/loss On Sale of Fixed Assets                        | (178,336)             | (1,389,856)           |
| Dividend Received  | -                     | -                     |
|  | <u>215,386,816</u>    | <u>233,969,902</u>    |
| Operating Profit Before Working Capital Changes              | 351,861,503           | 387,167,286           |
| Adjustment for :   |                       |                       |
| Trade & Other Receivable                                     | (35,599,044)          | 26,036,406            |
| Inventories  | (115,990,144)         | (33,027,995)          |
| Trade Payable  | (19,319,857)          | (19,009,983)          |
|  | <u>(170,909,046)</u>  | <u>(26,001,572)</u>   |
| Cash generated from Operations                               | 180,952,458           | 361,165,714           |
| Direct Tax paid(net)   | (55,313,303)          | (75,655,963)          |
| Cash flow before Extra-Ordinary Items                        | 125,639,155           | 285,509,751           |
| Prior Years Tax Adjustments                                  | (8,394)               | (75,230)              |
| Net Cash from Operating Activities      A                    | <u>125,630,761</u>    | <u>285,434,521</u>    |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                |                       |                       |
| Purchases of Fixed Assets including Capital Work-in-Progress | (93,110,159)          | (22,626,452)          |
| Sale of Fixed Assets / Investments                           | 2,049,000             | 20,880,100            |
| Dividend Income  | -                     | -                     |
| Net Cash used in Investing Activities      B                 | <u>(91,061,159)</u>   | <u>(1,746,352)</u>    |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                |                       |                       |
| Proceeds from Borrowings & Fixed deposits                    | 81,715,689            | (147,940,754)         |
| Interest Paid  | (96,860,091)          | (107,563,043)         |
| Dividend   | (12,467,643)          | (26,588,720)          |
| Tax on Dividend  | (2,717,991)           | (5,177,097)           |
| Net Cash used in Financing Activities      C                 | <u>(30,330,036)</u>   | <u>(287,269,614)</u>  |
| Net increase in cash and cash equivalents (A+B+C)            | 4,239,566             | (3,581,445)           |
| Opening Balance of Cash & Cash Equivalents                   | 19,456,624            | 23,038,069            |
| Closing Balance of Cash & Cash Equivalents                   | 23,696,190            | 19,456,624            |

( ) indicates 'minus'

As per our report of even date

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No: 125334W

**(Jitendra Mishra)**

Proprietor

Membership No. FCA 116676

Place : Mumbai

Date : May 29, 2017

**For and on behalf of the Board of Directors****Arunkumar Biyani**

Chairman

**Ajay D. Biyani**

Managing Director

**Subodh Kumar Soni**

Company Secretary

**R. Kumar**

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, the Applicable Accounting Standards prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other Accounting Principles generally accepted in India, to the extent applicable. 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 based on useful life of the assets as prescribed in Schedule II of the Companies Act 2013.
- 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, 2017

**2. Share Capital****Authorized Shares**

15,000,000 Equity Shares of Rs 10/- each

**Issued, Subscribed and fully paid up Shares**

11,125,812 Equity Shares of Rs 10/- each

(During the previous year 2,225,162 Equity Shares of Rs 10 each were allotted as fully paid up Bonus Share by capitalisation of General Reserve)

As at  
31.03.2017As at  
31.03.2016150,000,000  
150,000,000150,000,000  
150,000,000

111,258,120

111,258,120

111,258,120111,258,120**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

Issued during the period - Bonus Shares

Outstanding at the end of the period

31-03-2017  
Nos.31-03-2016  
Nos.

11,125,812

8,900,650

-

2,225,162

11,125,81211,125,812**2.2 Terms/Rights attached to equity shares**

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

During the year ended 31st March 2017, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 2.80 (31st March 2016 Rs.2.70).

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**

| Equity shares:                            | 31.03.2017 |        | 31.03.2016 |        |
|---|------------|--------|------------|--------|
|   | Nos.       | % held | Nos.       | % held |
| Equity shares of Rs. 10/- each fully paid |            |        |            |        |
| Name of Shareholder                       |            |        |            |        |
| Arunkumar Biyani - Director               | 1,325,000  | 11.91% | 1,325,000  | 11.91% |
| Ajay D. Biyani - Director                 | 1,700,000  | 15.28% | 1,700,000  | 15.28% |
| Anil D. Biyani - Director                 | 1,475,000  | 13.26% | 1,475,000  | 13.26% |
| Manju Biyani                              | 670,000    | 6.02%  | 670,000    | 6.02%  |

