



29th ANNUAL REPORT
2014-15



DONEAR



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



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



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
Mrs. Neena Agarwal
Mrs. Medha Pattanayak

COMPANY SECRETARY

Shri. Sreedhar H.

AUDITORS

M. L. Bhuwania & Co.
Chartered Accountants
F-11, 3rd 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,
1st 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 Textiles

Dokmandi, Village Amla,
Silvassa, Dadra & Nagar Haveli

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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REGISTERED OFFICE

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

Shareholders are requested to bring with them the Attendance Slip as given in the annual report during the AGM.

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of DONEAR INDUSTRIES LIMITED will be held on 26th September, 2015 at Donear House, 9th Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093 to transact the following business

Ordinary business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2015 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. Ajay V. Agarwal (DIN: 00227279) 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. Bhuvania & Co., Chartered Accountants, Mumbai (Firm Registration No.101484W), whose appointment was approved by the Shareholders at the 28th Annual General Meeting, for a period until the conclusion of 31st 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), Mrs. Neena Agarwal (DIN 00454717), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retire by rotation”.

6. 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), Mrs. Medha Pattanayak (DIN 07157952), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term up to the conclusion of the 34th Annual General Meeting of the Company”.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s. Y. R. Doshi & Co., Cost Accountant, Mumbai (Membership No. 3286) be and are hereby appointed as Cost Auditors of the Company for financial year ending 31st March, 2016 on a remuneration of Rs. 1,00,000/- (Rupees One Lac Only) plus service tax and out of pocket expenses as approved by the Board of Directors of the Company to conduct the Cost audit of the Companies Textile manufacturing unit at Surat and Silvassa.

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

“RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 19th Annual General Meeting held on 17th September, 2005 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter called 'the Board') which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons to mortgage and/or charge any of its movable and/or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking(s) and to create a mortgage and/or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's any one or more of the undertaking or all of the undertakings of the Company in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding Rs. 1500 crore (Rupees One Thousand Five Hundred Crore) over and above the aggregate of the paid up capital and free reserves of the Company;

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior/paripassu/subservient with/to the mortgages and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.”

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

“**RESOLVED THAT** in supersession of the Ordinary Resolution passed at the 19th Annual General Meeting held on 17th September, 2005 and pursuant to Section 180 (1)(c) and any other applicable provisions of the Companies Act, 2013 and other rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount so borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs.1500 crore (Rupees one thousand five hundred crore) over and above the aggregate of the paid up capital and free reserves of the Company.”

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

Item No. 5:

The Board of Directors has appointed Mrs. Neena Agarwal as a Director of the Company on 30th March, 2015. Pursuant to Sec.161 (1) of the Companies Act, 2013, Mrs. Neena Agarwal 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 Mrs. Neena Agarwal as a Director of the Company.

Mrs. Neena Agarwal 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 Mrs. Neena Agarwal to act as Director of the Company.

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 Mrs. Neena Agarwal for office of Director of the Company.

Mrs. Neena Agarwal holds a Bachelor degree in Commerce from Bombay University. She has around one decade of experience in Textile Industry.

Mrs. Neena Agarwal holds 29,17,750 equity shares in the Company.

Mrs. Neena Agarwal is holding directorship in the following companies:

1. Donear Retail Private Limited
2. Rajendra Synthetics Private Limited
3. U N Reality Private Limited
4. V R A Reality Private Limited
5. R Ajaykumar Real Estate LLP
6. Sonia Synthetics LLP
7. Donear Fashion Link Private Limited
8. Luv-Kush Traders Private Limited

The board recommends the appointment of Mrs. Neena Agarwal as a Director of the Company as set out in item no. 5 of the notice.

Except Mr. Vishwanath Agarwal, Mr. Rajendra Agarwal and Mr. Ajay Agarwal, none of the directors or key management personnel or their relatives is interested/concerned in the above Resolution. Mrs. Neena Agarwal is interested in the resolution since it pertains to her appointment.

Item No. 6:

The Board of Directors has appointed Mrs. Medha Pattanayak as an Independent Director of the Company on 5th May, 2015. Pursuant to Sec.161 (1) of the Companies Act, 2013, Mrs. Medha Pattanayak 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 Mrs. Medha Pattanayak as a Director of the Company.

Mrs. Medha Pattanayak 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 Mrs. Medha Pattanayak to act as Director of the Company.

