



**30<sup>th</sup> ANNUAL REPORT**  
**2015-16**



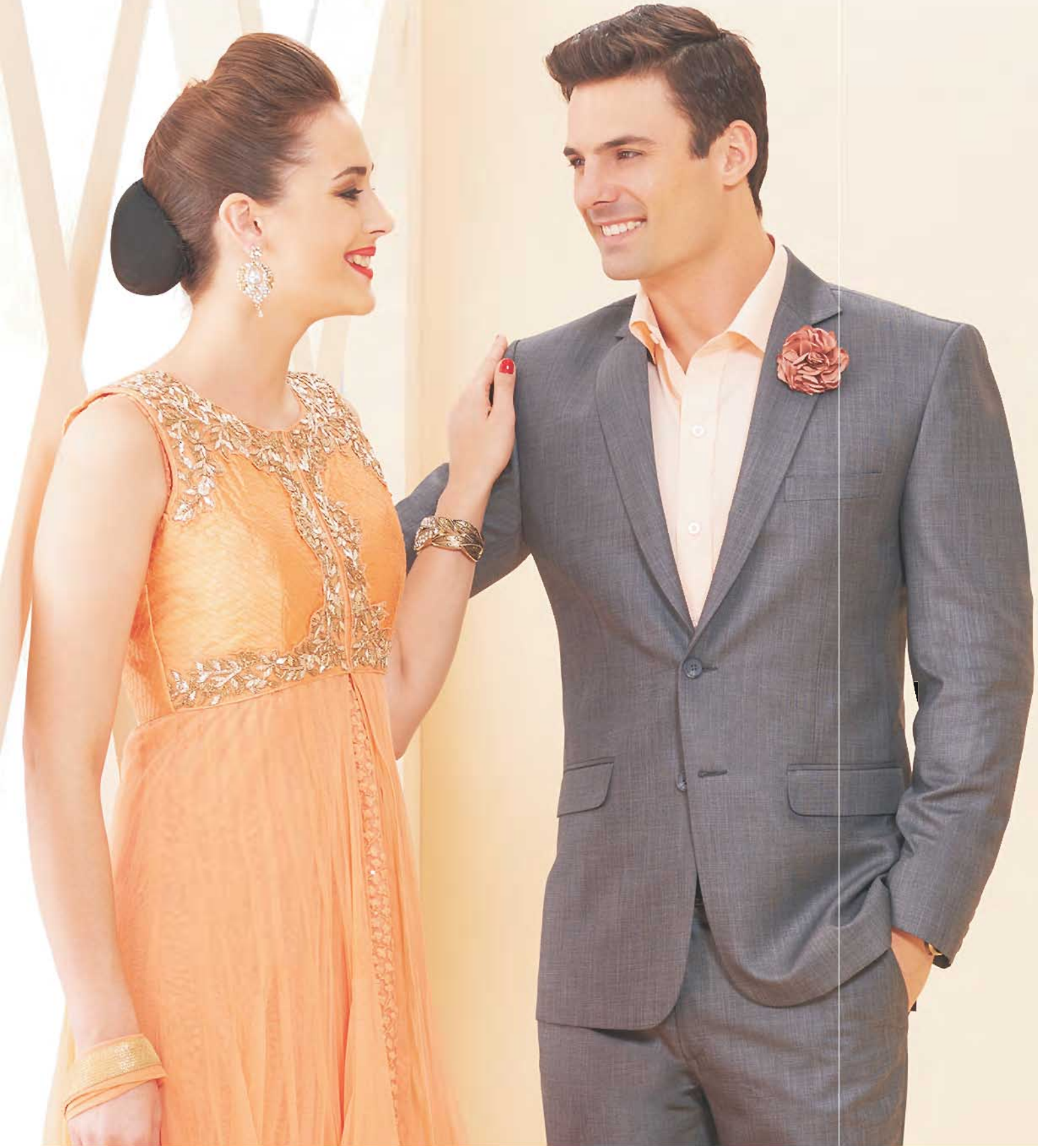
|| अतुलितबलधामं हेमशैलाभदेहं दनुजवनकृशानुं ज्ञानिनामव्यगण्यम् ||  
|| सकलगुणनिधानं वानराणामधीशं रघुपतिप्रियभक्तं वातजातं नमामि ||





॥ वक्तुंड महाकाय सूर्यकोटी समप्रभः ॥  
॥ निर्विघ्नं कुरु मे देव सर्वकार्येषु सर्वदा ॥

**DONEAR**<sup>®</sup>  
SUITINGS & SHIRTINGS





**Corporate Information  
DIRECTORS**

Shri. Vishwanath L. Agarwal - Chairman  
Shri. Rajendra V. Agarwal - Managing Director  
Shri. Ajay V. Agarwal - Whole Time Director  
Shri. Durgaprasad Agarwal  
Shri. Santkumar Agarwal  
Shri. Rajagopal Sivaraj  
Mr. Anup Kumar Singh  
Mrs. Medha Pattanayak

**COMPANY SECRETARY**

Shri. Sreedhar H.

**AUDITORS**

M. L. Bhuwania & Co.  
Chartered Accountants  
F-11, 3<sup>rd</sup> floor, Manek Mahal,  
90, Veer Nariman Road,  
Churchgate, Mumbai – 400 020

**BANKERS**

**State Bank of Hyderabad**  
Corporate Finance Branch,  
C-11, Mittal Tower, Nariman Point,  
Mumbai – 400 021

**Dena Bank**  
Industrial Finance Branch,  
Dena Bank Building 2,  
1<sup>st</sup> floor, 17, Horniman Circle,  
Fort, Mumbai – 400 023

**State Bank of India**  
Commercial Branch  
N.G.N Vaidya Marg,  
Bank Street 17, Horniman Circle,  
Fort, Mumbai – 400 023

**WORKS / OFFICE**

**Balaji Fabrics**  
Revenue Block No. 194 & 195,  
Kadodara Bardoli Road,  
Village Jolwa, Taluka Palsana,  
Dist. Surat, Gujarat

**Balaji Industries**  
Dokmandi, Village Amla,  
Silvassa, Dadra & Nagar Haveli

**Laxmi Fab**  
Government Industrial Estate  
Masat, Silvassa,  
Dadra & Nagar Haveli

**Laxmi Garment Fabrics**  
Building No. 110, 7th Main,  
Peenya Industrial Area,  
3rd Phase, Bangalore

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<p><b>REGISTERED OFFICE</b> Donear House, 8<sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093</p>
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<p>Shareholders are requested to bring with them the Attendance Slip as given in the annual report during the AGM.</p>
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**NOTICE** is hereby given that the Thirtieth Annual General Meeting of the members of DONEAR INDUSTRIES LIMITED will be held on 24<sup>th</sup> September, 2016 at Donear House, 9<sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093 at 11.30 am to transact the following business

**Ordinary business:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2016 and Profit and Loss account for the year ended on that date together with Directors and Auditors Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Rajendra V. Agarwal (DIN: 00227233) who retires by rotation and being eligible offers himself for reappointment
4. To ratify the appointment of Auditors of the Company and fix their remuneration 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 139 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. M. L. Bhwania & Co., Chartered Accountants, Mumbai (Firm Registration No.101484W), whose appointment was approved by the Shareholders at the 28<sup>th</sup> Annual General Meeting, for a period until the conclusion of 31<sup>st</sup> Annual General Meeting of the Company, be and is hereby ratified, subject to further ratification by the members at every Annual General Meeting of the Company held after this meeting and the Board of Directors be and are hereby authorised to fix such remuneration as may be decided by the Board of Directors or any committee thereof.”

**Special Business:**

5. 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 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anup Singh (DIN 07343361), who was appointed as an Additional Director (Executive Professional Director) of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Executive Professional Director of the Company”.

**Explanatory Statement pursuant to Sec.102 (1) of the Companies Act, 2013**

**Item No. 5:**

The Board of Directors has appointed Mr. Anup Singh as an Additional Executive Professional Director of the Company on 19th November, 2015. Pursuant to Sec.161 (1) of the Companies Act, 2013, Mr. Anup Singh continues as a Director upto the ensuing Annual General Meeting. The Company has received notice under Sec. 160 of the Companies Act, 2013 proposing the name of Mr. Anup Singh as a Director of the Company.

Remuneration payable to Mr. Anup Singh is as under:

<b>Compensation per Annum</b>	<b>(₹ )</b>
<b>A. Basic Salary</b>	352620
<b>B. Allowance/Benefit</b>	
1. House Rent Allowance	180000
2. Medical Reimbursement	15000
3. Office Wear Allowance	24000
4. Fuel and Maintenance	150000
5. Education Allowance	2400
6. Washing Allowance	9600
7. Special Allowance	324918
<b>C. Fringes As per Company Policy</b>	
1. Bonus (20% of Basic)	70524
2. Leave Encashment	29373
<b>D. Retiral</b>	
1. Gratuity	16953
<b>E. Variable Pay (10% on Monthly Components)</b>	105854

Mr. Anup Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Company has also received the consent from Mr. Anup Singh to act as Director of the Company if appointed.

The Company has received notice in writing from a member along with deposit of requisite amount under Section 160 of the Companies Act 2013 proposing the candidature of Mr. Anup Singh for office of Director of the Company.

Mr. Anup Kumar Singh holds a degree in B.E. - Mechanical. He has around 19 years experience in Textile Industry.

Mr. Anup Singh holds NIL shares in the Company.

Mr. Anup Singh is not holding directorship in any of the companies.

The board recommends the appointment of Mr. Anup Singh as an Executive Professional Director of the Company as set out in item no. 5 of the notice.

None of the Directors/key management personnel of the Company or their relatives except Mr. Anup Singh is interested or concerned in the above resolution.

By Order of the Board of Directors

**For Donear Industries Limited**

**Sreedhar Hirimbi**  
**Company Secretary**

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
2. The instrument appointing the proxy should be deposited with the Registered Office of the company not less than 48 hours before the commencement of the meeting.
3. Members are requested to intimate any change in their address to the Registrar and Transfer Agents of the Company at the following address:  
LINK INTIME INDIA PVT LTD  
C-13, PANNALAL SILK MILLS COMPOUND  
LBS MARG, BHANDUP (W)  
MUMBAI – 400 078
4. The Register of members and share Transfer Register will remain closed from **15.09.2016 to 23.09.2016** (both days inclusive).
5. Dividend, if declared, will be payable to those members whose names appear on the Register of members of the Company on 14<sup>th</sup> September, 2016 and in respect of shares held in Electronic form the dividend will be paid to the beneficial owners as per details furnished by the depositories for this purpose.
6. Shareholders are requested to inform their Bank Account Numbers, name and address of the Bank/Branch so that the same can be incorporated with their names in dividend warrants to avoid fraudulent encashment.
7. Members who hold shares in dematerialized form are requested to bring their ID & DPID numbers for easy identification of attendance at the meeting.
8. Shareholders seeking any information with regards to audited accounts are requested to write to the Company at least 10 days in advance so as to keep the information ready.
9. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs./LIPL. Members are requested to provide their e-mail address through SMS along with DP ID/Client Id to Mob no. +91 9769808373 and ensure that the same is also updated with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.
10. Members may note that the company has to transfer the dividends which remain unclaimed/unencashed over a period of 7 years to Investor Education and Protection Fund (IEPF) U/S 125 of the Companies Act, 2013. The details of dividend paid by the Company and respective due dates of transfer to the said Fund of the Central Governments, which remain unencashed, are as under:

<b>Date of Declaration</b>	<b>Dividend for the year</b>	<b>Due date for transfer to the Government</b>
26-09-2009	2008-2009	26th October, 2016
25-09-2010	2009-2010	25 <sup>th</sup> October, 2017
24-09-2011	2010-2011	24 <sup>th</sup> October, 2018
22-09-2012	2011-2012	22 <sup>nd</sup> October, 2019
28-09-2013	2012-2013	28 <sup>th</sup> October, 2020
24-09-2014	2013-2014	24 <sup>th</sup> October, 2021
26-09-2015	2014-2015	26 <sup>th</sup> October, 2022

Shareholders are advised to send the unencashed dividend warrants to the Registered Office of the company for revalidation and encash them before the due date for transfer to the Central Government.

In terms of the provisions of section 125 of the Companies Act, 2013, the amount of dividend remaining unclaimed for a period of seven years is required to be transferred to Investor Education and Protection Fund and in compliance thereof the Company had transferred unclaimed

dividend amount for the financial years upto 2007-2008 to the Investor Education and Protection Fund (IEPF) set up by the Central Government and now no claim in respect thereof lies either against the Company or the Fund.

As mandated by the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the Company) Rules, 2013, the particulars of the shareholders whose dividend amounts have remained unpaid for the financial years 2008-09 onwards are made available on website of the Company i.e. [www.donear.com](http://www.donear.com). The said details are also available on the portal of Investor Education and Protection Fund at [www.iepf.gov.in](http://www.iepf.gov.in). Shareholders who have not encashed dividend warrants for the aforesaid period are requested to write to the Company/ RTA to claim unpaid amounts.

#### 11. Re-appointment of Director

Mr. Rajendra Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for appointment. The information/ details pertaining to the Director in terms of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Details of Director seeking reappointment at the forthcoming Annual General Meeting on 24th September, 2016 (in terms of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

(i)	Name of the Directors.	Mr. Rajendra V. Agarwal
(ii)	Date of Birth.	19-09-1962
(iii)	Date of appointment	29-09-1993
(iv)	Experience in Specific Area	Promoter & Managing Director. He is gold medalist in the field of Textile Industry. His sound technical knowledge defined new standards in the field of fabric manufacturing.
(v)	List of other companies in which directorships held	None

12. A Route map giving direction to reach the venue of the 30th AGM is given back page of Attendance Slip

#### 13. Voting through electronic means

In Compliance with the Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Donear Industries Limited (“the Company”) is pleased to offer e-voting facility as an alternate to the postal ballot to all the shareholders of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically instead of dispatching duly filled postal ballot forms. E-voting is optional.

In case of members receiving e-mail:

- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Click on “Shareholders” tab.
- Now, select the Electronic Voting Sequence Number (EVSN) – “160819022” along with “Donear Industries Limited” from the drop down menu and click on “SUBMIT”
- Now enter your User ID (For CDSL: 16 digit beneficiary ID, For NSDL: 8 characters DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company and Click on Login.
- If you are holding shares in Demat form and had logged on [www.evotingindia.com](http://www.evotingindia.com) and caste your vote earlier for EVSN of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.

Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use Sequence number which is printed on address stick indicated in PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical form will then reach directly the EVSN 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.



- viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the relevant EVSN on which you choose to vote.
- x) 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.
- xi) Click on the “Resolution File Link” if you wish to view the entire Resolutions.
- xii) 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.
- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <http://www.evotingindia.co.in> and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xvii) 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 email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members receiving the Physical copy:**

- a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b) The voting period begins on 21<sup>st</sup> September, 2016 at 9.00 a.m. and ends on 23<sup>rd</sup> September, 2016 at 5.00 p.m. During this period shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date 17<sup>th</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- c) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- d) The voting rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the cut off date of 17<sup>th</sup> September, 2016.
- e) Mr. Yogesh Sharma, Practising Company Secretary (C.P.No. 12366) has been appointed as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- f) As the voting of the Members is through electronic means, the members who do not have access to e-voting, may requisite a Physical Ballot form from the Registered office of the Company. You are required to fill in the ballot form and enclose it in sealed envelope and send it the scrutinizer so as to reach the Scrutinizer not later than 23<sup>rd</sup> September, 2016 at 5.00 p.m. Ballot Form received after this date will be treated as invalid. The Scrutinizer’s decision on the validity of the forms will be final. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- g) The Scrutinizer shall within a period not exceeding 2 (two) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer’s report of the votes cast in favor or against, if any, forthwith forward to the Chairman of the Company.
- h) The results declared along with the scrutinizers report shall be placed on the Company’s website [www.donear.com](http://www.donear.com) and on the website of CDSL within 2 (two) days of passing of the resolutions.

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

**Sreedhar Hirimbi**  
**Company Secretary**

Registered Office:  
Donear House, 8<sup>th</sup> floor,  
Plot No. A-50, Road No. 1,  
MIDC, Andheri (East),  
Mumbai – 400 093

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30<sup>th</sup> Annual Report on the business and operations of the Company for the Financial Year ended 31<sup>st</sup> March, 2016.

### Financial Highlights

The table given below gives the financial highlights of the Company for the year ended 31st March, 2016 as compared to the previous financial year.

Financial Results	2015-16 (Rupees)	2014-15 (Rupees)
Gross Revenue	5,21,11,34,761	5,21,03,84,278
Net Profit for the Year	5,62,99,836	7,73,48,503
Add: Balance Brought Forward	26,59,59,190	20,11,27,878
Less: Proposed Final Dividend	1,04,00,000	1,04,00,000
Less: Dividend Distribution Tax	21,17,191	21,17,191
Amount Transferred to General Reserve	Nil	Nil
Balance Carried forward	30,97,41,836	26,59,59,190

### Dividend:

The Directors have recommended a dividend @ ₹ 0.20 per equity share of ₹ 2/- each for the approval of Shareholders at the ensuing Annual General Meeting.

### Management Discussion and Analysis:

#### (a) Industrial Structure and developments:

The Indian Economy is on a steady growth trajectory. If some estimates are to be believed, the Indian Economy is said to be at a much sweeter spot when compared to the rest of the world. In the IMF Estimates of GDP growth among big economies all over the world, India, for the first time ever, tops the chart. And the road ahead looks good for India as an emerging Economy.

According to the UNIDO's (United Nations Industrial Development Organization) industrial statistics 2016, India has climbed up three positions to become the sixth largest industrial country in the world during 2015, up from ninth position in the previous year.

Riding on strong macroeconomic fundamentals, favourable business sentiments and downward trend in interest rates, the Confederation of Indian Industry (CII) expects the Indian economy to grow at around 8% in 2016-17. Even the Reserve Bank of India has forecast a GDP growth of 7.6% for 2016-17.

The CSO data has also projected a growth of 7.6% for 2015-16, (Chart 2) despite growth deceleration to 7.3% in the quarter ended December 2015.

The textile industry plays a vital role through its contribution to industry output and employment generation and the export earnings of the country. Globally, India is the 2nd largest producer of textiles and garments with the leading position occupied by China. It is likely to overtake China in terms of size by 2022-23. Unlike China, India has a predominantly cotton based textile industry.

The government under the dynamic leadership of the Hon'ble Prime Minister of India, has endeavoured to make the textile sector more vibrant through several initiatives. The central focus of these initiatives has been on increasing textile manufacturing by building the best in class manufacturing, infrastructure, up gradation of technology, fostering innovation and enhancing skill in the textile sector.

#### (b) Opportunities and Threats:

The future for the Indian textile industry looks promising buoyed by strong domestic consumption. The Government has introduced the Amended Technology Upgradation Fund Scheme (ATUFS) to give a further boost for technology investment in the textile industry. The ATUFS targets employment generation exports conversion of existing looms to better-quality technology looms and improved quality of processing industry. The ATUFS is expected to act as a catalyst to the Government's 'Make in India' campaign for the textile sector. Approval has also been given for 24 new textile parks which will further create employment opportunities and investments. The long awaited National Textile policy to be announced shortly will further accelerate growth in this sector.

However there are several challenges ahead for the Textile industry for enhancing its competitive strength and global positioning in terms of inflexible labour laws poor infrastructure competition from low cost neighbouring countries which will have to be addressed to sustain the growth momentum of the industry.