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, 2017

|  | 31.03.2017<br>₹    | 31.03.2016<br>₹    |
|--|--------------------|--------------------|
| <b>3. Reserve and Surplus</b>  |                    |                    |
| <b>3.1 Securities premium account</b>  |                    |                    |
| Balance as per the last financial statements                                     | 179,093,650        | 179,093,650        |
| Add: Premium on issue of Equity Shares   | -                  | -                  |
| <b>Closing Balance</b>   | <b>179,093,650</b> | <b>179,093,650</b> |
| <b>3.2 General Reserve</b>   |                    |                    |
| Balance as per the last financial statements                                     | 140,000,000        | 120,000,000        |
| Add: Amount transferred from surplus balance in the statement of profit and loss | 20,000,000         | 42,251,620         |
| Less: Amount utilised for Issuance of Bouns Shares (Refer Note 2)                | -                  | 22,251,620         |
| <b>Closing Balance</b>   | <b>160,000,000</b> | <b>140,000,000</b> |
| <b>3.3 Surplus / (Deficit) in the statement of profit and loss</b>               |                    |                    |
| Balance as per the last financial statements                                     | 455,083,922        | 429,549,431        |
| Profit for the year:   | 88,653,422         | 103,941,284        |
| Less: Appropriations   |                    |                    |
| Proposed final equity dividend   | 31,152,274         | 13,350,974         |
| Interim Dividend   | -                  | 16,688,718         |
| Tax on equity dividends  | 6,341,870          | 6,115,481          |
| Transfer to general reserve  | 20,000,000         | 42,251,620         |
| Total appropriations   | 57,494,144         | 78,406,793         |
| Net surplus in the statement of profit and loss                                  | 486,243,200        | 455,083,922        |
| <b>Total Reserves and Surplus</b>  | <b>825,336,850</b> | <b>774,177,572</b> |

**4. Long Term Borrowings**

| Particulars                | Non-Current Portion |                    | Current Maturities |                   |
|----------------------------|---------------------|--------------------|--------------------|-------------------|
|                            | 31.03.2017          | 31.03.2016         | 31.03.2017         | 31.03.2016        |
|                            | ₹                   | ₹                  | ₹                  | ₹                 |
| <b>Secured</b>             |                     |                    |                    |                   |
| Term Loans- from banks     | 78,034,427          | 57,776,123         | 43,439,764         | 56,565,199        |
| <b>Sub Total</b>           | <b>78,034,427</b>   | <b>57,776,123</b>  | <b>43,439,764</b>  | <b>56,565,199</b> |
| <b>Unsecured</b>           |                     |                    |                    |                   |
| Unsecured Loans *          | 26,800,000          | 70,927,680         | -                  | -                 |
| Fixed Deposits from public | 74,457,000          | 54,980,500         | 27,821,000         | 20,091,000        |
| <b>Sub Total</b>           | <b>101,257,000</b>  | <b>125,908,180</b> | <b>27,821,000</b>  | <b>20,091,000</b> |
| <b>Total - Net Amount</b>  | <b>179,291,427</b>  | <b>183,684,303</b> | <b>71,260,764</b>  | <b>76,656,199</b> |

\* as stated by Directors taken on long term basis

- 4.1 The Term Loans of Rs 1121.35 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 Rs 93.39 Lacs are secured by hypothecation of vehicles.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

4.2 Current maturities on long term borrowings are included under note no 7 in Other Current Liabilities.

4.3 There are no defaults in repayment of loan and interest thereon as on March 31, 2017 for the loan under this head.

4.4 Maturity Profile of Secured Loan (Non Current Portion):

| 1-2 Years  | 2-3 Years  | 3-4 Years  | 4-5 Years |
|------------|------------|------------|-----------|
| 34,238,683 | 27,370,745 | 16,425,000 | NIL       |

4.5 Unsecured Loans includes Rs 11,700,000 from Directors and 15,100,000 from Inter Corporates.

| 5. Short Term Borrowings         | 31-03-2017<br>₹    | 31-03-2016<br>₹    |
|----------------------------------|--------------------|--------------------|
| <b>Secured</b>                   |                    |                    |
| Working Capital Loans from banks | 805,791,198        | 714,287,198        |
|                                  | <b>805,791,198</b> | <b>714,287,198</b> |

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 guarantees of three directors.

|                                  | Current           |                   |
|----------------------------------|-------------------|-------------------|
|                                  | 31.03.2017<br>₹   | 31.03.2016<br>₹   |
| <b>6. Trade payables</b>         |                   |                   |
| Micro Small & Medium Enterprises | -                 | -                 |
| Trade Payables                   | 46,443,599        | 75,912,524        |
|                                  | <b>46,443,599</b> | <b>75,912,524</b> |

i) 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.

ii) The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.

|  | 31.03.2017<br>₹   | 31.03.2016<br>₹   |
|--|-------------------|-------------------|
| <b>7. Other Current Liabilities:</b>                   |                   |                   |
| Current maturities of long term borrowings (Note No.4) | 71,260,764        | 76,656,199        |
| Unclaimed Dividend                                     | 2,054,779         | 1,171,448         |
| Others payables *                                      | 10,777,509        | 1,417,406         |
|  | <b>84,093,053</b> | <b>79,245,053</b> |