The Company has received a declaration from Mrs. Medha Pattanayak stating that she meets with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

The Company has received notice in writing from a member along with deposit of requisite amount under section 160 of the Companies Act proposing the candidature of Mrs. Medha Pattanayak for office of Director of the Company.

Mrs. Medha Pattanayak is B.Sc. in physics and CAIIB. She joined State Bank group in 1988 and has worked through various assignments for about 25 years till she sought voluntary retirement from the Bank in 2013. She has handled primarily large corporate clients during her stint at the IFB & head of an Asset Management team at Overseas branch of the bank at Mumbai. She worked as the Branch Manager of the bank's Dadar branch, a specialized MSME branch. She has also worked as a Vice President in SBI Capital Markets for a period of 4 years gaining experience of the Capital Markets and Investment banking activities.

Mrs. Medha Pattanayak holds NIL shares in the Company.

Mrs. Medha Pattanayak is not holding directorship in any of the companies.

The board recommends the appointment of Mrs. Medha Pattanayak as an Independent Director of the Company as set out in item no. 6 of the notice.

None of the Directors/key management personnel of the Company or their relatives except Mrs. Medha Pattanayak is interested or concerned in the above resolution.

Item No.7:

Pursuant to Section 148 of the Companies Act, 2013 and Rules 14 of the Companies (Audit and Auditors) Rules, 2014 the Board shall appoint a cost accountant in practice and fix the remuneration on the recommendations of the Audit committee. The remuneration recommended by the Audit Committee shall be considered and approved by the Board of directors and ratified by the shareholders.

The Audit Committee at its meeting held on 30th May, 2015 has considered Y. R. Doshi & Co., Cost accountants for the conduct of cost audit of the Company's textile manufacturing units at Silvassa and Surat on a remuneration of Rs.1 lac plus service tax as applicable and reimbursement of actual out of pocket expenses incurred for the financial year ending 2016.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at item No. 7 of the Notice.

Item No. 8

The members of the Company at the 19th Annual General Meeting held on 17th September, 2005 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, and accorded consent to the Board of Directors for creating mortgage or charge on its movable or immovable properties for an amount not exceeding Rs. 300 Crore (Rupees Three Hundred Crore).

In order to meet the expansion programme the Company needs more funds from banks. It is therefore, necessary to enhance the borrowing power upto Rs. 1500 crore in excess of aggregate of paid up capital and free reserves from the present borrowing power of Rs.300 crore.

Section 180(1)(a) of the Companies Act, 2013 requires that the Board of Directors shall not create mortgage or charge on its movable or immovable properties, except with the consent of the members accorded by way of a special resolution.

In view of that approval of members through Special Resolution under Section 180(1)(a) and other applicable provisions of Companies Act, 2013, as set out at item No.8 of the Notice, to enable the Board of Directors to create mortgage or charge on its movable or immovable properties, approval of members is being sought.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at item No. 8 of the Notice.

Item No. 9

At the 19th Annual General Meeting held on 17th September, 2005, the members approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 300 Crore (Three Hundred Crore)

In order to meet the expansion programme the Company needs more funds than the approval already given earlier vide resolution dated 17th September, 2005.

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

It is, therefore, necessary that the members pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at item no. 9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 1500 Crore (One Thousand Five Hundred Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at item No. 9 of the Notice.

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 shares Transfer Register will remain closed from **17.09.2015** to **25.09.2015** (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 16th September, 2015 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. 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:

Date of Declaration	Dividend for the year	Due date for transfer to the Government
27-09-2008	2007-2008	27th October, 2015
26-09-2009	2008-2009	26th October, 2016
25-09-2010	2009-2010	25 th October, 2017
24-09-2011	2010-2011	24 th October, 2018
22-09-2012	2011-2012	22 nd October, 2019
28-09-2013	2012-2013	28 th October, 2020
24-09-2014	2013-2014	24 th October, 2021

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 (IEPF) and in compliance thereof the Company had transferred unclaimed dividend amount for the financial years upto 2006-2007 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 (IEPF) (Uploading of information regarding unpaid and unclaimed amounts lying with the Company) Rules, 2012, the particulars of the shareholders whose dividend amounts have remained unpaid for the financial years 2007-08 onwards are made available on website of the Company i.e. www.donear.com. The said details are also available on the portal of Investor Education and Protection Fund at 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.