#### (c) Segment wise or Product wise performance:

The Company has two reportable primary business segment viz., Manufacturing and Dealing in Textiles and Rental Property. The same has been reported in the notes to the accounts.

**(d) Discussion on Financial performance with respect to operational performance:**

The company reported a turnover of ₹ 51,728.76 Lacs during the year 2015-16 against a turnover of ₹ 51,633.07 Lacs in the previous year. There was a growth of 0.19% in the revenues of the Company as compared to previous year. The Company clocked in a PBT of ₹ 935.08 Lacs during the year 2015-16 resulting in a growth of 73.42% as compared to previous year.

**(e) Human Resource Management:**

The Company has employee friendly HR policies and attracts the best talent in the Industry. The attrition rates are quite low. The Company's policy of providing on the job training has been instrumental in developing a good work force for the Company.

**Corporate Governance Report:**

A detailed report on Corporate Governance Report forms part of this Report. Auditors Certificate on compliance with Corporate Governance requirements by the Company is attached also forms part of this report.

**Directors' Responsibility Statement:**

In terms of section 134 (3) (c) of the Companies Act, 2013 your Directors state that:

1. In preparation of annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and profit for the year ended on that date;
3. They have taken proper and sufficient care for the 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 fraud and other irregularities;
4. They have prepared the annual accounts ongoing concern basis;
5. They have laid down proper internal financial controls to be followed by the Company and they were adequate and operating effectively and
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**Extract of Annual Return :**

Extract of the Annual Return in Form No. MGT-9 as required under section 92 of the Companies Act, 2013 is annexed herewith as **Annexure – A** to this Report.

**Deposits:**

During the financial year under report the Company has not accepted deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**Particulars of Loans, Guarantees and 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.

**Directors:**

Mr. Rajendra Agarwal retires by rotation at the ensuing Annual General Meeting in terms of Section 152 of the Companies Act, 2013. The Act provided that Independent Directors are not subject to retirement by rotation.

During the year under report, Mrs. Neena Agarwal resigned as Director of the Company w.e.f. 14th November, 2015 on personal grounds.

The Board of Directors has appointed Mr. Anup Kumar Singh (DIN 07343361) as Director on 19<sup>th</sup> November, 2015.

**Familiarization Programme for Directors:**

At the time of appointment a Director, a formal letter of appointment is given to him/her. The Director is also explained in detail the role, function, duties and responsibilities expected from him/her and also compliance required from him/her under the Companies Act, 2013, Listing Agreement with stock exchanges. Further the Chairman and Managing Director also will have one to one discussion with the newly appointed Director to familiarize with the Company's operation.

**Performance of Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its mown performance, the Directors individually, as well as the evaluation of the working of its committees. A structured questionnaire is prepared after taking into consideration inputs received from the directors covering various aspects of the Board's functioning.



The evaluation was done on various parameters like vision and strategy, Board participation disclosure of interest, review of risk management policies, leadership skills, good governance, marketing and corporate communications etc.

**Risk Management:**

The Company has adopted a Risk Management Policy for the Company including identification therein the elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. After identifying the risk and assessing the level of impact, controls are put in place to mitigate the risk by the concerned executives who are responsible to control the exposure of the risk and balance the impact of risk on a continuous basis.

**Independent Directors Meeting:**

During the year under review a meeting of Independent Directors was held on 4<sup>th</sup> March, 2016.

**Related Party Transactions:**

All related party transactions that were entered into during the financial year were in the Ordinary course of business and were on an arm's length basis. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have potential conflict with the interest of the Company at large.

All related party transactions for the year are placed before the Audit Committee as well as before the Board for approval. The transactions entered into with related parties are reviewed on a quarterly basis by the Audit Committee.

The Policy on Related Party Transactions as approved by the Audit Committee and Board is uploaded on the Company's website at the link <http://www.donear.com/donear2006/downloads/RelatedPartyTransactionsPolicy.pdf>

The details of the transactions with Related Parties to be provided in Form AOC-2 are annexed herewith as **Annexure B**.

Members can refer Note No. 30 to the financial statements which set out related party disclosures.

**Auditors:**

M/s. M.L.Bhuwania & Co. are appointed as Statutory Auditors to hold office from the conclusion of 28<sup>th</sup> Annual General Meeting to the conclusion of 31<sup>st</sup> Annual General Meeting (Subject to ratification of the appointment by the members at every Annual General Meeting). A proposal for ratification of the appointment of Statutory Auditors for the financial year 2016-17 is placed before the members at the ensuing Annual General Meeting. The Auditors have given their eligibility certificate in terms of Section 139 of the Companies Act, 2013.

**Whistle Blower Policy:**

Company has a Whistle Blower Policy to report genuine concerns or grievances. The same is explained in the Corporate Governance Report No person has been denied access to Audit Committee.

**Corporate Social Responsibility:**

As a part of its initiative under the 'Corporate Social Responsibility' (CSR) drive, the Company has undertaken project in the area of rural development, Promoting health care, education etc.. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as **Annexure - C** forming part of this report.

**Secretarial Audit:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made there under the Company has appointed Mr. Yogesh Sharma, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure D**.

**Energy Conservation, Technology Absorption:**

**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgoings.**

**A. Conservation of Energy:**

(a)	Energy conservation measures taken	Regular monitoring of consumption, optimization of production facility, proper maintenance of machines
(b)	Additional investments and proposals if any, being implemented for reduction of consumption of energy	Nil
(c)	Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	Improvement in quality and efficiency in production.
(d)	Total energy consumption in units	Total Energy Consumption of 29,248,282 Units.
(e)	Consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.	0.62 per unit of Fabric Production 1.25 per unit of Yarn Dyeing Production 0.18 per unit of Fabric Processing

**B. Technology absorption:**

(a) Efforts made in technology absorption as per Form B of the Annexure      At present not required.

**C. Foreign exchange earnings and outgoing:**

(a)	Activities relating to exports, initiatives taken to increase exports, development of new export markets for production and services and export plans.	The Company is regularly developing new designer suiting and shirting fabrics as per latest trends in markets to export all over the world especially to the new markets. The Company has also taken initiative in exporting cotton fabrics.	
(b)	Total foreign exchange used and earned	<b>Used :</b>	
		C.I.F. value of imports	₹ 4,55,46,872
		Expenses in foreign currency	₹ 3,14,17,001
		<b>Earned :</b>	
		FOB	₹ 53,00,94,463

## FORM - A

### Form for Disclosure of Particulars with respect to Conservation of Energy

#### A) Power and fuel consumption

Particulars	Current Year	Previous Year
<b>1. Electricity</b>		
a) Purchased Units	27,945,429	28,455,496
Total amount	209,694,784	198,975,525
Rate/Unit (₹)	7.50	6.99
b) <b>Own generation</b>		
i) Through diesel generator		
Unit	71,192	60,736
Units per Liters of diesel oil	3.12	3.08
Cost/Unit (₹)	15.97	19.02
ii) Through steam turbine/generator		
Unit	Nil	Nil
Units per Ltr. of diesel oil/gas	Nil	Nil
Cost/Unit (₹)	Nil	Nil
iii) Through Gas Generator :		
Units	489,500	732,050
Units per CM3 of Gas	2.34	3.50
Cost/Unit (₹)	14.59	11.69
<b>2. Coal (specify quality and where used)</b>		
Quantity (Tones)	19,301.06	23,938.07
Total Cost (₹)	81,245,861	93,592,530
Average Rate per Ton (₹)	4209	3,910
(Imported and Lignite used in Boiler for Steam Generation)		
<b>3. Furnace Oil</b>		
Quantity (Tones)	Nil	Nil
Total Cost (₹)	Nil	Nil
Average Rate per Ton (₹)	Nil	Nil
<b>4. Others/internal generation (please give details)</b>		
Quantity (Tones)	Nil	Nil
Total Cost (₹)	Nil	Nil
Average Rate per Ton (₹)	Nil	Nil

#### B) Consumption per Unit of Production:

Sr No	Products	Unit	Standard (If Any)	Current Year	Previous Year
1	Fabrics Produced	Metre	----	28,511,066	27,632,331
	Electricity consumed for Fabrics	Units	----	17,301,014	18,444,085
	Electricity Consumed for Fabrics	Unit/Mtr	----	0.61	0.67
2	Yarn Dyeing Production	Kgs	----	3,473,456	3,252,900
	Electricity consumed for yarn dyeing	Units	----	4,336,518	4,286,594
	Electricity consumed for yarn dyeing	Unit/Kg	----	1.25	1.32
3	Fabric Processing Production	Metre	----	38,146,625	42,241,527
	Electricity consumed for Fabric processing	Units	----	6,868,588	6,517,603
	Electricity consumed for Fabric processing	Unit/Mtr	----	0.18	0.15
4	Furnace Oil	-----	----	Nil	Nil
5	Coal	-----	----	Nil	Nil
6	Others	-----	----	Nil	Nil



**FORM - B**

**Form for disclosure of particulars with respect to absorption**

**A) Research and Development (R & D)**

1.	Specific areas in which R & D carried out by the Company	None
2.	Benefits derived as a result of the above R & D	Not Applicable
3.	Future plan of action	To install additional capacity at surat plant.
4.	Expenditure on R & D a. Capital b. Recurring c. Total d. Total R & D expenditure as a percentage of total turnovers.	Not Applicable

**B) Technology absorption, adaptation and innovation**

1.	Efforts, in brief made towards technology absorption, adaptation and innovation	None
2.	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.,	Not Applicable
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year),	Not Applicable
	a) Technology imported	
	b) Year of import	
	c) Has technology been fully absorbed ?	
	d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	

**Particulars of Employees and related disclosure:**

There are no employees drawing a monthly or yearly remuneration in excess of the limits specified by the Companies Act 2013 and Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details annexed herewith as **Annexure E**.

**Acknowledgement:**

Your Directors acknowledge the support and counsel extended by the bankers, government agencies, shareholders, investors, employees and others associated with the Company. The Directors look forward the same in future also.

**For and on behalf of Board of Directors  
Mr. Vishwanath L. Agarwal**

**Chairman**

**Mumbai  
30<sup>th</sup> May, 2016**

**Annexure A**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L99999MH1987PLC042076
2.	Registration Date	1 <sup>st</sup> January, 1987
3.	Name of the Company	Donear Industries Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	Donear House, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093 Tel. 022 -3076 8100 Fax. 022-28370041
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai – 400 078 Tel. 022 -2596 3838 Fax: 022-25946969

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton Fabrics	5209	33.48%
2	Polyester Viscose Fabrics	5515	47.97%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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	N.A	N.A	N.A

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	30704198	40000	30744198	59.13	30704198	40000	30744198	59.13	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	8254000	0	8254000	15.87	8254000	0	8254000	15.87	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
<b>Total shareholding of Promoter (A)</b>	<b>38958198</b>	<b>40000</b>	<b>38998198</b>	<b>75.00</b>	<b>38958198</b>	<b>40000</b>	<b>38998198</b>	<b>75.00</b>	<b>0.00</b>

<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	146518	0	146518	0.28	146518	0	146518	0.28	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	7268664	0	7268664	13.98	13125	0	13125	0.02	(13.96)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1):-</b>	<b>7415182</b>	<b>0</b>	<b>7415182</b>	<b>14.26</b>	<b>159643</b>	<b>0</b>	<b>159643</b>	<b>0.30</b>	<b>(13.96)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	478855	0	478855	0.92	620089	0	620089	1.19	0.27
i) Indian	0	0	0	0	0	0	0	0	
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3398873	26081	3424954	6.59	6195243	26081	6221324	11.96	5.37
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1563970	0	1563970	3.01	4765188	0	4765188	9.16	6.15
c) Others (specify)									
Non Resident Indians (Non Repat)	2470	0	2470	0.00	60644	0	60644	0.12	0.12
Non Resident Indians (Repat)	18317	0	18317	0.04	131009	0	131009	0.25	0.22
Clearing Members	98054	0	98054	0.19	532491	0	532491	1.02	0.83
Hindu Undivided Family	0	0	0	0	511414	0	511414	0.98	0.98
<b>Sub-total (B)(2):-</b>	<b>5560539</b>	<b>26081</b>	<b>5586620</b>	<b>10.74</b>	<b>12816078</b>	<b>26081</b>	<b>12842159</b>	<b>24.70</b>	<b>13.96</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12975721	26081	13001802	25.00	12975721	26081	13001802	25.00	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>51933919</b>	<b>66081</b>	<b>52000000</b>	<b>100.00</b>	<b>51933919</b>	<b>66081</b>	<b>52000000</b>	<b>100.00</b>	<b>0.00</b>



**B) Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the end of the year			% 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 Agarwal	3729500	7.17	0.00	3729500	7.17	0.00	0.00
2	Ajay Agarwal HUF	2274000	4.37	0.00	2274000	4.37	0.00	0.08
3	Bhavar Devi Agarwal	2768000	5.32	0.08	2768000	5.32	0.08	0.00
4	Donear Retail Private Limited	1840000	3.54	0.00	1840000	3.54	0.00	0.00
5	Donear Synthetics Limited	2600000	5.00	0.00	2600000	5.00	0.00	0.00
6	Lav Kush Traders Private Limited	14000	0.03	0.00	14000	0.03	0.00	0.00
7	Master Surya A. Agarwal	3640750	7.00	0.00	3640750	7.00	0.00	0.00
8	Neena Agarwal	2917750	5.61	0.00	2917750	5.61	0.00	0.00
9	R. Ajaykumar Real Estate LLP	2400000	4.62	0.00	2400000	4.62	0.00	0.00
10	Rahul R. Agarwal	4596000	8.84	0.00	4596000	8.84	0.00	0.00
11	Rajendra Agarwal	3846000	7.40	0.00	3846000	7.40	0.00	0.00
12	Rajendra Synthetics Pvt. Ltd	1040000	2.00	0.00	1040000	2.00	0.00	0.00
13	Rajendra Agarwal HUF	1288000	2.48	0.00	1288000	2.48	0.00	0.00
14	Sonia Synthetics LLP	360000	0.69	0.00	360000	0.69	0.00	0.00
15.	Umadevi Agarwal	1850000	3.56	0.00	1850000	3.56	0.00	0.00
16.	Vishwanath Agarwal	2434198	4.68	0.00	2434198	4.68	0.00	0.00
17.	Vishwanath Agarwal HUF	1400000	2.69	0.00	1400000	2.69	0.00	0.00

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	38998198	75.00	38998198	75.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	38998198	75.00	38998198	75.00

**D) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Manju Devi Kejriwal	0	0.0000	754239	1.4505
2.	Vishanji Shamji Dedhia	0	0.0000	580000	1.1154
3.	Renu Rajesh Agarwal	100250	0.1928	565216	1.0870
4.	Rajesh Suresh Agarwal	0	0.0000	560360	1.0776
5.	Mangtooram Laxminarayan Jajodia	241602	0.4646	267265	0.5140
6.	Giniya Devi Agarwal	180989	0.3481	180989	0.3481
7.	Sunita Santosh Goenka	17274	0.0332	179590	0.3454
8.	Sushilkumar Kashiprasad Murarka	155848	0.2997	155848	0.2997
9.	LIC Nomura MF Special Unit Scheme	146518	0.2818	146518	0.2818
10.	Vishal Ravindra Savla	0	0.0000	137000	0.2635

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Vishwanath L. Agarwal				
	At the beginning of the year	2434198	4.68	2434198	4.68
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	2434198	4.68	2434198	4.68
2.	Mr. Rajendra V. Agarwal				
	At the beginning of the year	3846000	7.40	3846000	7.40
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	3846000	7.40	3846000	7.40
3.	Mr. Ajay V. Agarwal				
	At the beginning of the year	3729500	7.17	3729500	7.17
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	3729500	7.17	3729500	7.17
4.	Mr. Sreedhar Hirimbi				
	At the beginning of the year	200	0.00	200	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	200	0.00	200	0.00

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	27723.75	3722.75	1776.00	33222.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>27723.75</b>	<b>3722.75</b>	<b>1776.00</b>	<b>33222.50</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	142.58	142.58
* Reduction	(4561.48)	(415.60)	-	(4977.08)
<b>Net Change</b>	<b>(4561.48)</b>	<b>(415.60)</b>	<b>142.58</b>	<b>(4834.50)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	23162.27	3307.15	1908.58	28378.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>23162.27</b>	<b>3307.15</b>	<b>1908.58</b>	<b>28378.00</b>

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

(₹ In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Amount
		MD	WTD	Professional Director	
		Mr. Rajendra Agarwal	Mr. Ajay Agarwal	Mr. Anup Kumar Singh	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.00	9.00	8.23	41.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>24.00</b>	<b>9.00</b>	<b>8.23</b>	<b>41.23</b>

B. Remuneration to other directors

(₹ In Lacs)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. Durgaprasad Agarwal	Mr. Santkumar Agarwal	Mr. Rajagopal Sivaraj	Mrs. Medha Pattanayak	
	Fee for attending board committee meetings	0.10	0.10	0.09	0.04	0.33
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>0.10</b>	<b>0.10</b>	<b>0.09</b>	<b>0.04</b>	<b>0.33</b>
2	Other Non-Executive Directors	Mr. Vishwanath L. Agarwal				
	Fee for attending board committee meetings	0.05	-	-	-	0.05
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.05</b>
	<b>Total (B)=(1+2)</b>	<b>0.15</b>	<b>0.10</b>	<b>0.09</b>	<b>0.04</b>	<b>0.38</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

I	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
		Mr. Sreedhar Hirimbi	Mr. Ashok Agarwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.56	15.34	16.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	1.56	15.34	16.90

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## Annexure B

### Form No. AOC-2

(Pursuant to clause (h) of sub-section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for 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 provision thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis**

- (a) Name(s) of the related party and nature of relationship – NIL
- (b) Nature of contracts/arrangements/transactions – NIL
- (c) Duration of the contracts/ arrangements/transactions – NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, If any
- (e) Justification for entering into such contracts or arrangements or transactions – NIL
- (f) Date of approval by the Board – NIL
- (g) Amount paid as advances, if any – NIL
- (h) Date on which the Special resolution was passed in general meeting as required under first provision to section 188 – NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	Donear Synthetics Limited	Mr. Vishwanath Agarwal is a Director	Sale of Goods	1-04-2015 to 31-03-2016	Value of transactions = ₹ 7,99,393/-		NIL
(b)	Neptune Fabs	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Services Rendered	1-04-2015 to 31-03-2016	Value of transactions = ₹ 58,39,120/-		NIL
(c)	Venus Textiles	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Services Rendered	1-04-2015 to 31-03-2016	Value of transactions = ₹ 1,06,28,125/-		NIL
(d)	Lotus Fabrics	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Services Rendered	1-04-2015 to 31-03-2016	Value of transactions = ₹ 42,16,255/-		NIL
(e)	Mercury Industries	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Services Rendered	1-04-2015 to 31-03-2016	Value of transactions = ₹ 1,01,70,520/-		NIL
(f)	Donear Synthetics Limited	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Services Rendered	1-04-2015 to 31-03-2016	Value of transactions = ₹ 3,543/-		NIL
(g)	Rajendra Synthetics Pvt. Ltd.	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Services Rendered	1-04-2015 to 31-03-2016	Value of transactions = ₹ 3,57,263/-		NIL
(h)	Neptune Fabs	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Leasing or property	1-04-2015 to 31-03-2016	Value of transactions = ₹ 1,00,000/-		NIL
(i)	Venus Textiles	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Leasing or property	1-04-2015 to 31-03-2016	Value of transactions = ₹ 1,00,000/-		NIL



Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(j)	Lotus Fabrics	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Leasing or property	1-04-2015 to 31-03-2016	Value of transactions = ₹ 1,00,000/-		NIL
(k)	Mercury Industries	Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal are interested	Leasing or property	1-04-2015 to 31-03-2016	Value of transactions = ₹ 1,00,000/-		NIL

For and on behalf of the Board of Directors

**Mr. Vishwanath Agarwal**  
Chairman

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

## Annexure C

### ANNUAL REPORT ON CSR ACTIVITIES

**1. Brief outline of 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 Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare and sustainable development of the community at large.