\*Includes statutory dues



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

## 8. Short Term Provisions

## Provisions for employee benefits:

Salary, provident fund and other benefits

Income tax payable

Proposed Dividend

Tax on dividend

31.03.2017

₹

31.03.2016

₹

4,994,662

4,205,698

2,175,742

-

31,152,274

13,350,974

6,341,870

2,717,991

44,664,54920,274,663

## 9. Fixed Assets

| Description                       | GROSS BLOCK          |                   |                   | DEPRECIATION         |                     |                    |                          |                      | NET BLOCK           |                     |
|-----------------------------------|----------------------|-------------------|-------------------|----------------------|---------------------|--------------------|--------------------------|----------------------|---------------------|---------------------|
|                                   | As at<br>01/04/2016  | Additions         | Deduction         | As at<br>31/03/2017  | Up to<br>01/04/2016 | For<br>the year    | Deduction/<br>Adjustment | Up to<br>31/03/2017  | As at<br>31/03/2017 | As at<br>31/03/2016 |
| <b>TANGIBLE ASSETS-OWN ASSETS</b> |                      |                   |                   |                      |                     |                    |                          |                      |                     |                     |
| FREEHOLD LAND                     | 15,618,849           |                   |                   | 15,618,849           | -                   |                    |                          | -                    | 15,618,849          | 15,618,849          |
| RESIDENTIAL FLATS                 | 213,555              |                   |                   | 213,555              | 55,419              | 3,481              |                          | 58,900               | 154,655             | 158,136             |
| BUILDING                          | 313,508,851          | 983,495           |                   | 314,492,346          | 75,181,283          | 9,829,457          |                          | 85,010,740           | 229,481,606         | 238,327,568         |
| PLANT & MACHINERY                 | 967,850,035          | 81,120,226        | 11,730,225        | 1,037,240,036        | 604,013,381         | 84,775,346         | 10,067,868               | 678,720,859          | 358,519,177         | 363,836,654         |
| ELECTRICAL INST.                  | 97,852,053           | -                 |                   | 97,852,053           | 60,121,846          | 16,752,990         |                          | 76,874,836           | 20,977,217          | 37,730,207          |
| FURNITURE & FIXTURES              | 16,452,022           | 50,606            |                   | 16,502,628           | 6,132,391           | 1,705,793          |                          | 7,838,184            | 8,664,444           | 10,319,631          |
| VEHICLES                          | 19,455,968           | 9,733,125         | 644,037           | 28,545,056           | 7,901,106           | 2,216,116          | 435,730                  | 9,681,492            | 18,863,564          | 11,554,862          |
| AIR CONDITIONERS                  | 3,770,924            | 126,397           |                   | 3,897,321            | 2,675,069           | 437,485            |                          | 3,112,554            | 784,767             | 1,095,855           |
| GENERATORS                        | 1,709,646            | -                 |                   | 1,709,646            | 1,600,211           | 36,759             |                          | 1,636,970            | 72,676              | 109,435             |
| WEIGHING SCALE                    | 1,292,666            | 5,467             |                   | 1,298,133            | 503,067             | 142,218            |                          | 645,285              | 652,848             | 789,599             |
| OTHER EQUIPMENTS                  | 8,086,782            | 817,193           |                   | 8,903,975            | 4,343,932           | 1,126,564          |                          | 5,470,496            | 3,433,479           | 3,742,850           |
| COMPUTERS                         | 7,383,564            | 155,650           |                   | 7,539,214            | 6,453,748           | 563,236            |                          | 7,016,984            | 522,230             | 929,816             |
| <b>Total (A)</b>                  | <b>1,453,194,915</b> | <b>92,992,159</b> | <b>12,374,262</b> | <b>1,533,812,812</b> | <b>768,981,453</b>  | <b>117,589,446</b> | <b>10,503,598</b>        | <b>- 876,067,301</b> | <b>657,745,511</b>  | <b>684,213,462</b>  |
| <b>INTANGIBLE ASSETS</b>          |                      |                   |                   |                      |                     |                    |                          |                      |                     |                     |
| COMPUTER SOFTWARE                 | 7,528,116            | 118,000           |                   | 7,646,116            | 4,000,265           | 1,115,615          | -                        | 5,115,880            | 2,530,236           | 3,527,851           |
| <b>Total (B)</b>                  | <b>7,528,116</b>     | <b>118,000</b>    | <b>-</b>          | <b>7,646,116</b>     | <b>4,000,265</b>    | <b>1,115,615</b>   | <b>-</b>                 | <b>5,115,880</b>     | <b>2,530,236</b>    | <b>3,527,851</b>    |
| <b>Total (A) + (B)</b>            | <b>1,460,723,031</b> | <b>93,110,159</b> | <b>12,374,262</b> | <b>1,541,458,928</b> | <b>772,981,718</b>  | <b>118,705,061</b> | <b>10,503,598</b>        | <b>- 881,183,181</b> | <b>660,275,747</b>  | <b>687,741,313</b>  |
| Previous Year                     | 1,515,163,317        | 22,626,452        | 77,066,738        | 1,460,723,031        | 702,761,497         | 127,796,715        | 57,576,494               | - 772,981,718        | 687,741,313         |                     |