10. Re-appointment of Director:

Mr. Ajay 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 clause 49 of the Listing Agreement with the Stock Exchanges are as under:

Details of Director seeking reappointment at the forthcoming Annual General Meeting on 26th September, 2015 (in terms of Clause 49 of the Listing Agreement with Stock Exchanges)

- | | |
|---|--|
| (i) Name of the Directors. | Mr. Ajay V. Agarwal |
| (ii) Date of Birth. | 02-07-1966 |
| (iii) Date of appointment | 01-07-1998 |
| (iv) Experience in Specific Area | Promoter Director. He has excellent marketing skills, controlling marketing network, Organizing Sales Conferences and Seminars |
| (v) List of other companies in which directorships held | None |

11. Voting through electronic means

In Compliance with the Clause 35B of the Listing Agreement, provisions of Section 110 and Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. 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:

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on "Shareholders" tab.
- iii) Now, select the Electronic Voting Sequence Number (EVSN) – "150819037 " along with "Donear Industries Limited" from the drop down menu and click on "SUBMIT"
- iv) 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.
- v) If you are holding shares in Demat form and had logged on www.evotingindia.com and casted 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	For Members holding shares in Physical Form
User ID	For NSDL: 8 characters DP ID followed by 8 digit Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the field. 	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
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"> • 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 number of shares held by you as on the cut off date in the Dividend Bank details field. 	

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) 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.

In case of members receiving the Physical copy:

- a) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- b) The voting period begins on 22nd September, 2015 at 10 a.m. and ends on 24th September, 2015 at 6 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 19th September, 2015, 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 under help section or write an email to 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 19th September, 2015.
- 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 24th September, 2015 at 6.00 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 atleast 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 alongwith the scrutinizers report shall be placed on the Company’s website 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**

Sreedhar Hirimbi
Company Secretary

Registered Office:
Donear House, 8th 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 29th Annual Report on the business and operations of the Company for the Financial Year ended 31st March, 2015.

Financial Highlights

The table given below gives the financial highlights of the Company for the year ended 31st March, 2015 as compared to the previous financial year.

Financial Results	2014-15 (Rupees)	2013-14 (Rupees)
Gross Revenue	5,210,648,854	4,780,502,610
Net Profit for the Year	77,348,503	37,260,190
Add: Balance Brought Forward	201,127,878	176,035,169
Less: Proposed Final Dividend	10,400,000	10,400,000
Less: Dividend Distribution Tax	2,117,191	1,767,480
Amount Transferred to General Reserve	Nil	Nil
Balance Carried forward	265,959,190	201,127,878

Dividend:

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

Management Discussion and Analysis:

(a) Industrial Structure and developments :

Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and earnings of the country. It contributes about 14% to India's industrial production and 13% to the country's export earnings. The textile sector is one of the largest provider of employment along with agriculture. The Indian textiles industry represents a widely diverse spectrum of activities with the hand-spun and handwoven sector at one end, and the capital intensive sophisticated mill sector at the other. The decentralized power looms, hosiery and knitting sectors form the largest section of the Textiles Industry. The close linkage of the Industry to agriculture and the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison to the textiles industry of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

The Indian textiles industry, currently estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. The industry is the second largest employer after agriculture, providing direct employment to over 45 million and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to GDP, and 14 per cent to overall Index of Industrial Production (IIP). Apparel exports from India have registered a growth of 17.6 per cent in the period April—September 2014 over the same period in the previous financial year.

(b) Opportunities and Threats

The current market scenario provides good opportunities for growth. There is a Large, Potential Domestic and International Market for the textile industry. The market is gradually shifting towards Branded Readymade Garment and currently we are one of the major player in this sector. The Company is planning to focus more on the ready made garment business and are hopeful to achieve growth in that sector.

The increased disposable income and purchasing power of indian customer opens the doors for growth. This more so with the emerging retail industry and malls provide huge opportunities for the apparel, handicraft and other segments of the industry.

There is greater Investment and FDI opportunities available.

The challenges faced are the Competition from other developing countries. Then to make a balance between price and quality is also a big challenge faced by the Industry. The Cost of production is going up there is a huge capital requirement for new products. There is a threat from the unorganized sector also. These Concerns need to be taken care of and improve productivity continuously.

(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 Rs.51,633.07 Lacs during the year 2014-15 against a turnover of Rs. 47,237.91 Lacs in the previous year. There was a growth of 9.30% in the revenues of the Company as compared to the previous year. The Company clocked in a PAT of Rs. 773.48 Lacs during the year 2014-15 resulting in a growth of 107.59% 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, 2015, 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, 2015 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.