The core elements of CSR is the continuing commitment by business to ethical principles, protection of human rights and care for the environment, while improving the quality of life of all the stakeholders including the local community and society at large.

It is Company's conscious strategy to design and implement Social Investments/CSR programs, by enriching value chains that encompass the disadvantaged sections of society, especially those residing in rural India, through economic empowerment based on grass-root capacity building.

This Policy shall apply to all CSR initiatives and activities taken up for the benefit of different segments of the society, especially the deprived, under privileged and differently abled persons.

The CSR Policy provides an overview of the projects or programs, which are proposed to be undertaken by the Company in the coming years.

The full text of the CSR Policy is posted on the website of the Company viz [www.donear.com](http://www.donear.com)

**2. Composition of CSR Committee:**

'Corporate Social Responsibility Committee' comprising of following directors was constituted on 14<sup>th</sup> February, 2015:

Mr. Durgaprasad Agarwal – Chairman	Independent Director
Mr. Santkumar Agarwal – Member	Independent Director
Mr. Rajendra Agarwal – Member	Promoter & Executive Director

During the year under report, the Committee met on 14<sup>th</sup> August, 2015.

**3. Net Profits of the Company for the last three financial years. – ₹ 12,06,43,667/-**

Average Net Profit: ₹ 4,02,14,556/-

**4. Prescribed CSR expenditure (two percent of the amount as in item 3 above).**

The Company is required to spend ₹ 8,04,291/- towards CSR activities in the Financial Year 2015-2016.

Details of CSR activities/ projects undertaken during the year.

a. Total amount to be spent for the year : ₹ 8,04,291/-

b. Amount Spent during the year as follows:

1	2	3	4	5	6	7	8
Sr. No.	CSR Project /activity identified	Sector in which the project is covered	Projects/ Programmes	Amount Outlay (budget) Project/ programme wise	Amount spent on the project/ programme <u>Subheads:</u>	Cumulative spent upto the reporting period	Amount Spent: Direct/ through implanting agency*
			1 Local area/ others-		1 Direct expenditure of project		
			2 Specify state/ district (Name of the District/s, State/s where project / programme was undertaken		2 Overheads		
1	Tribal Society Deveopment	Rural Development	Mumbai, Maharashtra	80,000	82,000	82,000	82,000
2	Old Age Homes	Senior Citizens	Village Chaure, Kalyan, Thane, Maharshtra	10,00,000	10,00,000	10,00,000	10,00,000
			Total	10,80,000	10,82,000	10,82,000	10,82,000

5. In case the Company fails to spend the 2% of the Average Net profit of the last three financial years, the reasons for not spending the amount shall be stated in the Board Report – Not Applicable

6. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

**For Donear Industries Limited**

**Vishwanath L. Agarwal**  
Chairman

**For Donear Industries Limited**

**Durgaprasad Agarwal**  
Chairman of CSR Committee

**Annexure D**

**Form No. MR-3**

**SECRETARIAL AUDIT**

**REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

To,

The Members,

**DONEAR INDUSTRIES LIMITED,**

Donear House, 8th Floor, Plot No. A – 50,

Road No. 1, MIDC, Andheri (East),

Mumbai, 400093

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DONEAR INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2016 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, 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14<sup>th</sup> May 2015);  
ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (w.e.f. 15<sup>th</sup> May 2015)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;**(Not Applicable during Audit period)**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**(Not Applicable during Audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable during Audit period)**
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**(Not Applicable during Audit period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(Not Applicable during Audit period)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 1<sup>st</sup> December, 2015)
- (vi) On examination of the relevant documents and records on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
  - Factories Act 1948
  - Acts under Prevention and Control of Pollution.

- Acts prescribed under Environmental Protection.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (w.e.f. 1<sup>st</sup> July, 2015).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges (BSE& NSE);

I further report that the Board of Directors of the Company is duly 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 period under review were carried out in compliance with the provisions of the Act.

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 at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or committee of the Board as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has passed Resolution u/s 180(1)(a) and 180(1)(c) of the Act.

**YOGESH SHARMA**

(Practising Company Secretary)

ACS: 33235 CP No.: 12366

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

**This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.**

## APPENDIX A

To,

The Members,

**DONEAR INDUSTRIES LIMITED,**

Our report of even date is to be read along with this letter.

1. Maintainance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was one on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Whenever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on the test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**YOGESH SHARMA**

(Practising Company Secretary)

ACS: 33235 CP No.: 12366

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

## Annexure E

**PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 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 2015-2016:

<u>Name of the Director</u>	<u>Ratio</u>
Mr. Rajendra Agarwal (Managing Director)	679%
Mr. Ajay Agarwal (Whole Time Director)	254%

Other Directors of the Company are paid only sitting fees which are not considered as remuneration.

- (ii) The percentage increase / decrease in the remuneration of each Director, Chief Financial Officer and Company Secretary or manager in the Financial Year 2015-2016:

<u>Name</u>	<u>% increase/ (decrease)</u>
Mr. Rajendra Agarwal (Managing Director)	Nil
Mr. Ajay Agarwal (Whole Time Director)	Nil
Mr. Ashok Agarwal (Chief Financial Officer)	Nil
Mr. Shreedhar Hirimbi (Company Secretary)	22.11%
Mr. Anup Kumar Singh (Executive Professional Director)	37.63%

Other Directors of the Company are paid only sitting fees which are not considered as remuneration.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year: 17.90%
- (iv) The number of permanent employees on the rolls of the Company: There were 633 employees on the rolls as on March 31, 2016
- (v) The explanation on the relationship between average increase in remuneration and Company performance: The Company's turnover increased by 0.19% against the increase in median remuneration is 17.90%. This was based on Industry benchmarking, consideration towards cost of living adjustments /inflation rate and attrition factor.
- (vi) Comparison of the remuneration of the Key Managerial Personnel(KMP) against the performance of the Company:

The revenue growth in Financial Year 2015-2016 against Financial Year 2014-2015 was 0.19%. The aggregate increase in remuneration of the KMPs was 5.45% during the Financial Year 2015 -2016.

- (vii) Variations in the market capitalization of the company, price earnings ratios as at the closing date of the current Financial Year and previous Financial Year:

Our market capitalization was Rs. 139.36 Crores as at March 31, 2016 as against Rs. 78.52 Crores as at March 31, 2015 (based on share prices quoted on the NSE).The Price Earnings Ratio was 24.81:1 as at March 31, 2016 as compared to 10.13 as at March 31, 2015 (without exceptional items).

- (viii) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in managerial remuneration is 13.76% for employees other than Managerial Personnel and there is no increase in managerial personnel.
- (ix) Comparison of remuneration of each Key Managerial Personnel against the performance of the Company:

<u>Particulars</u>	<u>Remuneration as a % of standalone turnover for Financial Year ended March 31, 2016</u>
Mr. Rajendra Agarwal (Managing Director)	0.05%
Mr. Ajay Agarwal (Whole Time Director)	0.02%
Mr. Ashok Agarwal (Chief Financial Officer)	0.04%
Mr. Sreedhar H. (Company Secretary)	0.00%
Mr. Anup Kumar Singh (Executive Professional Director)	0.02%

- (x) The ratio of the remuneration of the highest paid Director to that of that employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

There were seven employees who have received remuneration in excess of the highest paid Director and the ratio stands at 2:1.

- (xi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: Yes



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY

Corporate Governance is not merely compliance – it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to customer need, shareholders benefit and employees growth, thereby delighting all its stakeholders while minimizing risks.

We, at Donear Industries Limited, believe that for a Company to succeed, it must maintain global standards of corporate conduct towards employees, customers and society. The Company believes that it is rewarding to be better managed and governed and to identify and align its activities with national interest. To that end, we, as a Company have always focused on good corporate governance – which is a key driver of sustainable corporate growth and long term value creation.

The Company has adopted code of conduct for its employees including Managing Directors, Executive Directors and also for Independent Directors of the Company. The Managing Director has given declaration to the effect that all Directors and Senior Management Personnel of the Company have given their affirmation of Compliance of code of conduct.

At Donear Industries Limited, we view Corporate Governance in its widest sense, almost like a trusteeship. Corporate Governance is not simply a matter of creating checks and balances: it is about creating an outperforming organization. The primary objective is to create and adhere to corporate culture of conscience and consciousness, transparency and openness; and to develop capabilities and identify opportunities that best serve the goal of value creation. Good governance is an integral part of Donear Industries Limited Management, in its pursuit of excellence, growth and value creation with a clear focus on its employees, customers, shareholders and the community at large – its stakeholders, beyond the metric of stock market and market capitalization.

The Company complied with the requirements of corporate governance under clause 49 of the Listing Agreement and corresponding to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulation 2015). The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been implemented in manner so as to achieve the objectives of Corporate Governance.

### 2. RIGHTS OF THE SHAREHOLDERS

The Company believes in protecting the rights of the shareholders. It ensures adequate and timely disclosure of all information to the shareholders in compliance with the applicable laws. Shareholders are furnished with sufficient and timely information concerning the general meetings, issues to be discussed thereat and rules regarding holding and conducting the general meetings. All shareholders are treated equitably.

### 3. ROLE OF THE STAKEHOLDERS

The Company recognizes the rights of the stakeholders who are provided opportunity to obtain effective redressal for violation of their rights. Keeping the same in view, the Company has laid down an effective whistle blower policy enabling stakeholders, including employees to freely communicate their concerns about illegal or unethical practices.

### 4. BOARD OF DIRECTORS

#### a) Composition and Category of Directors

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who represents the optimum mix of professionalism, knowledge and experience.

The Board's composition is in accordance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2016 The Board of the Company comprises Eight Directors - Three Executive Directors and Five Non-Executive Directors, of whom four are Independent Directors. The Chairman of the Board is a Non-Executive Promoter Director.

The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships/ memberships held by them in other public companies as on 31<sup>st</sup> March, 2016 are given herein below.

Directors' Attendance Record and Directorship / Committee Membership / Chairmanship held as on 31.03.2016

Name of Director	Executive / Non-Executive / Independent	Relation ship with Other Directors	Board Meet-ings attended during the year	Whether attended last AGM	Director- ships* including Do- near Industries Limited)	Committee Position (Including Donear Industries Limited)	
						Chairman	Member
Mr.Vishwanath L. Agarwal – Chairman	Non-Executive & Promoter	Father of Mr. Rajendra Agarwal and Mr. Ajay Agarwal	5	Yes	2	-	-

Name of Director	Executive / Non-Executive / Independent	Relation ship with Other Directors	Board Meetings attended during the year	Whether attended last AGM	Director- ships* including Do- near Industries Limited)	Committee Position (Including Donear Industries Limited)	
						Chairman	Member
Mr. Rajendra Agarwal - Managing Director	Executive	Son of Mr. Vishwanath L. Agarwal	5	Yes	1	-	-
Mr. Ajay Agarwal - Whole Time Director	Executive	Son of Mr. Vishwanath L. Agarwal	5	Yes	1	-	-
Mr. Santkumar Agarwal	Non-Executive & Independent	None	5	No	1	1	3
Mr. Durgaprasad Agarwal	Non-Executive & Independent	None	5	Yes	3	3	1
Mr. Rajagopal Sivaraj	Non-Executive & Independent	None	5	No	1	-	4
Mrs. Medha Pattanayak	Non-Executive & Independent	None	3	No	1	-	-
* Mrs. Neena Agarwal	Non-Executive & Promoter	Wife of Mr. Ajay Agarwal	2	No	1	-	-
Mr. Anup Singh (Ap- pointed w.e.f. 19.11.2015)	Executive & Professional	None	0	No	-	-	-

- Number of Directorships/memberships and Committee position held in other companies excludes directorship/member in Private Limited Companies, Foreign Companies and Companies under section 8 of the Companies Act, 2013 and includes Audit Committee, Stakeholders Relationship Committee in Public Limited Companies including Donear Industries Limited.
- \* Mrs. Neena Agarwal resigned with effect from 14.11.2015 as a Director of the Company.

b) **Appointment / Reappointment of Directors:**

Mr. Rajendra V. Agarwal retires by rotation.

Mr. Anup Singh was appointed as an Executive & Professional director of the Company on 19.11.2015. Pursuant to Sec. 161 of the Companies Act, 2013, Mr. Anup Singh holds office upto the commencement of the ensuing Annual General meeting and is eligible for reappointment as regular director.

c) **Independent Directors**

The Independent Directors of the Company fully meet the requirements laid down under Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015:

An independent director in relation to a company, means a non executive director other than a nominee director of the Company,

- Who in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (i) is or was not a promoter of the Company or its holding, subsidiary or associate Company;  
(ii) is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- Apart from receiving directors remuneration who has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- None of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company or their promoters or directors amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or current financial year;
- Who neither himself nor any of his relatives –
  - (i) holds or has held the position of Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
    - (a) A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company or its holding, subsidiary or associate company; or
    - (b) Any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
- Holds together with his relatives two per cent or more of the total voting power of the company: or
- Is a Chief Executive or director, by whatever name called, of any non profit organization that receives twenty five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
- Is a material supplier, service provider or a customer or a lessor or lessee of the company;
- Who is not less than 21 years of age.

The **tenure** of the Independent Directors is fixed in accordance with the requirements laid down in the Companies Act, 2013 and clarifications / circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

All the Independent Directors have furnished a declaration that he / she meets the criteria of independence as laid down in Section 152 of the Companies Act, 2013. The Company has provided the appointment letter to Independent Directors along with code for independent directors which are also available on the Company's website.

d) **Performance Evaluation of Directors**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Non Executive Directors. The parameters of performance evaluation of the Non Executive Directors will capture the following points:

- Attendance at meetings of the Board and Committee thereof,
- Participation in Board meetings or Committee thereof,
- Contribution to strategic decision making,
- Review of risk assessment and risk mitigation,
- Review of financial statements, business performance, and
- Contribution to the enhancement of brand image of the Company.

The Board of Directors (excluding the Director being evaluated) had, in their Meeting held on 04th March, 2016 evaluated the performance of all the Directors on the Board.

e) **Separate meetings of the Independent Directors**

The Independent Directors held a Meeting on 04th March, 2016, without the attendance of Executive Directors and members of Management. At the Meeting, they:

- (i) reviewed the performance of non-independent directors and the Board as a whole;
- (ii) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- (iii) Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.

**f) Familiarization Programme for Independent Directors:**

Whenever any person joins the Board of the Company as an Independent Director, an introduction programme is arranged. The Company conduct programmes/ presentations periodically to familiarize the Independent Directors with the nature of industry, business model, strategy, operations, functions of the Company & role, rights and responsibilities of Independent Directors through its Executive Directors or Senior Management Personnel.

The details of such familiarization programmes have been disclosed on the Company's website at [www.donear.com](http://www.donear.com)

**5. BOARD MEETINGS**

- a)** The Board meets at least four times in a year with a maximum time gap of one hundred and twenty days between two Board Meetings as per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The meeting of the Board of Directors /Committees is held in Mumbai. The Board meets at least once in a quarter interalia to review the quarterly performance and financial results and review compliance reports pertaining to all applicable laws. A total of five Board Meetings were held during the year 2015-2016 on the following dates: 5<sup>th</sup> May, 2015, 30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 14<sup>th</sup> November, 2015 and 13<sup>th</sup> February, 2016.

The Board is apprised and informed of all the important matters relating to the business of the Company including those information as prescribed in Schedule II (Part A & B) of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director finalizes the items to be included in the agenda of the meeting and the same is sent to the members of the Board well in advance along with the relevant details and explanatory notes wherever required.

The Board of Directors are satisfied with the plans for orderly succession for appointment of Board of Directors and senior management. Also, the Board of Directors has laid down code of conduct for the Board and senior management which is available on the website of the Company. The Company has laid down the procedures for intimating the risk assessment and minimization procedures to the Board of Directors and the Board of Directors are responsible for framing, implementing and monitoring the risk management plan for the Company.

**Information Supplied to the Board / Committees**

Among others, information supplied to the Board / Committees includes:

- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of the Meetings of the audit committee and all other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-Compliance status of any regulatory, statutory nature or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer etc.
- Compliance with all the laws as applicable to the Company.

## b) GENERAL MEETINGS

Annual General Meetings held during last three years

Financial year	Date	Time	Venue	Details of Special Resolution Passed
2012-2013	28.09.2013	11.30 a.m.	Donear House, 9 <sup>th</sup> floor, Plot no. A-49/50, Marol Industrial Area, MIDC, Andheri (East), Mumbai – 400 093	No Special Resolution
2013-2014	24.09.2014	11.30 a.m.	Hotel Kohinoor Continental, J.B. Nagar, Andheri Kurla Road, Andheri (East), Mumbai – 400 049	No Special Resolution
2014-2015	26.09.2015	11.30 a.m.	Donear House, 9 <sup>th</sup> floor, Plot no. A-49/50, Marol Industrial Area, MIDC, Andheri (East), Mumbai – 400 093	a. To create securities in favour of Lenders u/s 180(1)(c) of the Companies Act, 2013 b. Borrowing limits of the Company u/s 180(1) (c) of the Companies Act, 2013

### Extra Ordinary General Meeting

No Extra Ordinary General Meeting of the Shareholders was held during the financial year ended 31<sup>st</sup> March, 2016.

### Postal Ballot

During the year, pursuant to the provisions of the Section 110 of the Companies Act, 2013, the Company has passed certain resolutions through Postal Ballot on 22<sup>nd</sup> May, 2015 as per the details mentioned below:

Brief Particulars of Special Resolution	Total No. of Votes Received No. of Shares	No. of Shares and % of total votes cast in favour		No. of Shares and % of total votes cast in against	
		No. of Shares	% of Votes	No. of Shares	% of Votes
Amendment to main Object Clause III (A) 2 of the Memorandum and Articles of Association	39051681	39049560	99.99	2121	0.01
Amendment to Objects Clause III (B) 8 Incidentals or Ancillary to Attainment of the Main Objects	39051681	39049560	99.99	2121	0.01
Amendment to Article 49 of the Articles of Association	39051681	39049560	99.99	2121	0.01

The special resolutions as set out above were passed with the requisite majority.

Mr. Yogesh Sharma, the Practicing Company Secretary appointed as the Scrutinizer for conducting the above said postal ballot. The Company has entered into a tripartite agreement with CDSL and the Registrars and Share Transfer Agent viz. Link Intime India Private Limited and accordingly, an e-voting facility was also provided to the shareholders to exercise their voting rights on the above said resolutions.

## 6. BOARD COMMITTEES

As mandated by the Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 which has become applicable to the Company with effect from 1st December, 2015, none of the Directors on the Board is a Member of more than ten (10) Committees and none is a Chairman of more than five (5) Committees across all the Indian Public Limited Companies in which they are Directors. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies.

To align with the requirements prescribed for such Board Committees under the provisions of the Companies Act, 2013 and Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended 31 March, 2016, the Board of Directors amended the terms of references, wherever required.