31.03.2017

₹

31.03.2016

₹

1,000

1,000

3,100

3,100

4,1004,100

## 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 Equity Shares of 10/- each fully paid up in

Bombay Mercantile Co-operative Bank Ltd



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

|   | 31.03.2017<br>₹   | 31.03.2016<br>₹   |
|---|-------------------|-------------------|
| <b>11. Deferred Tax Liabilities (Net)</b> |                   |                   |
| Deferred Tax Liability                    |                   |                   |
| Depreciation                              | 43,177,320        | 52,853,494        |
| Gross Deferred Tax Liabilities            | 43,177,320        | 52,853,494        |
| Deferred Tax Assets                       | -                 | -                 |
| Gross Deferred Tax Assets                 | -                 | -                 |
| <b>Net deferred tax liability</b>         | <b>43,177,320</b> | <b>52,853,494</b> |

**12 Loans and Advances  
(Unsecured, considered good)**

|  | Non-Current       |                   | Current           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 31.03.2017        | 31.03.2016        | 31.03.2017        | 31.03.2016        |
|  | ₹                 | ₹                 | ₹                 | ₹                 |
| Security Deposit                                   | -                 | -                 | 5,723,150         | 6,423,153         |
| Advance Income Tax (Net of provision for taxation) | 10,748,201        | 13,464,074        | -                 | -                 |
| Prepaid Expenses                                   | -                 | -                 | 6,347,842         | 7,547,237         |
| Loans to Employees                                 | -                 | -                 | 4,495,524         | 4,035,153         |
| Balances with Statutory Government authorities     | -                 | -                 | 5,115,146         | 4,658,933         |
| Others*  | -                 | -                 | 52,578,219        | 44,469,749        |
|  | <b>10,748,201</b> | <b>13,464,074</b> | <b>74,259,881</b> | <b>67,134,225</b> |

\* Includes incentive and duty refundable

|  | As at<br>31.03.2017<br>₹ | As at<br>31.03.2016<br>₹ |
|--|--------------------------|--------------------------|
| <b>13. Inventories</b><br><b>(valued at lower of cost and net realizable value)</b>        |                          |                          |
| Raw Materials  | 392,216,060              | 280,180,865              |
| Work-in-progress   | 42,996,809               | 44,546,201               |
| Finished Goods   | 184,712,115              | 178,224,689              |
| Stores and spares  | 4,373,324                | 3,987,778                |
| Packing Material   | 4,251,517                | 5,620,147                |
|  | <b>628,549,824</b>       | <b>512,559,680</b>       |
| <b>14. Trade receivable</b><br><b>(Unsecured, Considered good unless stated otherwise)</b> |                          |                          |
| Over Six Months  | 40,324,781               | 34,734,401               |
| Others   | 702,197,391              | 676,598,510              |
| <b>Total</b>   | <b>742,522,172</b>       | <b>711,332,911</b>       |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

|  | As at<br>31.03.2017<br>₹ | As at<br>31.03.2016<br>₹ |
|--|--------------------------|--------------------------|
| <b>15. Cash and Bank Balances</b>  |                          |                          |
| Cash in hand   | 142,254                  | 2,348,506                |
| Balance with banks:  |                          |                          |
| In Current Accounts  | 1,842,085                | 444,172                  |
| In Unclaimed Dividend Account  | 2,054,779                | 1,171,448                |
| Fixed Deposits with Banks as margin money*   | 19,657,072               | 15,492,498               |
| <b>Total</b>   | <b>23,696,190</b>        | <b>19,456,624</b>        |
| i) Details of dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016           |                          |                          |
| Cash in hand in Specified Bank notes as on 8th November 2016   | 154,500                  |                          |
| Less : Deposited into Bank on 10th November 2016   | 154,500                  |                          |
| Balance as on 30th December, 2016  | -                        |                          |
| ii) Fixed Deposits with Banks include Deposits of Rs. 30,13,774 within maturity of more than 12 months as on 31.03.2017. |                          |                          |
| <b>16. Revenue from Operations</b>   |                          |                          |
| 16.1 Sale of products  |                          |                          |
| Finished Goods   | 3,542,904,287            | 3,597,083,103            |
| Traded Goods   | 3,499,842,026            | 2,612,373,562            |
| <b>Revenue from Operations (Gross)</b>   | <b>7,042,746,313</b>     | <b>6,209,456,665</b>     |
| <b>16.2 Particulars of Sale of Products</b>  |                          |                          |
| Yarn   | 6,894,030,081            | 6,052,012,629            |
| Fabric   | 140,091,391              | 149,197,902              |
| Others   | 8,624,841                | 8,246,134                |
| <b>Total</b>   | <b>7,042,746,313</b>     | <b>6,209,456,665</b>     |
| <b>17. Other Income</b>  |                          |                          |
| Commission income  | 4,332,043                | 2,833,107                |
| Profit on Sale of Fixed Assets   | 178,336                  | 1,389,856                |
|  | <b>4,510,379</b>         | <b>4,222,963</b>         |
| <b>18. Cost of Raw Material and components consumed</b>  |                          |                          |
| Inventory at the beginning of the year   | 280,180,865              | 186,847,331              |
| Add: Purchases   | 2,732,751,138            | 2,634,017,678            |
|  | 3,012,932,003            | 2,820,865,009            |
| Less: Inventory at the end of the year   | 392,216,060              | 280,180,865              |
| <b>Cost of raw material and components consumed</b>  | <b>2,620,715,943</b>     | <b>2,540,684,144</b>     |
| <b>18.1 Particulars of Materials Consumed</b>  |                          |                          |
| Particulars  |                          |                          |
| Yarn and Fibre   | 1,539,018,987            | 1,643,192,363            |
| Cotton   | 1,080,449,716            | 869,055,442              |
| Grey Fabrics   | 240,319                  | 24,247,393               |
| Others   | 1,006,921                | 4,188,946                |
|  | <b>2,620,715,943</b>     | <b>2,540,684,144</b>     |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