The Board has constituted the following committees of Directors:-

- i) Audit Committee.
- ii) Nomination and Remuneration Committee.
- iii) Stakeholders Relationship Committee.
- iv) Risk Management Committee



i) **AUDIT COMMITTEE**

a) **Terms of Reference**

Terms of Reference, role and scope of the Audit Committee are in line with those prescribed by Clause 49 of the Listing Agreement and the corresponding Regulation 18(3) read with Part C of Schedule II of the Listing Regulations, 2015. The Company has also complied with the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed there under pertaining to the Audit Committee and its functioning.

b) **Composition & Meeting Attended**

The Audit Committee comprises of three Non Executive Independent Directors including the Chairman of the Audit Committee. The Audit Committee Meeting during the year under report was held on 30<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 14<sup>th</sup> November, 2015 & 13<sup>th</sup> February, 2016. The details of the members of Audit Committee and meeting attended by them are as under:

<b>Name of the Directors</b>	<b>Category</b>	<b>Designation</b>	<b>No. of Meetings attended</b>
Mr. Durgaprasad Agarwal	Non- Executive and Independent	Chairman	4
Mr. Santkumar Agarwal	Non- Executive and Independent	Member	4
Mr. Rajagopal Sivaraj	Non- Executive and Independent	Member	4

The Board has designated Company Secretary to act as Secretary of the Audit Committee. The members of the Audit Committee are financially literate. The Chairman of the Audit Committee was present at the last Annual General Meeting.

c) **Power of Audit Committee**

The Audit Committee has the following powers:

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

d) **Role of Audit Committee**

- a. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending the Board, the appointment, re-appointment and if required replacement or removal of Statutory Auditors and fixation of Audit fees.
- c. Approval of payment to Statutory Auditors for any other services rendered by Statutory Auditors.

Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required being included in Directors' Responsibility statement to be included in the Board's Report in terms of Clause 3 (c) of section 134 of the Companies Act, 2013.
  - Changes if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statement arising out of audit findings.
  - Compliance with Listing Agreement and other legal requirements relating to financial statements.
  - Disclosures of related party transactions.
  - Modified opinion(s) in the draft audit report.
- d. Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
  - e. Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems.
  - f. Discussion with the Statutory Auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - g. 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;
  - h. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc of the candidate:

- i. To look into the reasons for the substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- j. To review the functioning of Whistle Blower Mechanism, in case, if the same exists.
- k. Carrying out any other function as is mentioned in the terms of reference of Audit Committee.
- e) **Review of information by the Audit Committee**

The Audit Committee reviews the following information:

- 1) The management discussion and analysis of financial condition and results of operations.
- 2) The statement of significant related party transactions (as defined by the Audit Committee) submitted by the management.
- 3) Management letter / letters of internal control weaknesses issued by Statutory Auditors.
- 4) The appointment, removal and terms of remuneration of internal auditors shall be subject to review by the Audit Committee.

ii) **Nomination and Remuneration Committee**

a) **Terms of Reference**

The Company's Nomination and Remuneration Committee is vested with all the necessary powers and authority to ensure appropriate disclosure on the remuneration of Executive Directors including Managing Director, Whole-time director and to deal with all the elements of remuneration package of Directors and Management Personnel.

- 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.
- ii) Formulation of criteria for evaluation of Independent Directors and the Board;
- iii) Devising a policy on Board diversity.
- iv) 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.

b) **Composition**

Name of the Directors	Category	Designation	No. of Meeting attended
Mr. Durgaprasad Agarwal	Non- Executive and Independent	Chairman	1
Mr. Santkumar Agarwal	Non- Executive and Independent	Member	1
Mr. Rajagopal Sivaraj	Non- Executive and Independent	Member	1

c) **Meeting**

During the financial year 2015-16, Nomination and Remuneration Committee Meeting held on 14<sup>th</sup> November, 2015.

d) **Remuneration Policy**

The Remuneration Policy is based on three tenets: Pay for responsibility, Pay for performance and potential and pay for growth.

e) **Remuneration paid to Directors**

The Remuneration of Managing Director and Whole Time Director has been approved by the Nomination and Remuneration Committee, subsequently by the Board of Directors in accordance with and subject to the limits laid down in Schedule V to the Companies Act, 2013 and subject the approval of the Shareholders at the General Body Meeting.

The Non executive directors of the Company do not draw any remuneration other than sitting fees for attending the Board meetings, Audit Committee meetings, Remuneration Committee Meeting and any other committee meetings of the Board of Directors at ₹ 1000/- per meeting of the Board/ committee meetings.

The Remuneration (including perquisites and benefits) paid to the Managing Director / Whole time Director and other directors during the year ended 31st March 2016 is as follows:-

Directors	Salary (including Performance Incentive, if any and other allowance)	Contribution to P. F. and Gratuity	Sitting Fees	Total
	(₹ )	(₹ )	(₹ )	(₹ )
Mr. Vishwanath L Agarwal – Chairman	-	-	5,000	5,000
Mr. Rajendra V Agarwal – Managing Director	2,400,000	403,385	-	2,803,385

Directors	Salary (including Performance Incentive, if any and other allowance)	Contribution to P. F. and Gratuity	Sitting Fees	Total
	(₹ )	(₹ )	(₹ )	(₹ )
Mr. Ajay V Agarwal – Whole Time Director	900,000	151,269	-	1,051,269
Mr. Rajagopal Sivaraj – Non - executive /Independent Director	-	-	9,000	9,000
Mr. Durgaprasad C Agarwal – Non - executive /Independent Director	-	-	10,000	10,000
Mr. Sant Kumar B Agarwal – Non - executive /Independent Director	-	-	10,000	10,000
Mrs. Neena Agarwal – Non executive Promoter Director	-	-	3,000	3,000
Mrs. Medha Pattanayak – Non - executive /Independent Director	-	-	4,000	4,000
Mr. Anup Singh – Executive Professional Director	823,003	11538	-	834,541

iii) **STAKEHOLDER RELATIONSHIP COMMITTEE:**

The Board of Directors had constituted the Stakeholders Relationship Committee. The Committee focuses primarily on monitoring and ensuring that all shareholders and investor services operate in an efficient manner and that shareholders and investor grievances / complaints including that of all other stakeholders are addressed promptly with the result that all issues are resolved rapidly and efficiently

Mr. Durgaprasad Agarwal, Non-executive and Independent Director is the Chairman of Stakeholder's Relationship Committee.

The Composition of the Stakeholder's Relationship Committee is detailed below:

Name of the Director	Category	Designation
Mr. Durgaprasad Agarwal	Non-executive and Independent	Chairman
Mr. Santkumar Agarwal	Non-executive and Independent	Member
Mr. Rajagopal Sivaraj	Non-executive and Independent	Member

Company Secretary has been designated as Compliance Officer.

**Number of Complaints:**

Particulars	Opening Balance	Received	Resolved	Pending
<b>Complaints:</b>				
SEBI/Stock Exchange	Nil	0	0	0
<b>Shareholders-non receipt of Annual Report Queries</b>	Nil	8	8	0
<b>Non receipt of Dividend warrant</b>	Nil	1	1	0
Dividend	Nil	0	0	0

IV) **RISK MANAGEMENT COMMITTEE:**

The terms of reference of the Risk Management Committee include implementation and monitoring the risk management plan for the Company.

The Board has formed Risk Management Committee consisting of following directors

Name of the Director	Category	Designation
Mr. Santkumar Agarwal	Non-executive and Independent	Chairman
Mr. Durgaprasad Agarwal	Non-executive and Independent	Member
Mr. Rajagopal Sivaraj	Non-executive and Independent	Member

7. **DISCLOSURES:**

a) **Whistle Blower Policy / Vigil Mechanism**

In line with the best Corporate Governance practices, Donear Industries Limited has put in place a system through which the Directors, employees and business associates may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct without fear of reprisal. The Company has put in place a process by which employees and business associates have direct access to the higher level and Compliance Officer. The Company's policy of Whistle Blower/ Vigil mechanism posted on Company's website [www.donear.com](http://www.donear.com)

b) **Related Party Transactions**

The Company has formulated a policy on Related Party Transactions and also on dealing with Related Parties.

All Related Party Transactions have been approved by the Audit Committee and subsequently the approval of the Board would be taken on the said transactions at the Board meeting. The Company's policy of Related Party Transactions posted on Company's website [www.donear.com](http://www.donear.com) provided the transactions to be entered into individually or taken together with previous transaction during financial year exceeds 10% of the annual turnover of the Company as per the last audited financial statement of the Company.

8. **OTHER DISCLOSURES:**

- There were no transactions of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives during the period that may have potential conflict with the interest of the company at large.
- Transactions with related parties are disclosed in Note No. 30 in the notes to the accounts in the Annual Report as required by Accounting Standards under AS 18 issued by Institute of Chartered Accountants of India. The Audit Committee had reviewed the related party transactions as a mandatory requirement under clause 49 of the Listing Agreement and found them to be not materially significant.
- There were no non-compliances by the Company during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authorities on any matters related to the capital markets, during the previous three financial years.
- The Board has adopted a Code of Conduct including Business Ethics Policy for its Directors and Senior Management. This is available on the Company's web-site.
- The Managing Director has submitted before the Board a declaration of compliance with the Code of Conduct by the Directors during the financial year ended March 31, 2016.
- Risk assessment and minimization procedures are periodically reviewed by the Audit Committee and the Board of Directors of the Company.
- The Chief Executive Officer and the Chief Financial Officer have certified to the Board of Directors as per the format prescribed in Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This has been reviewed by the Audit Committee and taken on record by the Board of Directors of the Company.
- The Company has complied with all mandatory requirements under Clause 49 of the Listing Agreement and the corresponding Listing Regulations, 2015
- Management Discussion and Analysis report form part of the Annual Report to the shareholders.

9. **MEANS OF COMMUNICATION**

a) **Quarterly Unaudited Financial Results**

Quarterly un-audited Financial Results were published in the Free Press Journal and Navshakti Newspaper. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to each shareholder at their Registered Address with the Company. The Company's website is: [www.donear.com](http://www.donear.com). The Company has updated the quarterly results on its website.

b) **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the Director's Report. All matters relating to Industry Structures and Development, Opportunities and Threats, Segment wise and Product wise performance, Outlook, Risks and Concern, Internal Control System and its adequacy, Discussion on financial performance with respect to operational performance, material development in human resources are discussed in the Director's Report.

10. **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

A qualified Practising Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-viz the issued and listed capital.

The report by M/s. VKM & Associates, a Practising Company Secretary confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Also, the Reconciliations of Share Capital audit report by M/s. VKM & Associates, a Practising Company Secretary have no adverse remarks for the year ended 31<sup>st</sup> March, 2016. The report is self-explanatory.

11. **GENERAL SHAREHOLDER INFORMATION**

Sr. No.	Particulars	Details	
1	Annual General Meeting	24-09-2016 11:30 am Donear House, 9 <sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093	
2	Financial Calendar (Tentative)	<b>Financials for Quarter ending</b>	<b>Financial Reporting Date</b>
		June 30, 2016	Second week of August, 2016
		September 30, 2016	Second week of November, 2016
		December 31, 2016	Second week of February, 2017
		March 31, 2017	Last week of May 2017
	Annual General Meeting for the year ended March. 31, 2016	August-September, 2016	

Sr. No.	Particulars	Details	
3	Date of Book Closure	15 <sup>th</sup> September, 2016 to 23 <sup>rd</sup> September, 2016 (both days inclusive)	
4	Dividend Payment Date	Within 30 Days from the date of AGM	
5	Listing on Stock Exchanges	<b>Name &amp; Address of Stock Exchange Ltd</b>	
		<b>Stock Code</b>	
		<b>Demat ISIN for NSDL &amp; CDSL</b>	
	Bombay Stock Exchange Ltd (BSE)	512519	INE 668D01028
	National Stock Exchange of India Ltd (NSE)	DONEAREQ	INE 668D01028
6	Payment of Annual Listing fees	Listing fees for the financial year 2016-2017 has been paid to both the Stock Exchanges BSE & NSE	
7	Registrars & Transfer Agents Contact person Contact No Email	<b>Link Intime India Pvt. Ltd,</b> C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai – 400 078 Mr. Satyan Desai 25963838. Extn. 2297 Fax. : 25946969 satyan.desai@linktime.co.in	
8	Custodial Fees to Depositories	The Company has paid custodial fees for the year 2016-17 to NSDL and CDSL.	
9	Address for correspondence	Donear Industries Limited Donear House, 8 <sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093	
10	For any assistance	Regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to <b>Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.</b> <b>Phone: 022 25963838, Fax: 022 25946969</b> <b>(Email : satyan.desai@linkintime.co.in)</b>	

## 12. SHARE TRANSFER SYSTEM

Securities lodged for transfer at the Registrar's Office are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Company Secretary is empowered to approve transfer of shares and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc are processed by the Registrars within 30 days.

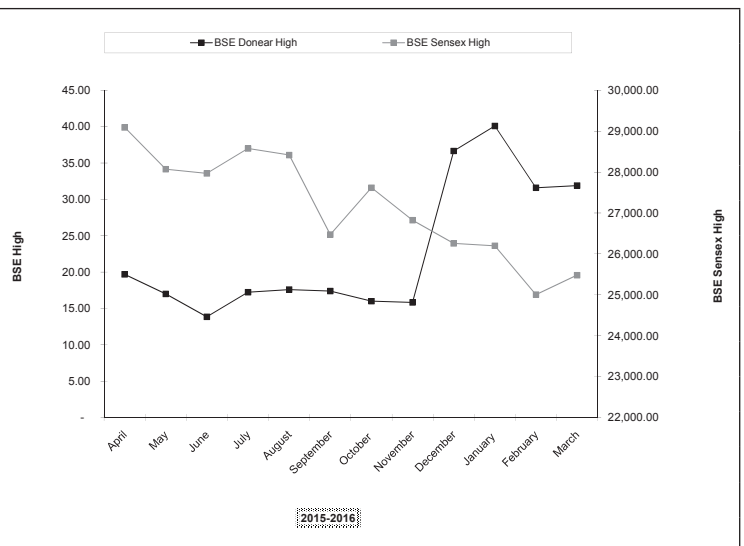
Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

In compliance with the Listing Regulation, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary-in-Practice for timely dematerialization of the shares of the Company and for conducting a Secretarial Audit on a quarterly basis for reconciliation of the Share Capital of the Company. Members holding shares in Demat mode should address all their correspondence to their respective Depository Participant.

## 13. STOCK PERFORMANCE

**Market Price Data during the year ended 31.03.2016:**

Month	BSE			NSE	
	High	Low	BSE Sensex (High)	High	Low
Apr-2015	19.70	14.60	29094.61	18.35	14.10
May-2015	17.00	10.00	28071.16	18.50	9.90
June-2015	13.85	9.28	27968.75	13.50	8.85
July-2015	17.24	13.73	28578.33	17.35	13.80
Aug-2015	17.60	13.10	28417.59	17.80	13.00
Sept-2015	17.40	12.05	26471.82	17.40	12.60
Oct-2015	16.00	13.01	27618.14	16.90	12.85
Nov-2015	15.84	12.24	26824.30	16.00	12.25
Dec-2015	36.66	14.50	26256.42	36.50	14.50
Jan-2016	40.10	24.90	26197.27	40.00	24.90
Feb-2016	31.60	22.10	25002.32	31.80	21.60
Mar-2016	31.90	23.90	25479.62	31.65	23.55





14. SHAREHOLDING PATTERN AS ON 31-03-2016:

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
<b>(1)</b>	<b>Indian</b>			
	(a) Individuals/ Hindu Undivided Family	12	30744198	59.12
	(b) Bodies Corporate	6	8254000	15.87
	<b>Sub Total(A)(1)</b>	<b>18</b>	<b>38998198</b>	<b>75.00</b>
<b>(2)</b>	<b>Foreign</b>			
	(a) Directors & their relatives	Nil	Nil	Nil
	<b>Sub Total (A)(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b>		<b>18</b>	<b>38998198</b>	<b>75.00</b>
<b>(B)</b>	<b>Public shareholding</b>			
<b>(1)</b>	<b>Foreign Institutions investors</b>	1	13125	0.03
	(a) Mutual Fund	1	146518	0.28
	<b>Sub-Total (B)(1)</b>	<b>2</b>	<b>159643</b>	<b>0.31</b>
<b>(2)</b>	<b>Non-institutions</b>			
	(a) Bodies Corporate	174	620089	1.19
	(b) Individuals			
	(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	7293	6984221	13.43
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	15	4002291	7.70
	(c) Any Other (specify)			
	(i) Clearing Members	Nil	Nil	Nil
	(ii) Trusts	Nil	Nil	Nil
	(iii) Escrow Account	Nil	Nil	Nil
	(iv) Non Resident Indians (Repat)	63	131009	0.25
	(v) Non Resident Indians (Non-Repat)	24	60644	0.12
	(vi) Clearing Members	154	532491	1.02
	(vii) Hindu Undivided Family	231	511414	0.98
	<b>Sub-Total (B)(2)</b>	<b>7954</b>	<b>12842159</b>	<b>24.69</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>		<b>7956</b>	<b>13001802</b>	<b>25.00</b>
<b>TOTAL (A)+(B)</b>		<b>7974</b>	<b>52000000</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	-	51933919	99.87

15. DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2016:

No. of equity shares held	No. of shareholders	% of shareholder	Total no. of shares held	% of shares held
1 - 500	5635	70.67	981041	1.89
501 - 1000	991	12.43	864843	1.66
1001 - 2000	581	7.29	945265	1.82
2001 - 3000	197	2.47	512598	0.99
3001 - 4000	101	1.27	365003	0.70
4001 - 5000	127	1.59	612234	1.18
5001 – 10000	166	2.08	1237378	2.38
10001- above	176	2.20	46481638	89.38
<b>Total</b>	<b>7974</b>	<b>100</b>	<b>52000000</b>	<b>100</b>

**16. TRANSFER OF UNCLAIMED DIVIDEND TO IEPF**

As provided in Section 125 of the Companies Act, 2013, dividend amount which was due and payable and remained unclaimed and unpaid for a period of seven years has to be transferred to **Investor Education & Protection Fund (IEPF)** established by the Central Government.

The dividend for the following years remaining unclaimed for seven years will be transferred by the Company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant (s) or have not received the same are requested to seek issue of duplicate warrant (s) by writing to Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) confirming non – encashment / non - receipt of dividend warrant (s). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial Year	Date of Declaration	Due for Transfer to IEPF
2008-09	26/09/2009	26/10/2016
2009-10	25/09/2010	25/10/2017
2010-11	24/09/2011	24/10/2018
2011-12	22/09/2012	22/10/2019
2012-13	28/09/2013	28/10/2020
2013-14	24/09/2014	24/10/2021
2014-15	26/09/2015	26/10/2022

**17. DEMATERIALIZATION OF SHARES**

The Company's Shares are required to be compulsorily traded in the Stock Exchanges in dematerialized form .The Company had sent letters to shareholders holding shares in physical form emphasizing the benefits of dematerialization and 99.87% of the shares have been dematerialized so far.

The number of shares held in dematerialized and physical mode is as under:

	No. of shares	% of total capital
Held in dematerialized form in NSDL	36021107	69.27
Held in dematerialized form in CDSL	15912812	30.60
Physical	66081	0.13
Total	52000000	100.00

**18. REGISTERED OFFICE ADDRESS FOR CORRESPONDENCE**

Donear House, 8<sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093

Works/Office

**Balaji Fabrics**

Revenue Block No. 194 & 195  
Kadodara Bardoli Road, Village Jolwa,  
Taluka Palsana, Dist. Surat, Gujarat.