|  | % of<br>Consumption | 2016-17                           | % of<br>Consumption | 2015-16                           |
|--|---------------------|-----------------------------------|---------------------|-----------------------------------|
| <b>18.2 Cost of Materials Consumed</b>           |                     |                                   |                     |                                   |
| Imported   | 9.45%               | 247,633,280                       | 2.20%               | 55,903,855                        |
| Indigenous                                       | 90.55%              | 2,373,082,663                     | 97.80%              | 2,484,780,289                     |
|  | <b>100%</b>         | <b>2,620,715,943</b>              | <b>100%</b>         | <b>2,540,684,144</b>              |
|  |                     | <b>As at<br/>31.03.2017<br/>₹</b> |                     | <b>As at<br/>31.03.2016<br/>₹</b> |
| <b>19. Purchase of Traded Goods</b>              |                     |                                   |                     |                                   |
| Yarn   |                     | 3,298,844,556                     |                     | 2,440,544,378                     |
|  |                     | <b>3,298,844,556</b>              |                     | <b>2,440,544,378</b>              |
| <b>20. (Increase)/Decrease in Inventories</b>    |                     |                                   |                     |                                   |
| <b>20.1 Details at the end of the year</b>       |                     |                                   |                     |                                   |
| Work-in-Progress                                 |                     | 42,996,809                        |                     | 44,546,201                        |
| Finished Goods                                   |                     | 184,712,115                       |                     | 178,224,689                       |
|  |                     | <b>227,708,923</b>                |                     | <b>222,770,890</b>                |
| <b>20.2 Details at the beginning of the year</b> |                     |                                   |                     |                                   |
| Work-in-Progress                                 |                     | 44,546,201                        |                     | 45,930,818                        |
| Finished Goods                                   |                     | 178,224,689                       |                     | 239,059,229                       |
|  |                     | 222,770,890                       |                     | 284,990,047                       |
|  |                     | <b>(4,938,033)</b>                |                     | <b>62,219,157</b>                 |
| <b>21. Employee Benefit Expenses</b>             |                     |                                   |                     |                                   |
| Salaries, Wages and Bonus and other benefits     |                     | 166,788,115                       |                     | 187,542,528                       |
| Contribution to Provident Fund                   |                     | 6,092,771                         |                     | 7,120,477                         |
| Gratuity Expenses                                |                     | 2,518,099                         |                     | 1,547,275                         |
| Staff Welfare Expenses                           |                     | 4,623,038                         |                     | 5,244,135                         |
|  |                     | <b>180,022,023</b>                |                     | <b>201,454,415</b>                |
| <b>22. Finance Costs</b>                         |                     |                                   |                     |                                   |
| Interest   |                     | 96,860,091                        |                     | 107,563,043                       |
| Bank charges & Commission                        |                     | 28,391,531                        |                     | 22,484,674                        |
|  |                     | <b>125,251,622</b>                |                     | <b>130,047,717</b>                |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

|   | <b>As at<br/>31.03.2017<br/>₹</b> | <b>As at<br/>31.03.2016<br/>₹</b> |
|---|-----------------------------------|-----------------------------------|
| <b>23. Other Expenses</b>                         |                                   |                                   |
| Consumption of Stores and spares                  | 40,154,724                        | 45,805,351                        |
| Consumption of Packing Material                   | 43,015,344                        | 50,196,479                        |
| Job Work Charges                                  | 49,529,070                        | 43,065,174                        |
| Power and Fuel                                    | 141,171,093                       | 156,988,080                       |
| Rent  | 12,726,293                        | 32,939,750                        |
| Rates and Taxes                                   | 2,239,354                         | 629,794                           |
| Insurance   | 11,350,084                        | 9,982,774                         |
| Repairs and Maintenance                           |                                   |                                   |
| Plant and Machinery                               | 3,823,527                         | 3,162,006                         |
| Buildings   | 3,679,574                         | 1,220,228                         |
| Others  | 2,757,406                         | 2,628,383                         |
| Legal and Professional fees                       | 5,126,993                         | 3,798,254                         |
| Directors' Sitting Fees                           | 50,450                            | 50,380                            |
| Payment to Auditor (Refer details below)*         | 172,500                           | 125,000                           |
| Directors Remuneration                            | 15,840,000                        | 15,000,000                        |
| Bad debts   | 1,375,035                         | -                                 |
| Vehicle Expenses                                  | 3,125,696                         | 3,589,337                         |
| Freight and Forwarding Charges                    | 153,128,547                       | 118,587,685                       |
| Advertising and Sales Promotion                   | 4,555,154                         | 2,732,499                         |
| Sales Commission                                  | 57,670,208                        | 46,675,740                        |
| Travelling and Conveyance                         | 7,877,635                         | 10,063,855                        |
| Communication Costs                               | 5,356,909                         | 5,875,929                         |
| Printing and Stationery                           | 1,612,544                         | 1,465,021                         |
| General Expenses                                  | 4,242,693                         | 2,262,500                         |
| Corporate Social Responsibility Expenses          | 1,600,000                         | 891,499                           |
|   | <b><u>572,180,833</u></b>         | <b><u>557,735,718</u></b>         |
| <b>*Payment to Auditor</b>                        |                                   |                                   |
| <b>As Auditor</b>                                 |                                   |                                   |
| Audit Fees  | 137,500                           | 100,000                           |
| Tax Audit Fees                                    | 35,000                            | 25,000                            |
|   | <b><u>172,500</u></b>             | <b><u>125,000</u></b>             |
| <b>24. Depreciation and Amortization Expenses</b> |                                   |                                   |
| Depreciation of Tangible Assets                   | 117,589,446                       | 126,739,652                       |
| Depreciation on Intangible Assets                 | 1,115,615                         | 1,057,063                         |
|   | <b><u>118,705,061</u></b>         | <b><u>127,796,715</u></b>         |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

|  | As at<br>31.03.2017<br>₹ | As at<br>31.03.2016<br>₹ |
|--|--------------------------|--------------------------|
| <b>25. Earnings per Share (EPS)</b>  |                          |                          |
| Net profit after tax as per Profit & Loss attributable to Equity Shareholders (in Rs.) | 88,653,422               | 103,941,284              |
| Number of Equity Shares  | 11,125,812               | 11,125,812               |
| Basic and Diluted Earning per share (in Rs.)   | 7.97                     | 9.34                     |
| Face Value per Equity share (in Rs.)   | 10.00                    | 10.00                    |

**26. Contingent Liabilities**

|   | (₹) 2016-17 | (₹) 2015-16 |
|---|-------------|-------------|
| Counter Gurantees given to Banks              | 27,256,000  | 25,675,000  |
| Letter of Credit/Bill Discounting with Banks  | 306,671,713 | 357,885,946 |
| 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   |

**27. Stores and Spares, Packing Materials Consumed**

|                   |            | %          | 2016-17           | %          | 2015-16           |
|-------------------|------------|------------|-------------------|------------|-------------------|
| Stores & Spares   | Indigenous | 90         | 36,328,049        | 89         | 40,864,117        |
|                   | Imported   | 10         | 3,826,675         | 11         | 4,941,234         |
| <b>Total</b>      |            | <b>100</b> | <b>40,154,724</b> | <b>100</b> | <b>45,805,351</b> |
| Packing Materials | Indigenous | 100        | 43,015,344        | 100        | 50,196,479        |
|                   |            | <b>100</b> | <b>43,015,344</b> | <b>100</b> | <b>50,196,479</b> |

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

**29. Related Party Disclosures**

| Key Managerial Personnel :          |   |                       |    |                           |             |
|-------------------------------------|---|-----------------------|----|---------------------------|-------------|
|                                     | Name  | Designation           |    | Name                      | Designation |
| a.                                  | Mr. Arunkumar Biyani                          | Chairman & Director   | k. | Mr. Akshay Biyani         | Relatives   |
| b.                                  | Mr. Ajay D. Biyani                            | Managing Director     | l. | Mrs. Manju Biyani         | Relatives   |
| c.                                  | Mr. Anil D. Biyani                            | Whole - Time Director | m. | Mrs. Sanju Biyani         | Relatives   |
| <b>Associates &amp; Relatives :</b> |   |                       | n. | Ms. 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.                                  | M/s. Suam Overseas Pvt. Ltd.                  | Associates            | r. | Mrs. Savitridevi D Biyani | Relatives   |
| e.                                  | Ajay Biyani HUF                               | Associates            | s. | Mr. Aditya Biyani         | Relatives   |
| f.                                  | Arun Kumar Biayni HUF                         | Associates            | t. | Ms. Reiya Biyani          | Relatives   |
| g.                                  | Damodarlal Biyani HUF                         | Associates            | u. | Ms. Kiara Biyani          | Relatives   |
| h.                                  | Shri Damodar Foundation                       | Associates            | v. | Mrs. Radhika Biyani       | Relatives   |
| i.                                  | Mrs. Kanta Biyani                             | Relatives             | w. | Mr. Abhishek Biyani       | Relatives   |
| j.                                  | Mr. Aman Biyani                               | Relatives             |    |                           |             |