**Balaji Industries**

Dockmandi, Village Amla,  
Silvassa, Dadra & Nagar Haveli.

**Laxmi Fab.**

Government Industrial Estate, Masat,  
Silvassa, Dadra & Nagar Haveli.

**Laxmi Garment Fabrics**

Building No. 110, 7th Main,  
Peenya Industrial Area,  
3rd Phase, Bangalore

**19. NON MANDATORY REQUIREMENTS**

- 1. Chairman of the Board** –No separate office is maintained for the Non-Executive Chairman.

Mr. Durga Prasad Agrawal, Mr. Sant Kumar Agrawal and Mr. Rajagopal Sivaraj are independent Directors on the Board of the Company. No specific period has been specified for these Directors. All of them have requisite qualification and experience and in the opinion of the Company this would enable them to contribute effectively to the Company in their capacity as Independent Directors.

- 2. Shareholder Right** – The Company has not sent half yearly financial performance including summary of the significant events to each household of the shareholders, since the results were published in 2 news papers, one in Vernacular and one in English newspaper.
- 3. Training of Board Members** – The Board consists of eminent, qualified and well experienced Directors in various fields. Therefore, the training of Board members is not required.

## CERTIFICATION

We, the undersigned of the Company hereby certify that :

1. We have reviewed the financial statements and the cash flow statement for the year 31<sup>st</sup> March 2016 and that to the best of their knowledge and belief :
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. 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 and the Audit Committee, 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 and
4. We have indicated to the auditors and the Audit committee that there are:
  - significant changes in internal control over financial reporting during the year ,if any;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - No instances of significant fraud of which I 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.

**RAJENDRA AGARWAL**

**ASHOK AGARWAL**

MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

Place : Mumbai

Date : 30<sup>th</sup> May 2016

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of Donear Industries Limited

We have examined the compliance of conditions of Corporate Governance by Donear Industries Limited ('the Company'), for the year ended on 31 March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April 2015 to 30<sup>th</sup> November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December 2015 to 31 March 2016.

The compliance of 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 the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For and on behalf of

**M. L. Bhuwania & Co.**  
Chartered Accountants  
Firm's Registration No. 101484W

**Ashish Bairagra**  
Partner  
Membership No.109931

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DONEAR INDUSTRIES LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of DONEAR INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's 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 and presentation 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 the Act, 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 of 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 the 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 thereunder.

We conducted our 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 the 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 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 the reasonableness of the accounting estimates made by the Company's Board of Directors, 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 aforesaid 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, of the state of affairs of the company as at 31<sup>st</sup> March, 2016 and its profit and its 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 statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
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 appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements materially comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.18(a) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For and on behalf of  
**M. L. Bhuwania & Co.**  
Chartered Accountants  
Firm's Registration No. 101484W

Ashish Bairagra  
Partner  
Membership No.109931  
Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

**Annexure referred to in paragraph titled as “Report on other Legal and Regulatory Requirements” of Auditor’s report to the members Donear Industries Limited for the year ended 31st March 2016.**

On the basis of the records produced to us for our verification / perusal, such checks as we considered appropriate, and in terms of information and explanation given to us on our inquiries, we state that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.
- (c) According to information and explanations gives to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans, has not made investments, and has not provided any guarantees and security to directors or to any other parties during the year. Accordingly, clause 3 (iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public during the year covered by the audit. Accordingly, clause 3 (v) of the Order is not applicable to the Company.
- (vi) The Central Government has prescribed maintenance of cost records for the company under sub section (1) of section 148 of the Companies Act, 2013 and such accounts have been made and maintained by the company. However, no detailed examinations of such records and accounts have been carried out by us.
- (vii) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of Income Tax, Service Tax and Customs Duty which have not been deposited on account of any dispute.

The disputed amounts that have not been deposited in respect of Sales Tax, Value Added Tax, & Excise Duty are as under:

Sr. No.	Name of the Statue	Nature of the Dues	Amount (₹ )	Financial Year to which the amount relates	Forum where dispute is pending
1.	Maharashtra Value Added Tax Act, 2002	Sales Tax/Vat Tax	382,649	2005-2006	Joint Commissioner of Sales Tax (Appeals)
2.	Central Excise Act, 1944	Excise Duty on Cenvat Dues	4,16,848	2008-2009	Commissioner, Central Excise, Customs & Service Tax, Surat (Appeal).

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to banks and financial institutions during the year. The Company has not taken any loan or borrowing from government and has not issued debentures during the year.



- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For and on behalf of  
**M. L. BHUWANIA & CO.**  
Chartered Accountants  
Firm Registration No. 101484W

**Ashish Bairagra**  
Partner  
Membership No. 109931

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016.

**Annexure- B referred to in paragraph titled as “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 Donear Industries Limited (“the Company”) as of 31 March 2016 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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31 March 2016, 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 and on behalf of

**M. L. BHUWANIA & CO.**  
Chartered Accountants  
Firm Registration No. 101484W

**Ashish Bairagra**  
Partner  
Membership No. 109931

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2016		As at 31.03.2015	
<b>I EQUITY AND LIABILITIES</b>					
(1) <b>Shareholder's fund</b>					
(a) Share Capital	1	10,40,00,000		10,40,00,000	
(b) Reserves and Surplus	2	65,96,83,537	76,36,83,537	61,59,00,891	71,99,00,891
(2) <b>Non-current liabilities</b>					
(a) Long Term Borrowings	3	17,43,00,000		22,23,00,000	
(b) Other Long Term Liabilities	4	19,05,04,481	36,48,04,481	17,72,50,390	39,95,50,390
(3) <b>Current liabilities</b>					
(a) Short Term Borrowings	5	2,47,26,83,275		2,69,63,81,765	
(b) Trade Payables	6	26,15,03,799		30,58,83,907	
(c) Other Current Liabilities	7	11,09,85,643		29,76,12,170	
(d) Short Term Provisions	8	3,30,66,124	2,87,82,38,841	2,47,33,540	3,32,46,11,382
	<b>TOTAL</b>		<b>4,00,67,26,859</b>		<b>4,44,40,62,663</b>
<b>II ASSETS</b>					
(1) <b>Non - current assets</b>					
(a) Fixed Assets	9				
(i) Tangible Assets		92,78,22,475		1,07,75,50,789	
(ii) Intangible Assets		47,46,006		36,77,624	
(iii) Capital Work-in-progress		59,71,712		32,58,032	
		93,85,40,193		1,08,44,86,445	
(b) Non-current Investment	10	98,40,000		98,40,000	
(c) Deferred Tax Assets	11	11,55,27,053		12,26,44,765	
(d) Long Term Loans and Advances	12	6,92,59,870	1,13,31,67,116	8,50,74,536	1,30,20,45,746
(e) Other Non-Current Assets					
(2) <b>Current assets</b>					
(a) Current Investment				-	
(a) Inventories	13	1,65,76,04,857		1,66,67,50,467	
(b) Trade Receivables	14	1,02,28,44,248		1,25,06,61,848	
(c) Cash and Bank Balances	15	4,76,86,480		4,97,35,705	
(d) Short Term Loans and Advances	16	6,19,57,003		7,44,41,394	
(e) Other Current Assets	17	8,34,67,155	2,87,35,59,743	10,04,27,503	3,14,20,16,917
	<b>TOTAL</b>		<b>4,00,67,26,859</b>		<b>4,44,40,62,663</b>
<b>Contingent Liabilities and Commitments</b>	18				
<b>Notes to Accounts</b>	1 to 41				
The notes referred above form an integral part of the financial statements.					

As per our report of attached even date

**FOR M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**

Firm Registration Number: 101484W

**For DONEAR INDUSTRIES LIMITED**

**Vishwanath L. Agarwal** **Rajendra V. Agarwal**  
Chairman Managing Director

**Ashish Bairagra**

Partner

**Membership No. 109931**

Place : Mumbai

Date : 30th May, 2016

**Ashok B. Agarwal**  
Chief Financial Officer

**Sreedhar H.**  
Company secretary

**Ajay V. Agarwal**  
Whole time Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Amount in ₹)

Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from operations	19	5,17,28,75,832	5,16,75,82,269
Other income	20	3,82,58,929	4,28,02,009
<b>TOTAL REVENUE</b>		<b>5,21,11,34,761</b>	5,21,03,84,278
Cost of Materials Consumed	21	2,07,89,87,921	2,17,95,98,882
Purchases of Stock-in-Trade	22	59,26,11,884	41,11,00,834
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(6,49,80,833)	3,30,06,556
Employee benefits expense	24	52,63,12,620	48,44,31,835
Finance costs	25	28,56,00,543	30,28,14,761
Depreciation and Amortisation expense	9	20,44,38,348	25,55,24,678
Other expenses	26	1,49,46,56,172	1,50,67,27,106
<b>TOTAL EXPENSES</b>		<b>5,11,76,26,655</b>	5,17,32,04,652
Profit before exceptional and extraordinary items and tax		9,35,08,106	3,71,79,626
Exceptional items	27	-	1,67,41,849
Profit before extraordinary items and tax		9,35,08,106	5,39,21,475
Extraordinary items		-	-
<b>Profit before tax</b>		<b>9,35,08,106</b>	5,39,21,475
Less: Tax Expenses			
Current tax		3,11,01,769	80,07,740
Deferred tax		71,17,712	(2,10,32,087)
MAT credit entitlement		-	(80,07,740)
Income Tax for earlier years		(10,11,211)	(23,94,941)
<b>Profit for the period</b>		<b>5,62,99,836</b>	7,73,48,503
Earning per equity share :	41		
(1) Basic Earning Per Share		1.08	1.49
(2) Diluted Earning Per Share		1.08	1.49
(3) Face Value Per Share		2.00	2.00
<b>Notes to Accounts</b>	1 to 41		
The notes referred above form an integral part of the financial statements.			

As per our report of attached even date

**FOR M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**

Firm Registration Number: 101484W

**Ashish Bairagra**

Partner

**Membership No. 109931**

Place : Mumbai

Date : 30th May, 2016

**For DONEAR INDUSTRIES LIMITED**

**Vishwanath L. Agarwal**    **Rajendra V. Agarwal**

Chairman                      Managing Director

**Ashok B. Agarwal**  
Chief Financial Officer

**Sreedhar H.**  
Company secretary

**Ajay V. Agarwal**  
Whole time Director

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016**

(Amount in ₹)

Particulars	Note No.	2015-16		2014-15	
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Net Profit before tax as per Statement of Profit &amp; Loss</b>			<b>9,35,08,106</b>		5,39,21,475
Adjustment for :					
(a) Depreciation		20,44,38,348		25,55,24,678	
(b) Interest Expenses		27,95,45,155		29,90,00,723	
(c) Interest Received		(95,31,077)		(16,89,374)	
(d) (Profit) / Loss on sale of fixed assets		2,12,036		(7,282)	
(e) Fixed Assets Written Off		1,19,240		2,73,296	
(e) Provision no longer required		(31,87,119)		(13,27,079)	
(f) Unrealised Foreign Exchange rate difference(net)		(8,16,886)		(14,27,842)	
(g) Sundry Balances written off / (back)		57,30,148	47,65,09,845	(25,04,749)	54,78,42,371
<b>Operating Profit Before Working Capital Changes</b>			<b>57,00,17,951</b>		60,17,63,846
Adjustment for :					
(a) Inventories		91,45,610		1,26,38,481	
(b) Trade Receivables		22,51,33,650		(21,24,07,454)	
(c) Short Term Loans and Advances		(84,34,749)		(1,94,10,692)	
(d) Long Term Loans and Advances		(61,82,159)		84,22,996	
(e) Other Current Assets		1,06,01,915		(78,53,361)	
(f) Trade and Other Payables		(2,66,28,310)		(98,63,362)	
(g) Short Term Provisions		83,32,584		10,75,308	
(h) Other Current Liabilities		(1,62,01,293)		69,80,962	
(i) Other Long Term Current Liabilities		1,32,54,091	20,90,21,339	3,12,80,665	(18,91,36,457)
<b>Cash Generated From Operations</b>			<b>77,90,39,290</b>		41,26,27,389
(a) Direct Tax Paid (Net)			1,42,89,707		(90,85,929)
<b>Net Cash from/(used) Operating Activities</b>	<b>Total (I)</b>		<b>79,33,28,997</b>		40,35,41,460
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets (including Advance for Capital Goods)		(7,15,41,290)		(13,13,89,120)	
Sale of Fixed Assets		2,66,667		3,80,896	
Interest received		92,72,034		20,53,837	
<b>Net Cash from/(used) Investing Activities</b>	<b>Total (II)</b>		<b>(6,20,02,589)</b>		(12,89,54,387)
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>					
Repayment of Borrowings		(48,55,48,490)		(1,83,63,819)	
Proceeds of Borrowings		3,76,48,728		5,50,12,502	
Interest Paid		(28,07,97,593)		(30,58,74,405)	
Dividend Paid (Including dividend distribution tax)		(1,25,48,192)		(1,22,21,822)	
<b>Net Cash from/(used) Financing Activities</b>	<b>Total (III)</b>		<b>(74,12,45,547)</b>		(28,14,47,544)
<b>Net Increase/(decrease) in Cash and Cash Equivalents (I+II+III)</b>	<b>Total</b>		<b>(99,19,139)</b>		(68,60,471)
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>			<b>3,11,46,802</b>		3,80,07,273
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>			<b>2,12,27,663</b>		3,11,46,802
	<b>Total</b>		<b>(99,19,139)</b>		(68,60,471)
<b>Notes :</b>					
(1) <b>Cash and cash equivalents include:</b> (Refer Note No 15)					
(a) Cash in hand		27,58,162		60,43,840	
(b) Cheque in Hand		87,52,910		1,92,58,005	
(c) <u>Balance with Scheduled Banks</u> in Current Accounts		96,61,794		58,67,438	
			<b>2,11,72,866</b>		3,11,69,283
Unrealised translation gain/(loss)			54,797		(22,481)
	<b>Total</b>		<b>2,12,27,663</b>		3,11,46,802
(2) Interest received on delayed payments from Customers Rs.24,853,547 (Previous Year Rs.35,286,522) has been considered as cash flow from Operating Activities.					
(3) Previous year figures have been regrouped/restated wherever considered necessary to make them comparable with those of the current year.					

As per our report of attached even date

**FOR M. L. BHUWANIA & CO.**  
**CHARTERED ACCOUNTANTS**

Firm Registration Number: 101484W

**Ashish Bairagra**

Partner

**Membership No. 109931**

Place : Mumbai

Date : 30th May, 2016

**For DONEAR INDUSTRIES LIMITED**

**Vishwanath L. Agarwal** **Rajendra V. Agarwal**  
Chairman Managing Director

**Ashok B. Agarwal** **Sreedhar H.** **Ajay V. Agarwal**  
Chief Financial Officer Company secretary Whole time Director

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**1 SHARE CAPITAL**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(a) <b>Authorised Shares</b> 160,000,000 Equity Shares, ₹2 par value (Previous Year 160,000,000, ₹2 par value)	<b>32,00,00,000</b>		32,00,00,000	
(b) <b>Issued, Subscribed and Fully Paid Up Shares</b> 52,000,000 Equity Shares, ₹2 par value (Previous Year 52,000,000, ₹2 par value)	<b>10,40,00,000</b>		10,40,00,000	
<b>Total</b>	<b>10,40,00,000</b>		10,40,00,000	

**Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2016 :**

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of shares	Value (in ₹)	No. of shares	Value (in ₹)
(a) Number of shares at the beginning	5,20,00,000	10,40,00,000	5,20,00,000	10,40,00,000
(b) Add : Shares issued during the year	-	-	-	-
(c) Less : Shares bought back (if any)	-	-	-	-
(d) Number of shares at the end	5,20,00,000	10,40,00,000	5,20,00,000	10,40,00,000

**Note No 1.2: Terms / rights attached to equity shares:**

- (a) The company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. There is no interim dividend proposed by the Board of Directors.
- (b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Note No 1.3: The details of shareholders holding more than 5% shares in the company:**

Sr. No.	Name of the shareholders	As at 31.03.2016		As at 31.03.2015	
		No. of shares held	% of shares held	No. of shares held	% of shares held
1.	Rahul R. Agarwal	45,96,000	8.84%	45,96,000	8.84%
2.	Merrill Lynch Capital Markets ESPANA S. A. S.V.	39,65,000	7.63%	39,65,000	7.63%
3.	Rajendra Agarwal	38,46,000	7.40%	38,46,000	7.40%
4.	Ajay Agarwal	37,29,500	7.17%	37,29,500	7.17%
5.	Neena Agarwal	29,17,750	5.61%	29,17,750	5.61%
6.	Surya A. Agarwal	36,40,750	7.00%	36,40,750	7.00%
7.	Bhavardevi Agarwal	27,68,000	5.32%	27,68,000	5.32%
	Total	2,54,63,000	48.97%	2,54,63,000	48.97%

**2 RESERVES & SURPLUS**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(a) <b>General Reserve</b> At the beginning and at the end of the year	34,99,41,701		35,31,60,352	
Less : Adjustment of carrying amount (Previous Year : Net of Deferred Tax of ₹15,45,839) as per Schedule II of Companies Act, 2013	-	34,99,41,701	32,18,651	34,99,41,701
(b) <b>Surplus</b> Opening Balance - Surplus	26,59,59,190		20,11,27,878	
Add : Net Profit transferred from Statement of Profit and Loss	5,62,99,837		7,73,48,503	
Amount available for appropriation	32,22,59,027		27,84,76,381	
Less : <b>Appropriations</b> Proposed Dividend (Refer Note No. 2.1)	1,04,00,000		1,04,00,000	
Dividend Distribution Tax	21,17,191		21,17,191	
Total Appropriations	1,25,17,191		1,25,17,191	
Closing Balance - Surplus		30,97,41,836		26,59,59,190
<b>Total of Reserve &amp; Surplus</b>		<b>65,96,83,537</b>		61,59,00,891

**Note No. 2.1 :**

The amount of per share dividend of ₹ 0.20 (Previous Year ₹ 0.20) has been proposed to be distributed to equity shareholders for the year ended 31.03.2016. The total amount of dividend shall be Rs.12,517,191 (including dividend distribution tax ₹ 2,117,191), (Previous Year ₹12,517,191 including dividend distribution tax ₹ 2,117,191).



## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 3 LONG TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>Secured Loans</b>				
<b>Term Loans - From Bank</b>				
Indian Rupee (Refer Note No 3.1, 3.2)	22,42,02,018		44,82,67,164	
Less : Current Maturities of Long Term Debts (Refer Note No. 7)	4,99,02,018	17,43,00,000	22,59,67,164	22,23,00,000
<b>Total</b>		<b>17,43,00,000</b>		<b>22,23,00,000</b>

#### Note No 3.1: Nature of Securities

Bank	Facility	Primary	Collateral	Guarantee
State Bank Of Hyderabad	Term Loan	First charge on the fixed assets created out of loan and the existing fixed assets also	Second charge on the current assets of the company	Personal Guarantee of Promoter Directors Shri. Vishwanath L Agarwal, Chairman, Shri. Rajendra V Agarwal, Managing Director.
Dena Bank	Term Loan	First Charge on pari passu basis over all the Fixed Assets of the company, both present and future, including but not limited to Fixed Assets pertaining to capital expansion project of the Company at Kadodara, Gujarat, Except Land and Building at Plot No. -A/49 and A/50, Marol MIDC, Andheri (East), Mumbai and Land admeasuring 3200 M at Surat given to 4 subsidiaries of Promoters	Second and subservient charge on the Current Assets of the Company on pari passu basis	Personal Guarantee of Promoter Directors Shri. Vishwanath L Agarwal, Chairman, Shri. Rajendra V Agarwal, Managing Director.
State Bank of India	Term Loan	First mortgage charge on company's entire fixed assets except Land & Building at Andheri on pari passu basis with other term lenders.	Second charge on company's Current assets.	Personal Guarantee of Promoter Directors Shri. Vishwanath L Agarwal, Chairman, Shri. Rajendra V Agarwal, Managing Director.
State Bank of India (formerly known as State Bank of Indore)	Term Loan	First Pari passu charge with the existing lenders over all fixed assets of the company (Excluding land and building of Corporate House at MIDC Andheri) (Six months time after the date of first disbursement is provided for create of security)		Personal Guarantee of Promoter Directors Shri. Rajendra V Agarwal, Managing Director and Shri. Vishwanath L. Agarwal, Chairman.

#### Note No 3.2: Terms of Repayment

Sr. No.	Term Loan taken from (Bank's Name)	Loan taken in the year	Loan installment started / starting from	Interest Rate (In %)	Total No of installments (Quarterly)
1	State Bank of Hyderabad	2006-2007	Sep'08	12	30
2	Dena Bank	2006-2007	Sep'08	13.25	30
3	State Bank of India	2006-2007	Sep'08	15.15	29
4	State Bank of India	2007-2008	Apr'09	15.15	32
5	State Bank of Hyderabad	2011-2012	Mar'13	13.70	30

### 4 OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
<u>Others</u>				
Deposits from dealers / customers		19,05,04,481		17,72,50,390
<b>Total</b>		<b>19,05,04,481</b>		<b>17,72,50,390</b>

### 5 SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>Secured Loans</b> (Refer Note No 5.1)				
(a) <b>Loans repayable on demand</b>				
<b>From Banks</b>				
Working Capital Loans		1,65,39,55,600		1,00,39,55,600
(b) <b>Other loans and advances</b>				
<b>From Banks</b>				
Cash Credit	38,64,78,974		1,25,06,70,007	
Export Packing Credit	10,15,33,701	48,80,12,675	6,94,81,158	1,32,01,51,165
<b>Unsecured Loans</b>				
(a) <b>Loans and Advances from Related Party</b>				
From Directors		33,07,15,000		37,22,75,000
<b>Total</b>		<b>2,47,26,83,275</b>		<b>2,69,63,81,765</b>

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**Note No 5.1: Nature of Securities**

Sr. No.	Bank	Facility	Primary	Collateral	Guarantee
1	State Bank Of Hyderabad	Working Capital Limits (CC/WCDL/EPC/FUBD/FBP/LC/BG)	First pari Passu charge on the current assets of the company, both present & future	Second Pari Passu charge on fixed assets of the company excluding land and building situated at Andheri (E)	Personal Guarantee of Promoter Directors Shri. Vishwanath L Agarwal, Chairman, Shri. Rajendra V Agarwal, Managing Director.
2	Dena Bank	Working Capital Limits (CC/WCDL/EPC/FUBD/FBP/LC/BG)	First charge on the current assets of the company ranking pari passu with consortium banks.	Second Pari Passu charge on the fixed assets of the company (present & future) Except Land and Building at Plot No. -A/49 and A/50, Marol MIDC, Andheri (East), Mumbai and Land admeasuring 3200 M at Surat given to 4 subsidiaries of Promoters	Personal Guarantee of Promoter Directors Shri. Vishwanath L Agarwal, Chairman, Shri. Rajendra V Agarwal, Managing Director.

**6 TRADE PAYABLES**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(a) Sundry Creditors for Goods (Refer Note No 6.1)		10,17,42,644		9,73,02,012
(b) Sundry Creditors for Expenses (Refer Note No 6.1)		15,97,61,155		20,85,81,895
<b>Total</b>		<b>26,15,03,799</b>		<b>30,58,83,907</b>

**Note No 6.1:**

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act, have not been given.

**7 OTHER CURRENT LIABILITIES**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(a) Current maturities of long-term debts [Refer Note No. 3]		4,99,02,018		22,59,67,164
(b) Unpaid Dividend		3,17,070		3,48,071
(c) <u>Other Payable</u>				
Sundry Creditors for Capital Goods	97,97,002		2,65,31,970	
Advance from Customers	3,78,68,784		3,02,94,694	
Deposits	3,53,339		3,49,510	
Statutory Liabilities	1,27,47,430	6,07,66,555	1,41,20,761	7,12,96,935
<b>Total</b>		<b>11,09,85,643</b>		<b>29,76,12,170</b>

**8 SHORT TERM PROVISIONS**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(a) <u>Provision for Employee Benefits</u>				
Leave Encashment		1,44,99,959		1,18,38,288
(b) <u>Other</u>				
Provision for Income Taxation [Net of Advance Tax]		60,48,974		3,78,061
Provision for Proposed Dividend (Refer Note No. 2.1)		1,04,00,000		1,04,00,000
Provision for Dividend Distribution Tax		21,17,191		21,17,191
<b>Total</b>		<b>3,30,66,124</b>		<b>2,47,33,540</b>

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**9. FIXED ASSETS**

(Amount in ₹)

Sr. No.	Particulars of Assets	GROSS BLOCK (At Cost)			DEPRECIATION/AMORTISATION			NET BLOCK	
		As at 01.04.2015	Additions during the year	Deduction/Adjustment during the Year Refer Note No. 9.1 & 9.2	As at 31.03.2016	For the Year	Deduction/Adjustment during the year Refer Note No. 9.1 & 9.2	Upto 31.03.2016	As at 31.03.2016
(i)	<b>TANGIBLE ASSETS</b>								
1.	Freehold Land	6,83,34,379	-	-	6,83,34,379	-	-	-	6,83,34,379
2.	Factory Building	56,78,67,997	-	-	56,78,67,997	2,70,37,477	-	31,20,70,140	25,57,97,857
3.	Office Premises	28,79,46,379	36,000	-	28,79,82,379	1,31,90,749	-	3,01,34,644	25,78,47,735
4.	Residential Building	38,05,526	-	-	38,05,526	1,19,910	-	14,52,338	23,53,188
5.	Plant & Machinery	1,92,09,37,784	90,42,755	-	1,92,99,80,539	10,35,57,278	-	1,74,02,66,887	18,97,11,652
6.	Electrical Installation	5,72,15,626	35,05,719	-	6,07,21,345	89,04,073	-	3,40,24,154	2,66,97,191
7.	Furniture & Fixtures	13,53,88,966	3,20,09,379	-	16,73,98,345	2,61,21,735	-	7,78,85,650	8,95,12,695
8.	Computer	5,32,93,161	29,98,235	-	5,62,91,396	34,88,563	-	5,09,13,828	53,77,568
9.	Vehicle	3,31,97,148	37,35,486	-	3,69,32,634	33,52,301	7,25,846	2,67,77,568	89,50,517
10.	Air Conditioner	1,86,78,325	15,41,877	-	2,02,20,202	37,55,601	-	1,41,74,876	60,45,326
11.	Office Equipment	5,02,91,217	14,17,318	-	5,17,08,535	1,40,08,693	-	3,45,14,168	1,71,94,367
	<b>Current Year Tangible Assets</b>	<b>3,19,69,56,508</b>	<b>5,42,86,769</b>	<b>12,04,549</b>	<b>3,25,00,38,728</b>	<b>2,11,94,05,719</b>	<b>7,25,846</b>	<b>2,32,22,16,253</b>	<b>92,78,22,475</b>
	Previous Year Tangible Assets	2,95,71,71,684	24,08,21,254	10,36,430	3,19,69,56,508	25,16,51,397	41,01,674	2,11,94,05,719	1,07,75,50,789
(ii)	<b>INTANGIBLE ASSETS</b>								
1.	Computer Software	1,81,10,146	20,89,585	3,52,436	1,98,47,295	9,01,963	2,33,196	1,51,01,289	47,46,006
	<b>Current Year Intangible Assets</b>	<b>1,81,10,146</b>	<b>20,89,585</b>	<b>3,52,436</b>	<b>1,98,47,295</b>	<b>9,01,963</b>	<b>2,33,196</b>	<b>1,51,01,289</b>	<b>47,46,006</b>
	Previous Year Intangible Assets	1,73,07,658	14,18,575	6,16,087	1,81,10,146	38,73,281	(3,42,790)	1,44,32,522	36,77,624
	<b>Total Current Year</b>	<b>3,21,50,66,654</b>	<b>5,63,76,354</b>	<b>15,56,985</b>	<b>3,26,98,66,023</b>	<b>20,44,38,343</b>	<b>9,59,042</b>	<b>2,33,73,17,542</b>	<b>93,25,68,481</b>
	Total Previous Year	2,97,44,79,342	24,22,39,829	16,52,517	3,21,50,66,654	25,55,24,678	37,58,884	2,13,38,38,241	1,08,12,28,413
(iii)	<b>CAPITAL WORK-IN-PROGRESS</b>								
1.	Plant & Machinery	32,58,032	1,04,80,219	77,66,539	59,71,712	-	-	-	59,71,712
2.	Electrical Installation	-	35,05,719	35,05,719	-	-	-	-	-
3.	Furniture & Fixtures	-	2,04,51,303	2,04,51,303	-	-	-	-	-
4.	Air Conditioner	-	14,20,467	14,20,467	-	-	-	-	-
	<b>Total Capital Work-in-Progress</b>	<b>32,58,032</b>	<b>3,58,57,708</b>	<b>3,31,44,028</b>	<b>59,71,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,71,712</b>
	<b>Total</b>	<b>3,21,50,66,654</b>	<b>9,22,34,062</b>	<b>18,88,42,056</b>	<b>3,26,98,66,023</b>	<b>22,66,34,438</b>	<b>10,14,963</b>	<b>2,56,05,461</b>	<b>1,18,84,19,900</b>

Note No 9.1:

Deduction/Adjustment includes Obsolescence of Fixed Assets .

Note No 9.2:

Pursuant to Schedule II to the Companies Act, 2013 ('the Act') effective from April 1, 2014, the Company had revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. Accordingly, the Company has re-worked depreciation with reference to the estimated economic lives of Fixed Assets prescribed by Schedule II of the Act. In case of an asset whose life is completed before 1st April 2014, the carrying amount (Net of residual value) of Rs. 3,218,651 has been adjusted to the Retained Earnings after adjusting impact of deferred tax of Rs. 1,545,859 in the previous financial year.

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**10 NON CURRENT INVESTMENT**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
Unquoted (At Cost)				
Trade Investments				
Equity Instruments				
72,000 (Previous Year 72,000) Equity Shares of Palsana Enviro Protection Ltd., ₹ 100 par Value fully paid up		98,40,000		98,40,000
<b>Total</b>		<b>98,40,000</b>		<b>98,40,000</b>

**11 DEFERRED TAX ASSETS**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>On account of</b>				
(i) Difference in Depreciation as per books and as per Income Tax Act, 1961		11,50,08,189		10,91,51,413
(ii) Allowances for Doubtful Debts / Advances		-		46,91,711
(iii) Expenses allowable under Income Tax on payment basis		5,18,864		88,01,641
<b>Deferred Tax Assets</b>		<b>11,55,27,053</b>		<b>12,26,44,765</b>

**12 LONG TERM LOANS & ADVANCES**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured, considered good, unless otherwise stated)				
(a) <u>Capital Advances</u>				
(i) Considered Good	88,41,284		1,30,47,897	
(ii) Considered Doubtful	-		5,84,972	
	88,41,284		1,36,32,869	
Less : Allowance for bad and doubtful advances	-	88,41,284	5,84,972	1,30,47,897
(b) <u>Security Deposits</u>				
(i) Considered Good		1,22,14,991		1,07,65,633
(c) <u>Other loans and advances</u>				
(i) Advance recoverable in cash or in kind or for value to be received	6,61,317		4,72,683	
(ii) Advance Tax [Net of provision for tax]	55,48,737		83,34,965	
(iii) MAT Credit Entitlement	3,57,53,758		5,07,57,742	
(iv) Loan to Staff	62,39,783	4,82,03,595	16,95,616	6,12,61,006
<b>Total</b>		<b>6,92,59,870</b>		<b>8,50,74,536</b>

**13 INVENTORIES**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(a) Raw Material		31,04,31,287		36,24,61,169
(b) Semi Finished Goods		21,63,73,401		27,77,31,246
(c) Finished Goods (Refer Note No. 13.1)		83,63,64,247		70,21,70,414
(d) Traded Finished Goods		21,11,82,040		21,90,37,195
(e) Stores & Tools		5,86,71,929		4,96,36,629
(f) Packing Material		2,45,81,953		5,57,13,814
<b>Total</b>		<b>1,65,76,04,857</b>		<b>1,66,67,50,467</b>

**Note No 13.1 :**

Finished Goods includes Goods-in-Transit of ₹ 18,04,183 (Previous Year ₹ 49,52,175)

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**14 TRADE RECEIVABLES**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured)				
(a) Outstanding for a period exceeding six months from the date they are due for payment (Refer Note No. 14.1)				
(i) Considered Good	13,72,17,626		10,89,53,671	
(ii) Considered Doubtful	-		1,19,70,188	
	13,72,17,626		12,09,23,859	
Less : Allowance for bad and doubtful debts	-	13,72,17,626	1,19,70,188	10,89,53,671
(b) Other than above (Considered Good)		88,56,26,622		1,14,17,08,177
<b>Total</b>		<b>1,02,28,44,248</b>		<b>1,25,06,61,848</b>

**Note No. 14.1**

Balance of Debtors includes ₹ 71,170,963 (Previous Year ₹ Nil) which are overdue but no provision has been made in the accounts as Management is hopeful of recovery.

**15 CASH AND BANK BALANCES**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(a) <u>Cash &amp; Cash Equivalents</u>				
(i) <u>Balance with banks</u>				
- In Current Account	97,25,010		58,55,578	
(ii) Cheques, Drafts in Hand	87,52,910		1,92,58,005	
(iii) Cash In Hand	27,49,743	2,12,27,663	60,33,219	3,11,46,802
(b) <u>Other Balances with banks</u>				
In Unpaid Dividend Account (Refer Note No 15.1)	3,17,070		3,48,071	
In Margin Money Deposits due within one year (Refer Note No 15.2)	1,77,76,535		1,53,89,957	
In Margin Money Deposits due after one year (Refer Note No 15.2)	83,65,212	2,64,58,817	28,50,875	1,85,88,903
<b>Total</b>		<b>4,76,86,480</b>		<b>4,97,35,705</b>

**Note No 15.1**

The Company can utilise these balances towards settlement of unpaid dividend only

**Note No 15.2**

Margin money deposits amounting to ₹ 2,61,41,747 (Previous Year ₹ 1,82,40,832) are lying with bank against Bank Guarantees and Letter of Credit.

**16 SHORT TERM LOANS & ADVANCES**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(Unsecured, considered good, unless otherwise stated)				
<u>Other loans and advances</u>				
(a) Deposits		91,500		18,500
(b) Advance recoverable in cash or in kind or for value to be received		69,76,762		96,10,051
(c) Advance Tax [Net of provision for tax]		14,55,990		2,23,75,130
(d) Balance with Central Excise		5,211		10,67,102
(e) <u>Loans to Staff</u>				
(i) Considered Good		1,52,60,860		1,17,53,432
(f) Trade Advances				
(i) Considered Good	3,81,66,680		2,96,17,179	
(ii) Considered Doubtful	-		16,35,054	
	3,81,66,680		3,12,52,233	
Less : Allowance for bad and doubtful advances	-	3,81,66,680	16,35,054	2,96,17,179
<b>Total</b>		<b>6,19,57,003</b>		<b>7,44,41,394</b>

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**17 OTHER CURRENT ASSETS**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
(a) Export Incentive Receivable		5,38,45,906		6,31,40,342
(b) Interest Receivable		2,89,84,522		3,19,39,397
(c) Sales Tax Refund Receivable		5,37,612		27,07,112
(d) Others		99,115		26,40,652
<b>Total</b>		<b>8,34,67,155</b>		<b>10,04,27,503</b>

**18 CONTINGENT LIABILITIES AND COMMITMENTS**

(Amount in ₹)

Particulars	As at 31.03.2016		As at 31.03.2015	
<b>(a) Contingent Liability not provided for in respect of</b>				
(i) Claims against the Company not acknowledged as debt		4,95,502		4,95,502
(ii) <u>Other money for which the company is contingently liable :</u>				
Disputed Income Tax Liability	-		7,88,770	
Disputed Sales Tax Liability	3,82,649		4,69,795	
Excise Duty Liability	4,16,848		4,16,848	
Bonds executed under EPCG Schemes to Customs Authorities	12,27,96,645	12,35,96,142	10,20,53,035	10,37,28,448
<b>(b) Commitments not provided for in respect of</b>				
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)		67,27,015		18,49,683
<b>Total</b>		<b>13,08,18,659</b>		<b>10,60,73,633</b>

**19 REVENUE FROM OPERATIONS**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
(a) Sale of Products (Refer Note No 19.1)		4,81,30,73,351		4,81,46,26,405
(b) Sale of Services (Refer Note No 19.2)		30,21,78,342		29,12,70,468
(c) <u>Other Operating Revenue</u>				
Sale of Scrap	1,11,48,649		1,31,59,398	
Franchisee Registration Fees	53,85,000		42,75,000	
Export Incentives	4,10,90,490	5,76,24,139	4,42,50,998	6,16,85,396
<b>Total</b>		<b>5,17,28,75,832</b>		<b>5,16,75,82,269</b>

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
<b>Note No 19.1: Sale of products</b>				
(a) Sales of Fabrics (Local)	3,81,05,56,542		3,84,82,36,915	
(b) Sales of Fabrics (Export)	51,08,12,168		49,66,37,620	
(c) Sales of Yarn (Local)	9,87,68,775		12,19,38,617	
(d) Sale of Garments (Local)	37,36,53,571		34,00,83,032	
(e) Sale of Garments (Export)	1,92,82,295	4,81,30,73,351	77,30,221	4,81,46,26,405
<b>Note No 19.2: Sale of services</b>				
(a) Process Job Sales	20,83,86,737		24,64,47,424	
(b) Yarn Job Sales	3,57,76,629		86,64,671	
(c) Rental Income	5,80,14,976	30,21,78,342	3,61,58,373	29,12,70,468



**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**20 OTHER INCOME**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
(a) <u>Interest income</u>				
Interest on Deposit with Bank	21,32,584		16,89,374	
Interest received on Tax Refunds	73,98,493		-	
Interest on delayed payments from Customers	2,48,53,547	3,43,84,624	3,52,86,522	3,69,75,896
(b) <u>Other non-operating income</u>				
Profit on Sale of Fixed Asset (Net)	-		7,282	
Provision no longer required	31,87,119		13,27,079	
Gain on Foreign Currency Transactions (Net)	2,41,569		-	
Sundry balance written back (Net)	-		25,04,748	
Miscellaneous Income	4,45,617	38,74,305	19,87,004	58,26,113
<b>Total</b>		<b>3,82,58,929</b>		<b>4,28,02,009</b>

**21 COST OF MATERIALS CONSUMED**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
<u>Raw Material Consumed</u>				
Opening Stock of Raw Material	36,24,61,169		34,04,29,000	
Add : Purchases of Raw Material	2,02,69,58,039		2,20,16,31,051	
Less : Closing Stock of Raw Material	31,04,31,287	2,07,89,87,921	36,24,61,169	2,17,95,98,882
<b>Total of Cost of materials consumed (Refer Note No 21.1)</b>		<b>2,07,89,87,921</b>		<b>2,17,95,98,882</b>

**Note No 21.1 Details and Value of Imported and Indigenous Raw Material Consumed**

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Rupees	Percentage	Rupees	Percentage
(a) <u>Yarn Consumed</u>				
(i) Indigenous	1,77,32,82,137	85.29%	1,84,66,39,348	84.72%
(ii) Imported	2,02,14,551	0.97%	89,05,483	0.41%
<b>Total Yarn Consumed</b>	<b>1,79,34,96,688</b>	<b>86.27%</b>	<b>1,85,55,44,831</b>	<b>85.13%</b>
(b) <u>Dyes &amp; Chemicals Consumed (Indigenous)</u>	27,66,03,002	13.30%	30,59,95,796	14.04%
(c) <u>Others (Indigenous)</u>	88,88,231	0.43%	1,80,58,255	0.83%
<b>Total Raw Material Consumed</b>	<b>2,07,89,87,921</b>	<b>100.00%</b>	<b>2,17,95,98,882</b>	<b>100.00%</b>
<b>Total of Cost of Material Consumed (a)+(b)+(c)</b>				
(i) Indigenous	2,05,87,73,370	99.03%	2,17,06,93,399	99.59%
(ii) Imported	2,02,14,551	0.97%	89,05,483	0.41%
<b>Total of Cost of materials consumed</b>	<b>2,07,89,87,921</b>	<b>100.00%</b>	<b>2,17,95,98,882</b>	<b>100.00%</b>

**22 PURCHASES OF STOCK IN TRADE**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
(a) Finish Fabric Purchases		44,66,61,872		22,67,20,451
(b) Grey Fabric Purchases		9,87,97,017		14,91,86,032
(c) Garment Purchases		4,71,52,995		3,51,94,351
<b>Total</b>		<b>59,26,11,884</b>		<b>41,11,00,834</b>

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
(a) <u>Finished Goods</u>				
Opening Stock of Finished Fabrics	70,21,70,414		81,10,67,604	
Closing Stock of Finished Fabrics	83,63,64,247	(13,41,93,833)	70,21,70,414	10,88,97,190
(b) <u>Work in Progress</u>				
Opening Stock of Grey Fabrics	27,77,31,246		23,06,76,025	
Closing Stock of Grey Fabrics	21,63,73,401	6,13,57,845	27,77,31,246	(4,70,55,221)
(c) <u>Stock-in-Trade</u>				
Opening Stock of Garments	21,90,37,195		19,02,01,782	
Closing Stock of Garments	21,11,82,040	78,55,155	21,90,37,195	(2,88,35,413)
<b>Total</b>		<b>(6,49,80,833)</b>		<b>3,30,06,556</b>

**24 EMPLOYEE BENEFITS EXPENSE**

(Amount in ₹)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Salaries, Wages & Other Benefits	49,96,95,534	45,87,37,641
(b) Contribution to Provident Fund and Other Funds	1,95,81,508	1,56,63,383
(c) Staff Welfare Expenses	70,35,578	1,00,30,811
<b>Total</b>	<b>52,63,12,620</b>	<b>48,44,31,835</b>

**25 FINANCE COSTS**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
(a) Interest expenses				
(i) Interest on Term Loan	3,81,76,170		6,22,43,572	
(ii) Interest on Other Bank Loan	24,13,68,985	27,95,45,155	23,67,57,151	29,90,00,723
(b) Other Borrowing Cost				
(i) Processing Charges		60,55,388		38,14,038
<b>Total</b>		<b>28,56,00,543</b>		<b>30,28,14,761</b>

**26 OTHER EXPENSES**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Consumption of Stores & Spares (Refer Note No 26.1)		9,96,65,290		8,58,95,435
Processing Charges		3,13,86,253		2,57,13,182
Weaving Charges		11,98,62,640		11,90,32,999
Other Labour Charges		9,18,91,131		9,45,94,458
Power and Fuel		32,49,63,778		34,70,18,038
Repairs and Maintenance				
On Building	74,95,267		30,50,294	
On Machinery	93,49,016		81,81,349	
On Others	2,71,81,639	4,40,25,922	2,02,49,330	3,14,80,973
Security Charges		23,65,319		20,42,902
Brokerage on purchase		28,31,359		51,05,903
Legal & Professional Expenses		1,70,35,989		1,92,80,622
Travelling & Conveyance		5,18,94,092		5,64,87,422
Net Loss / (Gain) on Foreign Currency Transactions		-		17,95,416

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Insurance Charges		40,39,670		37,24,484
Packing Material Consumed		21,98,77,157		20,18,62,742
Rates & Taxes		74,70,739		39,97,413
Rent Expense		1,26,11,190		1,42,70,154
Interest Expenses		1,25,81,129		1,96,74,782
Printing & Stationery		83,41,743		85,82,310
Postage, Telegram & Telephone		1,60,78,981		1,51,97,325
Auditors Remuneration (Refer Note No 26.2)		15,33,034		10,39,330
Sundry Balance W/off (net)		21,70,260		-
Loss on Sale of Asset		2,12,036		-
Fixed Assets Written Off		1,19,240		2,73,296
Bad and doubtful debts	1,19,70,188		2,38,55,146	
Less: Allowance for bad and doubtful advances written back	1,19,70,188	-	2,38,55,146	-
Allowance for bad and doubtful debts		-		1,03,28,307
Bad and doubtful advances	22,20,026			-
Less: Allowance for bad and doubtful advances written back	22,20,026	-	-	-
Bad debts		-		-
Allowance for bad and doubtful advances against Capital Goods		-		-
Bank Charges		62,49,243		51,37,320
Transportation Expenses		5,04,02,633		5,33,70,708
Sample Expenses		1,94,89,559		1,85,42,354
Advertisement & Sales Promotion		14,86,51,838		15,85,45,256
Sales Commission		9,93,07,221		11,18,34,111
Discount, Rebate & Claims		8,08,87,310		7,43,53,104
Miscellaneous Expenses		1,87,11,416		1,75,46,760
		1,49,46,56,172		1,50,67,27,106

**Note No. 26.1 - Value of imported and indigenous Stores & Spares consumed**

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	₹	Percentage	₹	Percentage
<b>Stores &amp; Spares Consumed</b>				
(i) Indigenous	8,13,23,714	81.60%	7,60,67,588	88.56%
(ii) Imported	1,83,41,576	18.40%	98,27,847	11.44%
<b>Total Stores &amp; Tools Consumed</b>	9,96,65,290	100.00%	8,58,95,435	100.00%

**Note No. 26.2 - Auditors Remuneration:**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
<b>Statutory Auditors Remuneration</b>				
<u>As an auditor</u>				
- Audit Fees (including Limited Review)	8,10,000		5,80,000	
- Tax Audit Fees	4,00,000		1,35,000	
- Towards Service Tax	1,68,748	13,78,748	88,374	8,03,374
<u>Other capacity</u>				
- Certification	35,000		1,50,000	
- Towards Service Tax	5,286	40,286	18,540	1,68,540
<b>Cost Auditors Remuneration</b>				
- Audit Fees	1,00,000		60,000	
- Towards Service Tax	14,000	1,14,000	7,416	67,416
		15,33,034		10,39,330

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**27 EXCEPTIONAL ITEMS**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Keyman Insurance Surrender Value		-		1,83,26,400
Less : Insurance Premium paid		-		15,84,551
		-		1,67,41,849

**28 EARNING PER SHARE (EPS)**

**Earning Per Share (EPS) - the numerators and denominators used to calculate Basic and Diluted earning per share :**

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Description	Value	Description	Value
(a) Profit attributable to Equity Shareholders	(In ₹)	<b>5,62,99,836</b>	(In ₹)	7,73,48,503
(b) Number of Equity Shares outstanding during the year	(In Nos.)	<b>5,20,00,000</b>	(In Nos.)	5,20,00,000
(c) Face Value of each Equity Share	(In ₹)	<b>2.00</b>	(In ₹)	2.00
(d) Basic / Diluted earning per share (a) / (b)	(In ₹)	<b>1.08</b>	(In ₹)	1.49

**29 SEGMENT REPORTING**

**(i) Information About Primary Business Segment**

Particulars	31.03.2016				31.03.2015			
	Segments			Total	Segments			Total
	Textiles	Rentals	Unallocable		Textiles	Rentals	Unallocable	
	₹	₹	₹	₹	₹	₹	₹	₹
Segment Revenue	5,11,48,60,856	5,80,14,976	-	5,17,28,75,832	5,13,14,23,896	3,61,58,373	-	5,16,75,82,269
<b>Result</b>								
Segment Results	45,53,32,046	3,75,62,363	-	49,28,94,409	40,73,28,817	2,24,62,184	-	42,97,91,001
Less: Unallocated Corporate Expenses Net of Unallocated Corporate Income	-	-	39,93,86,303	39,93,86,303	-	-	37,58,69,526	37,58,69,526
Less: Extra Ordinary Items	-	-	-	-	-	-	-	-
Profit Before Tax	45,53,32,046	3,75,62,363	(39,93,86,303)	9,35,08,106	40,73,28,817	2,24,62,184	(37,58,69,526)	5,39,21,475
Less: Provision For Tax (Net of Deferred Tax)	-	-	3,82,19,481	3,82,19,481	-	-	(2,10,32,087)	(2,10,32,087)
Net Profit After Tax & Before Prior Period Adjustments	45,53,32,046	3,75,62,363	(43,76,05,784)	5,52,88,625	40,73,28,817	2,24,62,184	(35,48,37,439)	7,49,53,562
Add : Prior Period Tax Adjustments	-	-	(10,11,211)	(10,11,211)	-	-	(23,94,941)	(23,94,941)
Net Profit After Prior Period Adjustments	45,53,32,046	3,75,62,363	(43,65,94,573)	5,62,99,836	40,73,28,817	2,24,62,184	(35,24,42,498)	7,73,48,503
<b>Other Information</b>								
Segment Assets	3,60,95,06,161	14,91,58,746	24,80,61,951	4,00,67,26,858	4,04,23,82,881	11,81,57,461	28,35,22,320	4,44,40,62,662
Segment Liabilities	46,21,69,509	4,17,34,630	2,73,91,39,183	3,24,30,43,322	48,70,94,432	3,42,42,630	3,20,28,24,710	3,72,41,61,772
Capital Expenditure	3,09,98,865	2,53,77,489	-	5,63,76,354	18,87,22,046	5,35,17,783	-	24,22,39,829
Depreciation / Amortisation	18,62,50,475	1,81,87,873	-	20,44,38,348	24,45,44,076	1,09,80,602	-	25,55,24,678

**Notes :**

- The Company is engaged into two main business segments mainly (i) Manufacturing and Dealing in Textiles and (ii) Rental Property which have been identified and reported taking into account the nature of products and services, the differing risks and returns and the organisation structure.
- Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- As this being the first year of reportable segment under Accounting Standard 17 on Segmental Reporting, previous year figures are not applicable.

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**(ii) Information About Secondary Geographical Business Segment**

(Amount in ₹)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Within India	Outside India	Within India	Outside India
Although the sales outside India was less than 10% of the total sales and the segment assets are less than 10% of the total assets in the current financial year and in the immediate preceding financial year, geographical segment is reported as the secondary segment, as per the discretion of the management.				
(a) Segment Revenue	4,68,10,40,298	53,00,94,463	4,70,60,16,437	50,43,67,841
(b) Segment Assets	3,91,50,68,412	9,16,58,447	4,32,77,22,771	11,63,39,892
(c) Addition to Fixed Assets	5,63,76,354	-	24,22,39,829	-

**30 RELATED PARTY DISCLOSURES**

The disclosures of Related Party as under :

Related Parties	Nature of Relationship
(a) (i) Shri Vishwanath L. Agarwal	Individual having control / significant influence
(b) (i) Shri Rajendra V. Agarwal	Key Management Personnel
(ii) Shri Ajay V. Agarwal	Key Management Personnel
(c) (i) Mrs. Neena Agarwal (Wife of Shri Ajay V. Agarwal)	Relative of Key Management Personnel
(d) (i) Donear Synthetics Limited	Entities where individual having control / significant influence or key management personnel or their relatives are able to exercise significant influence
(ii) Lav Kush Traders Pvt.Limited	
(iii) Laxmi Synthetics	
(iv) Sonia Synthetics LLP	
(v) Donear Retail Pvt.Limited	
(vi) R. Ajay Kumar Real Estate LLP	
(vii) Rajendra Synthetics Pvt. Limited	
(viii) U.N.Reality Pvt. Limited	
(ix) V.R.A. Reality Pvt. Limited	
(x) Neptune Fabs	
(xi) Venus Textiles	
(xii) Lotus Fabrics	
(xiii) Mercury Industries	
(xiv) Donear Fashion Link Pvt. Limited	

**Disclosure of related party transaction during the year.**

(Amount in ₹)

Nature of Transaction & Name of the Related Party	Year ended 31.03.2016		Year ended 31.03.2015	
<b>(a) Purchase of Goods, Fixed Assets &amp; Other Services</b>				
(i) Neptune Fabs	58,39,120		1,22,83,476	
(ii) Venus Textiles	1,06,28,125		1,81,05,044	
(iii) Lotus Fabrics	42,16,255		69,86,064	
(iv) Mercury Industries	1,01,70,520		1,84,94,337	
(v) Donear Synthetics Ltd	3,543		-	
(vi) Rajendra Synthetics Pvt. Ltd	3,57,263	3,12,14,826	-	5,58,68,921
<b>(b) Sale of Goods (Net of Goods Return)</b>				
(i) Donear Synthetics Ltd		7,65,197		7,28,732
<b>(c) Sales Promotion Expenses reimbursed</b>				
(i) Donear Synthetics Ltd		34,196		3,970
<b>(d) Director's Sitting Fees</b>				
(i) Shri Vishwanath L. Agarwal	5,000		7,000	
(ii) Mrs. Neena Agarwal	3,000	8,000	-	7,000
<b>(e) Rent Paid</b>				
(i) R.Ajaykumar Real Estate. LLP	14,22,000		9,18,000	
(ii) Lav Kush Traders Pvt.Limited	-		30,000	
(iii) Laxmi Synthetics	-	14,22,000	45,000	9,93,000
<b>(f) Remuneration Paid</b>				
(i) Shri Rajendra V. Agarwal	28,03,385		28,03,385	
(ii) Shri Ajay V. Agarwal	10,51,269	38,54,654	10,51,269	38,54,654

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

Nature of Transaction & Name of the Related Party	Year ended 31.03.2016		Year ended 31.03.2015	
(g) <b>Assignment of Keyman Insurance Policy</b>				
(i) Shri Rajendra V. Agarwal	-		91,63,200	
(ii) Shri Ajay V. Agarwal	-	-	91,63,200	1,83,26,400
(h) <b>Rent Received</b>				
(i) Neptune Fabs	<b>1,00,000</b>		1,00,000	
(ii) Venus Textiles	<b>1,00,000</b>		1,00,000	
(iii) Lotus Fabrics	<b>1,00,000</b>		1,00,000	
(iv) Mercury Industries	<b>1,00,000</b>	<b>4,00,000</b>	1,00,000	4,00,000
(i) <b>Other recovery of expenses</b>				
(i) Neptune Fabs	<b>18,54,651</b>		18,75,877	
(ii) Venus Textiles	<b>36,16,795</b>		33,00,586	
(iii) Lotus Fabrics	<b>15,50,145</b>		14,67,385	
(iv) Mercury Industries	<b>30,71,469</b>	<b>1,00,93,060</b>	31,64,805	98,08,653
(j) <b>Bad Debts Written Off</b>				
(i) Donear Fashion Link Pvt. Limited		-		1,00,30,593
(k) <b>Deposits Given</b>				
(i) R.Ajaykumar Real Estate. LLP		<b>4,50,000</b>		2,61,000
(l) <b>Deposits Refunded</b>				
(i) Neptune Fabs	<b>50,00,000</b>		-	
(ii) Venus Textiles	<b>64,00,000</b>		-	
(iii) Lotus Fabrics	<b>50,00,000</b>		-	
(iv) Mercury Industries	<b>68,00,000</b>	<b>2,32,00,000</b>	-	-
(m) <b>Deposits Received back</b>				
(i) R.Ajaykumar Real Estate. LLP		<b>2,61,000</b>		70,00,000
(n) <b>Deposits Received</b>				
(i) Neptune Fabs	<b>50,00,000</b>		-	
(ii) Venus Textiles	<b>84,00,000</b>		-	
(iii) Lotus Fabrics	<b>50,00,000</b>		-	
(iv) Mercury Industries	<b>88,00,000</b>	<b>2,72,00,000</b>	-	-
(o) <b>Loans Received</b>				
(i) Shri Vishwanath L. Agarwal	<b>4,05,00,000</b>		11,28,05,000	
(ii) Shri Ajay V. Agarwal	<b>1,49,00,000</b>		14,51,23,200	
(iii) Shri Rajendra Agarwal	<b>4,89,50,000</b>		7,39,48,200	
(iv) Lav- Kush Traders Pvt. Ltd	-		5,00,000	
(v) Donear Retail Pvt. Ltd.	-		4,60,000	
(vi) Sonia Synthetics LLP	-		4,55,000	
(vii) Rajendra Synthetics Pvt. Ltd	-		10,50,000	
(viii) U.N.Reality Pvt.Ltd.	-		1,12,70,000	
(ix) V.R.A. Reality Pvt.Ltd.	-	<b>10,43,50,000</b>	1,09,85,000	35,65,96,400
(p) <b>Loans Repaid</b>				
(i) Shri Vishwanath L. Agarwal	<b>6,40,00,000</b>		10,60,05,000	
(ii) Shri Rajendra Agarwal	<b>5,31,50,000</b>		5,95,53,200	
(iii) Shri Ajay V. Agarwal	<b>2,87,60,000</b>		7,75,98,200	
(iv) Donear Synthetics Ltd	-		1,99,00,269	
(v) Sonia Synthetics LLP	-		4,55,000	
(vi) Lav- Kush Traders Pvt. Ltd	-		5,00,000	
(vii) Rajendra Synthetics Pvt. Ltd	-		10,50,000	
(viii) Donear Retail Pvt. Ltd.	-		4,60,000	
(ix) U.N.Reality Pvt.Ltd.	-		1,87,70,000	
(x) V.R.A. Reality Pvt.Ltd.	-	<b>14,59,10,000</b>	9,89,80,000	38,32,71,669
		<b>34,91,62,933</b>		84,71,50,992



**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

Disclosure of related party transaction outstanding at the end of the year.