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017****Disclosure of transactions between the Company and related parties as on 31st March, 2017****(Amount in ₹ )**

| <b>Name of the party</b>       | <b>Nature of Transaction</b> | <b>2016-2017</b> | <b>2015-2016</b> |
|--------------------------------|------------------------------|------------------|------------------|
| Arunkumar Biyani               | Interest on Unsecured Loan   | 133,244          | 270,161          |
|                                | Directors Remuneration       | 5,280,000        | 5,000,000        |
|                                | Rent                         | 120,000          | 120,000          |
|                                | Unsecured Loan Balance       | 5,930,000        | 3,250,000        |
| Ajay D Biyani                  | Interest on Unsecured Loan   | 116,982          | 337,981          |
|                                | Directors Remuneration       | 5,280,000        | 5,000,000        |
|                                | Rent                         | 120,000          | 120,000          |
|                                | Unsecured Loan Balance       | 2,320,000        | 3,080,000        |
| Anil D Biyani                  | Interest on Unsecured Loan   | 235,121          | 214,011          |
|                                | Directors Remuneration       | 5,280,000        | 5,000,000        |
|                                | Unsecured Loan Balance       | 3,450,000        | 5,720,000        |
|                                | Perquisites                  | 792,000          | -                |
| Shri Damodar Yarn Mfg.Pvt.Ltd. | Sales                        | 35,677,277       | 43,124,077       |
|                                | Purchases                    | 2,770,656        | 7,340,246        |
|                                | Job Work                     | 9,732,823        | 4,063,307        |
| Suam Overseas Pvt.Ltd.         | Sales                        | 266,482,734      | 223,241,350      |
|                                | Purchases                    | 320,036,132      | 284,399,556      |
| Assets Purchased               |                              | 5,833,125        | -                |
|                                | Job Work Sales               | 2,995,063        | -                |
|                                | Job Work Purchases           | 1,661,124        | -                |
| Shri Damodar Foundation        | Purchases                    | 294,000          | 2,969,250        |
|                                | Rent                         | 840,000          | 840,000          |
|                                | Sundry Creditors Balance     | 6,000            | 518,000          |
| Arunkumar Biyani HUF           | Interest on FD               | 79,848           | 54,087           |
|                                | Rent                         | 120,000          | 120,000          |
| Ajay D Biyani HUF              | Interest on FD               | 36,404           | 15,613           |
|                                | Rent                         | 90,000           | 120,000          |
| Kanta Biyani                   | Interest on FD               | 85,394           | 46,563           |
| Abhishek Biyani                | Interest on FD               | 9,950            | 9,854            |
| Akshay Biyani                  | Interest on FD               | 45,783           | 17,675           |
| Manju Biyani                   | Interest on FD               | 159,151          | 90,885           |
| Sanju Biyani                   | Interest on FD               | 189,895          | 81,789           |
| Bhawna Biyani                  | Interest on FD               | 103,633          | 41,004           |
| Reiya Biyani                   | Interest on FD               | 48,758           | 16,010           |
| Risha Biyani                   | Interest on FD               | 61,046           | 27,992           |
| Savitridevi Biyani             | Interest on FD               | 270,607          | 171,429          |
| Aman Biyani                    | Interest on FD               | 9,756            | 5,303            |
|                                | Employee Remuneration        | 2,100,000        | 1,800,000        |
| Aditya Biyani                  | Interest on FD               | 91,103           | 25,569           |
|                                | Employee Remuneration        | 2,100,000        | 1,800,000        |
|                                | Rent                         | 120,000          | 120,000          |
| Payal Biyani                   | Interest on FD               | 47,162           | 17,887           |
|                                | Employee Remuneration        | 900,000          | 780,000          |
| Damodarlal Biyani HUF          | Interest on FD               | 28,139           | 58,439           |
| Kiara Biyani                   | Interest on FD               | 19,123           | 9,200            |
| Radhika Biyani                 | Interest on FD               | 36,052           | 18,157           |
|                                | Employee Remuneration        | 660,000          | 540,000          |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

|  | 2016-17<br>₹  | 2015-16<br>₹  |
|--|---------------|---------------|
| <b>30. Remuneration to Directors</b>       |               |               |
| Salary                                     | 15,840,000    | 15,000,000    |
| Perquisites                                | 792,000       | -             |
| <b>31. FOB Value Of Exports</b>            |               |               |
| Yarn                                       | 4,096,389,553 | 3,285,298,928 |
| <b>32. C I F Value of Imports</b>          |               |               |
| Raw materials and Stock -in-Trade          | 246,445,372   | 51,184,813    |
| Stores & Spares                            | 3,014,545     | 4,941,234     |
| <b>33. Expenditure In Foreign Currency</b> |               |               |
| Travelling                                 | 3,047,691     | 2,940,722     |
| Commission                                 | 24,988,015    | 30,441,249    |
| Office Expenses                            | 851,402       | 1,075,400     |
| Sales Promotion & Exhibition               | 1,394,065     | 1,368,530     |