(Amount in ₹)

Name of the Related Party	As at 31.03.2016		As at 31.03.2015	
<b>(a) Outstanding Net Receivable</b>				
(i) Donear Synthetics Ltd	48,893	48,893	30,888	30,888
<b>(b) Deposit Paid</b>				
(i) R.Ajaykumar Real Estate. LLP		4,50,000		2,61,000
<b>(c) Deposit Taken</b>				
(i) Neptune Fabs	30,00,000		30,00,000	
(ii) Venus Textiles	50,00,000		30,00,000	
(iii) Lotus Fabrics	30,00,000		30,00,000	
(iv) Mercury Industries	50,00,000	1,60,00,000	30,00,000	1,20,00,000
<b>(d) Loans Outstanding</b>				
(i) Shri Vishwanath L. Agarwal	5,16,75,000		7,51,75,000	
(ii) Shri Rajendra Agarwal	9,40,40,000		9,82,40,000	
(iii) Shri Ajay V. Agarwal	18,50,00,000	33,07,15,000	19,88,60,000	37,22,75,000
<b>(e) Guarantee given by directors</b>				
(i) Towards Term Loan	22,42,02,018		44,82,67,164	
(ii) Towards Working Capital	2,14,19,68,275	2,36,61,70,293	2,32,41,06,765	2,77,23,73,929
		2,71,33,84,186		3,15,69,40,817

**31 EMPLOYEE BENEFIT**

The Company has schemes for long term benefits such as Provident Fund and Gratuity. The Company's "Defined Contribution Plan" includes Contribution to Employees Provident Fund and "Defined Benefit Plan" includes Gratuity. Related disclosures are given as under:

(Amount in ₹)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>(a) Defined Contribution Plan - Employees Provident Fund</b>	<b>1,42,32,896</b>	<b>98,05,555</b>
<b>(b) Defined Benefit Plan - Gratuity</b>	<b>Funded</b>	<b>Funded</b>
(i) <b>Assumptions</b>	<b>As on 31/03/2016</b>	<b>As on 31/03/2015</b>
Discount Rate	8%	8%
Salary Escalation	3%	4%
(ii) <b>Table showing changes in present value of obligations</b>	<b>As on 31/03/2016</b>	<b>As on 31/03/2015</b>
Present value of obligations as at beginning of year	1,29,36,107	1,05,49,948
Interest cost	10,34,888	8,43,996
Current Service cost	28,87,629	23,41,241
Benefits paid	(16,32,693)	(14,79,659)
Actuarial (gain)/Loss on obligations	(7,31,636)	6,80,581
Present value of obligations as at end of year	1,44,94,295	1,29,36,107
(iii) <b>Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	1,27,78,759	1,20,39,264
Expected return on plan assets	10,00,698	10,07,790
Contributions	15,16,735	12,11,364
Benefits paid	(16,32,693)	(14,79,659)
Actuarial Gain / (Loss) on Plan assets	Nil	Nil
Fair value of plan assets at the end of year	1,36,63,499	1,27,78,759
(iv) <b>Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	1,27,78,759	1,20,39,264
Actual return on plan assets	10,00,698	10,07,790
Contributions	15,16,735	12,11,364
Benefits Paid	(16,32,693)	(14,79,659)
Fair value of plan assets at the end of year	1,36,63,499	1,27,78,759
Funded Status	(8,30,796)	(1,57,348)
Excess of Actual over estimated return on plan assets	Nil	Nil
(Actual rate of return=Estimated rate of return as ARD falls on 31st March)		

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Amount in ₹)		
Particulars	As at 31.03.2016	As at 31.03.2015
(v) <b>Actuarial Gain/Loss recognized</b>	<b>As on 31/03/2016</b>	<b>As on 31/03/2015</b>
Actuarial( gain)/Loss for the year Obligation	7,31,636	(6,80,581)
Actuarial (gain)/Loss for the year - Plan Assets	Nil	Nil
Total (gain)/Loss for the year	<b>(7,31,636)</b>	6,80,581
Actuarial (gain)/Loss recognized in the year	<b>(7,31,636)</b>	6,80,581
(vi) <b>The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss</b>		
Present value of obligations as at the end of year	1,44,94,295	1,29,36,107
Fair value of plan assets as at the end of the year	1,36,63,499	1,27,78,759
Funded status	<b>(8,30,796)</b>	(1,57,348)
Net Asset / (Liability) recognized in balance sheet	<b>(8,30,796)</b>	(1,57,348)
(vii) <b>Expenses Recognised in statement of Profit &amp; Loss</b>		
Current Service cost	28,87,629	23,41,241
Interest Cost	10,34,888	8,43,996
Expected return on plan assets	<b>(10,00,698)</b>	(10,07,790)
Net Actuarial (gain)/Loss recognised in the year	<b>(7,31,636)</b>	6,80,581
Expenses recognised in statement of Profit & Loss	<b>21,90,183</b>	28,58,028

**32 LEASE**

(Amount in ₹)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) <b>Assets given on Lease</b>		
The Company's major leasing arrangements are in respect of office premises given on leave and licence basis. These leasing arrangements, which are cancellable, is for the period of 5 years and are usually renewable by mutual consent at mutually agreed terms and conditions. The aggregate rentals collected as Licence Fees and shown under Note No. 19 "Revenue from Operations".	<b>5,80,14,976</b>	3,61,58,373

(Amount in ₹)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(b) <b>Assets taken on Lease</b>		
The Company's major leasing arrangements are in respect of residential / godowns / office premises (including furniture and fitting therein, wherever applicable) taken on leave and licence basis. These leasing arrangements, which are cancellable, range between 11 months and 5 years generally, or longer, and are usually renewable by mutual consent at mutually agreed terms and conditions. The aggregate lease rentals charged as Rent and shown under Note No. 26 "Other Expenses"	<b>1,26,11,190</b>	1,42,70,154

**33 C.I.F. VALUE OF IMPORTS**

(Amount in ₹)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Raw Material	2,02,14,551	89,05,483
(b) Components and Spare parts	2,53,32,321	95,17,696
<b>Total</b>	<b>4,55,46,872</b>	1,84,23,179

**34 EARNINGS IN FOREIGN EXCHANGE**

(Amount in ₹)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) F.O.B. Value of Exports	52,61,87,982	49,68,02,379
(b) Freight	36,34,419	73,01,162
(c) Insurance	2,72,062	2,64,300
<b>Total</b>	<b>53,00,94,463</b>	50,43,67,841

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 35 EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
(a) Travelling, Lodging & Boarding	99,71,067	82,20,573
(b) Advertisement and Sales Promotion	49,07,237	40,07,049
(c) Commission	1,56,31,506	1,21,71,167
(d) Book & Periodicals	8,723	11,92,182
(e) Others	8,98,468	-
<b>Total</b>	<b>3,14,17,001</b>	2,55,90,971

### 36 DERIVATIVES

#### UNHEDGED :

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under :

#### (a) Amount Receivable in Foreign Currency on account of the following :

Particulars and Currency	As at 31.03.2016		As at 31.03.2015	
	Foreign Currency Amount	₹	Foreign Currency Amount	₹
USD	13,09,392	8,65,49,226	12,81,248	8,01,16,274
Euro	1,05,166	78,93,035	3,98,304	2,70,22,818

#### (b) Amount Payable in Foreign Currency on account of the following :

Particulars and Currency	As at 31.03.2016		As at 31.03.2015	
	Foreign Currency Amount	₹	Foreign Currency Amount	₹
<b>Payables</b>				
USD	16,27,687	10,78,43,698	1,12,962	70,80,325
Euro	13,683	10,29,599	32,161	21,87,492
CHF	290	19,962	290	18,853

37 In the opinion of the Board, the current assets, loans & advances have a value realisation, in the ordinary course of business at least equal to the amount at which they are stated.

38 The balances of Trade Receivables, Trade Payables and Loans and Advances are subject to confirmation and consequential adjustment, if any.

### 39 Corporate Information

Donear Industries Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is manufacturer of fabrics having its own brand name "Donear" and also trading in garments under the brand name of "Dcot". The Company has manufacturing facilities located at Silvassa and Surat. It has one of the best process house as compared to other textile industries located at Surat.

### 40 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards and provisions of the Companies Act, 2013.

#### (b) Use of Estimates

The presentation and preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of revenues and expenses during the reporting year. Difference between the actual result and the estimates are recognized in the year in which the results are known / materialized.

#### (c) Inventories Valuation

- (i) Raw materials (excluding Dyes and Chemicals), Components, Stores and Spares, Packing Materials are valued at lower of cost and net realisable value. Cost is determined on a weighted average cost basis.  
Cost of Dyes and Chemicals included in the cost of Raw Material are determined on first-in-first-out (FIFO) basis.
- (ii) Work-in-Progress and Finished Goods are valued at lower of cost and net realisable value. The cost are determined on estimated cost basis and valued on a weighted average basis.
- (iii) Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- (iv) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**(d) Fixed Assets and Depreciation / Amortisation**

- (i) (a) All tangible Fixed Assets are stated at Cost less Accumulated Depreciation. The cost comprises purchase price, borrowing costs, if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.
- (b) The depreciation on tangible fixed assets has been provided on the Written Down Value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- (c) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is ready for use.
- (ii) In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use. Depreciation on Intangible assets – Software is amortised over a period of 5 years on straight line method.

**(e) Revenue Recognition**

- (i) Sale & Sale of Services  
Sales are recognised when the significant risks and rewards of ownership of the goods are passed to the customer and with regard to services, when services are rendered. Sales are accounted net of trade discount and sales tax (Value added Tax) collected.
- (ii) Other Income  
Interest income is recorded on a time proportion basis taking into account the amounts invested and the rate of interest.
- (iii) Export Benefits  
All export benefits other than advance license benefits are accounted for on accrual basis
- (iv) Dividends  
Dividend income is recognised when the company's right to receive dividend is established by the reporting date.

**(f) Foreign Exchange Transactions**

- (i) Foreign exchange transactions are recorded at the exchange rates prevailing on the date of the transaction.
- (ii) Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.
- (iii) In respect of transactions covered by forward exchange contracts, the difference between forward rate and exchange rate at the inception of the contract is recognized over the life of the contract.

**(g) Investments**

- (i) Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investment is made only if such a decline is other than temporary, in the opinion of the Management.
- (ii) Current Investments are valued at lower of cost and market value compared on a scrip wise basis.

**(h) Employee benefits expense**

- (i) Short term employee benefits are recognized as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.
- (ii) Contribution payable to the Recognised Employees Provident Fund which is Defined Contribution Scheme is charged to Statement of Profit and Loss .
- (iii) Liabilities in respect of defined benefit plans-Gratuity are determined based on actuarial valuation made by an independent actuary as at the balance sheet date and contribution made is charged to Statement of Profit and Loss. The actuarial gains or losses are recognized immediately in the Statement of Profit and Loss.

**(i) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying Fixed Assets are capitalized up to the date when such Assets are ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**(j) Lease**

- (i) Lease rentals in respect of assets acquired under operating leases are charged off to the Statement of Profit and Loss.
- (ii) Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.
- (iii) Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc., are recognised immediately in the statement of profit and loss.

**(k) Earnings per share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares except where the results would be anti-dilutive. The numbers of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

average number of equity shares, which could have been issued on the conversion of all dilutive potential equity shares.

### (l) Provision for Taxation and Deferred Tax

- (i) Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961.
- (ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

### (m) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### (n) Provision & Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### (o) Cash and Cash equivalents

Cash and Cash equivalents for the purpose of cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### (p) Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

- 41 The Previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current presentation as per the revised schedule III.

As per our report of attached even date

**FOR M. L. BHUWANIA & CO.**

**CHARTERED ACCOUNTANTS**

Firm Registration Number: 101484W

**Ashish Bairagra**

Partner

**Membership No. 109931**

Place : Mumbai

Date : 30th May, 2016

**For DONEAR INDUSTRIES LIMITED**

**Vishwanath L. Agarwal**      **Rajendra V. Agarwal**

Chairman      Managing Director

**Ashok B. Agarwal**

Chief Financial Officer

**Sreedhar H.**

Company secretary

**Ajay V. Agarwal**

Whole time Director

# DONEAR INDUSTRIES LIMITED

CIN: L99999MH1987PLC042076

Registered Off. Add: Donear House, 8<sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093

E –mail id: info@donear.com Website :www.donear.com

## BALLOT FORM

(In lieu of E-voting)

Sr. No.

Registered Folio No. / DPID No. / Client ID No. :

Name & Address :

Name(s) of the Joint Member(s), if any :

No. of Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 30<sup>th</sup> Annual General Meeting of the Company dated 24<sup>th</sup> September 2016, by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (✓) mark at the appropriate box below:

Item No.	Description	No. of Shares	I/We assent to the Resolution (For)	I/We assent to the Resolution (Against)
1.	Adoption, of Financial statements for the year ended 31 March 2016 and the Directors' and Auditors' Report thereon			
2.	To declare dividend			
3.	Re-appointment of Mr. Rajendra V. Agarwal as Director, who retires by rotation			
4.	Appointment of M/s. M. L. Bhuwania & Co., Chartered Accountants as Auditors and fixing their remuneration.			
5.	Appointment of Mr. Anup Kumar Singh as an Executive Professional Director			

Place :

Date :

Signature of Shareholder

**NOTE:** Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 5.00 p.m. on 23<sup>rd</sup> September 2016 shall only be considered.

## E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (E-Voting Event No.)	User ID	PASSWORD

Please follow steps for e-voting procedure as given in the Notice of AGM by logging on to – [www.evotingindia.com](http://www.evotingindia.com)



## INSTRUCTIONS

Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, **Mr. Yogesh Sharma, Practicing Company Secretary at B/1, Neha Apartment, Opp. Badwaik Hospital, L.B.S. Marg, Bhandup (West), Mumbai – 400 078** to his email id **csymsharma@gmail.com**, so as to reach by 5.00 p.m. of 23<sup>rd</sup> September, 2016. Ballot Form received thereafter will strictly be treated as if not received.

The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.

Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

The right of voting by Ballot Form shall not be exercised by a proxy.

To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic /demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per records of the share transfer agent of the Company (i.e. Link Intime India Private Limited). Members are requested to keep the same updated.

There will be only one Ballot Form for every Folio/DP ID Client ID irrespective of the number of joint members.

In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.

Where the ballot Form has been signed by an authorized representative of the body corporate/Trust/Society, etc. a certified copy of the relevant authorization/ Board resolution to vote should accompany the Ballot Form.

Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company.



## DONEYAR INDUSTRIES LIMITED

CIN: L99999MH1987PLC042076

Registered Off. Add: Doner House, 8<sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093

Email id: info@donear.com Website :www.donear.com

### ATTENDANCE SLIP

I / We hereby record my / our presence at the 30th Annual General Meeting of the Company on **Saturday, 24th September, 2016 at 11.30 a.m.** at Donear House, 9th Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093

Folio No./ DP ID and Client ID No. \_\_\_\_\_

Name/s :

1<sup>st</sup> Name :

Joint Holder :

Joint Holder :

\_\_\_\_\_  
Full name of the \*Shareholder/ Proxy  
(in block letters)

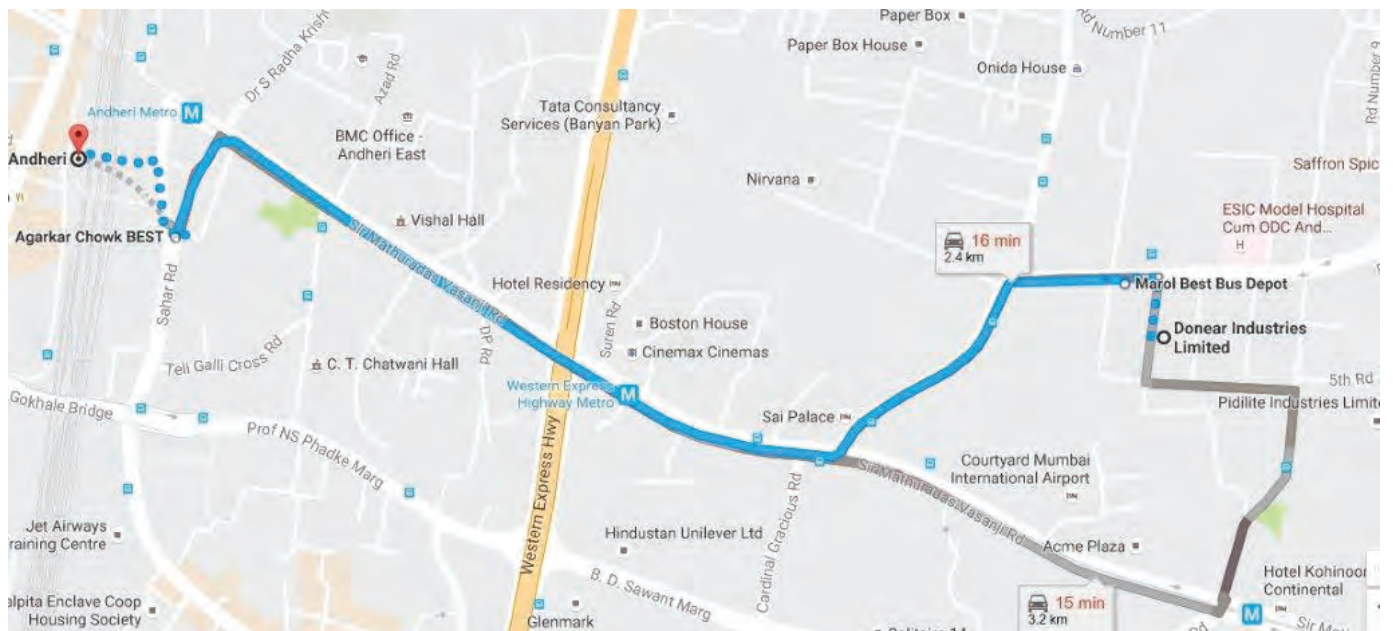
\_\_\_\_\_  
Signature of \*Shareholder/Proxy

\*Strike out whichever is not applicable

E-mail ID \_\_\_\_\_

**NOTE :** Members who have multiple folios/demat accounts with different joint-holders may use copies of this attendance slip.

## ROUTE MAP FROM ANDHERI RAILWAY STATION TO DONEAR IND. LTD.





# DONEAR INDUSTRIES LIMITED

CIN: L99999MH1987PLC042076

Registered Off. Add: Doner House, 8<sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093

Email id: info@donear.com Website :www.donear.com

## 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	L99999MH1987PLC042076
Name of the Company	<b>DONEAR INDUSTRIES LIMITED</b>
Registered Office	Doner House, 8 <sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093
Name of the member(s)	_____
Registered Address	_____
E-mail ID	_____
Folio No. or DP ID	_____

I/We, being the member(s) of the above named company and holding \_\_\_\_\_ no. of shares hereby appoint

(1)	Name		Or failing him / her	(2)	Name		Or failing him / her	(3)	Name	
	Address				Address				Address	
	Email ID				Email ID				Email ID	
	Signature				Signature				Signature	

As my/our proxy to attend and vote (on a poll) for me /us and on my / our behalf at the 30th Annual General Meeting of the Company, to be held on **Saturday, 24th September, 2016 at 11.30 a.m.** at Donear House, 9<sup>th</sup> Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai No. 400 093, and at any adjournment thereof in respect of such resolutions as are indicated below :

❖ Adoption, of Financial statements for the year ended 31 March 2016 and the Directors' and Auditors' Report thereon
❖ To declare dividend
❖ Re-appointment of Mr. Rajendra V. Agarwal as Director, who retires by rotation
❖ Appointment of M/s. M. L. Bhuwania & Co., Chartered Accountants as Auditors and fixing their remuneration.
❖ Appointment of Mr. Anup Kumar Singh as an Executive Professional Director

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2016

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of the proxy holder(s)

Notes:

1. 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.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

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# U&I

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Donear Industries Ltd.  
Donear House, Plot No. A-50, Road No.1,  
MIDC, Andheri (E), Mumbai - 400093 (INDIA)  
Contact No. : +91 22 3078 8100, E-mail : [info@donear.com](mailto:info@donear.com)