**34. Financial and Derivative Instruments**

- Forward Contracts in Foreign currency outstanding as at 31st March, 2017 for export realisation - Rs 7183.20 Lacs & for FCNR-B loan Rs. 676.70 lacs.
- Foreign currency exposures that are not hedged by derivative instruments / Forward Contracts as at 31 st March 2017 amount to Rs 42.00 Lacs

**35. Rent Expenses**

The Company has taken godown, residential, office premise under operating lease or leave and license agreement. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlord/owner. The lease payments are recognised in the note number 23 under "Rent".

**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:

|   | 2016-17 | 2015-16 | 2015-16 |
|---|---------|---------|---------|
| a. Number of Non Resident Shareholders  | 32      | 24      | 10      |
| b. Number of Equity Shares held by them | 34,423  | 25,055  | 45,804  |
| c. i) Amount of Dividend Paid           | 41,308  | 37,583  | 45,804  |
| ii) Tax Deducted at Source              | -       | -       | -       |
| iii) Year to which Dividend Relates     | 2015-16 | 2015-16 | 2014-15 |



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017**

**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.

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As per our report of even date

**For Jitendra Mishra & Company**

Chartered Accountants

Firm Registration No: 125334W

**(Jitendra Mishra)**

Proprietor

Membership No. FCA 116676

Place : Mumbai

Date : May 29, 2017

**For and on behalf of the Board of Directors**

**Arunkumar Biyani**

Chairman

**Ajay D. Biyani**

Managing Director

**Subodh Kumar Soni**

Company Secretary

**R. Kumar**

Chief Financial Officer

[illegible]

[illegible]

**DAMODAR INDUSTRIES LIMITED**

Reg. Off. A1/202, Centre Point, 243-A, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400013

Corporate Identity Number: L17110MH1987PLC045575

Tel: +91 – 022 -6661 0301 - 2 • Fax: 022- 6661 0308 • E-mail:cs@damodargroup.com •www.damodargroup.com

**ATTENDENCE SLIP**

Serial No:

|  |  |
|--|--|
| <b>Registered Folio No./ DP ID/Client ID</b> |  |
| <b>Name and address of the Member(s)</b>     |  |
| <b>Joint Holders</b>                         |  |

I/We record my/our presence at the 29th Annual General Meeting of the Company to be held on Friday, the 11th August, 2017 at 11.30 a.m. at Maheshwari Bhawan, 603, Chira Bazar (J. S. Road), Mumbai – 400 002.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

**NOTE: You are requested to sign and handover this slip at the entrance of the meeting venue.****Proxy Form - Form No. MGT-11**

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

|                        |  |       |  |
|------------------------|--|-------|--|
| CIN No.                | L17110MH1987PLC045575  |       |  |
| Name of the Company    | <b>Damodar Industries Ltd.</b>   |       |  |
| Registered Office      | A1/202, Centre Point, 243-A, N. M. Joshi Marg, Lower Parel (E), Mumbai – 400 013 |       |  |
| Name of the member (s) |  |       |  |
| Registered address     |  |       |  |
| Email 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 29th Annual General Meeting of the Company, to be held on Friday, the 11th day of August, 2017 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:

| Sr. No | RESOLUTIONS  | For | Against |
|--------|--|-----|---------|
| 1.     | Adoption of Accounts   |     |         |
| 2.     | Declaration of dividend on equity share  |     |         |
| 3.     | Re-appointment of Shri Ajay D. Biyani who retire by rotation and, being eligible, offer himself for re-appointment       |     |         |
| 4.     | Ratification of continuation of M/s Jitendra Mishra & Co., Chartered Accountants as the Statutory Auditor of the Company |     |         |
| 5.     | Ratification of the Remuneration of the Cost Auditor   |     |         |
| 6.     | Approve expenses for service of documents to the members of the Company  |     |         |
| 7.     | Approval of Related Party Transactions   |     |         |
| 8.     | Approval for the Acceptance of Fixed Deposits  |     |         |

Signed this..... day of ..... 2017

\_\_\_\_\_

Signature of shareholder

\_\_\_\_\_

Signature of Proxy holder (s)

Affix Revenue  
Stamp  
₹1/-

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.







**DAMODAR**  
**INDUSTRIES LIMITED**

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

**CIN:** L17110MH1987PLC045575

**Tel.:** +91-022-6661 0301/2 • **Fax:** +91-022-6661 0308

**Email:** [cs@damodargroup.com](mailto:cs@damodargroup.com) • **Website:** [www.damodargroup.com](http://www.damodargroup.com)

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