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. Ajay 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.

The Board of Directors have appointed Mrs. Neena Agarwal (DIN 00454717) as Director on 30th March, 2015 and Mrs. Medha Pattanayak (DIN 07157952) as an Independent Director on 5th May, 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 and Listing Agreement with stock exchanges. Further the Chairman or 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 own 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 6th March, 2015.

Related Party Transactions:

All related party transactions that were entered into during the year under review were on arm's length basis and in the ordinary course business. The Audit Committee has approved the related party transactions and subsequently the same were approved by the Board of directors`

Auditors:

M/s. M.L.Bhuwania & Co. are appointed as Statutory Auditors to hold office from the conclusion of 28th Annual General Meeting to the conclusion of 31st 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 2015-16 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 A-forming part of this report.

Cost Auditors:

The Board of Directors at its meeting held on 30th May, 2015, on the recommendation of the Audit Committee, appointed Y. R. Doshi & Co., (Firm Registration No. 000003) Cost Accountants, Mumbai, as Cost Auditors for undertaking Cost Audit of the Cost Records maintained by the Company for the Financial Year 2015-2016 at a remuneration of Rs. 1 lacs (Rupees One Lacs Only) plus service tax as may be applicable and out of pocket expenses at actual. The said Auditors have given their eligibility certificate for appointment as Cost Auditors. The remuneration payable to the said Cost Auditors needs to be ratified by the Shareholders at the ensuing Annual General Meeting.

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 as part of this Report.

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.	0.67 per unit of Fabric Production 1.32 per unit of Yarn Dyeing Production 0.15 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	Used :	
		C.I.F. value of imports	Rs. 18,423,179
		Expenses in foreign currency	Rs. 25,590,971
		Earned :	
		FOB	Rs. 504,367,841

FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy

A) Power and fuel consumption

Particulars	Current Year	Previous Year
1. Electricity		
a) Purchased Units	28,455,496	21,168,485
Total amount	198,975,525	141,233,713
Rate/Unit (Rs.)	6.99	6.67
b) Own generation		
i) Through diesel generator		
Unit	60,736	78,781
Units per Liters of diesel oil	3.08	3.08
Cost/Unit (Rs.)	19.02	17.66
ii) Through steam turbine/generator		
Unit	Nil	Nil
Units per Ltr. of diesel oil/gas	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
iii) Through Gas Generator :		
Units	732,050	6,591,550
Units per CM3 of Gas	3.50	3.54
Cost/Unit (Rs.)	11.69	10.12
2. Coal (specify quality and where used)		
Quantity (Tones)	23,938.07	24158.18
Total Cost (Rs.)	93,592,530	101,886,662
Average Rate per Ton (Rs.)	3,910	4,217
(Imported and Lignite used in Boiler for Steam Generation)		
3. Furnace Oil		
Quantity (Tones)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Average Rate per Ton (Rs.)	Nil	Nil
4. Others/internal generation (please give details)		
Quantity (Tones)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Average Rate per Ton (Rs.)	Nil	Nil

B) Consumption per Unit of Production:

Sr No	Products	Unit	Standard (If Any)	Current Year	Previous Year
1	Fabrics Produced	Metre	-----	27,632,331	26,606,772
	Electricity consumed for Fabrics	Units	-----	18,444,085	18,698,512
	Electricity Consumed for Fabrics	Unit/Mtr	-----	0.67	0.70
2	Yarn Dyeing Production	Kgs	-----	3,252,900	2,991,739
	Electricity consumed for yarn dyeing	Units	-----	4,286,594	3,298,433
	Electricity consumed for yarn dyeing	Unit/Kg	-----	1.32	1.10
3	Fabric Processing Production	Metre	-----	42,241,527	41,110,679
	Electricity consumed for Fabric processing	Units	-----	6,517,603	5,841,871
	Electricity consumed for Fabric processing	Unit/Mtr	-----	0.15	0.14
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: 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.

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
30th May, 2015

Annexure A to Directors Report

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.

Corporate Social Responsibility Committee at its meeting held on 14th February, 2015 framed a CSR Policy and the same was adopted by the Board.

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

2. **Composition of CSR Committee:**

'Corporate Social Responsibility Committee' comprising of following directors was constituted on 14th 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 14th February, 2015.

3. **Net Profits of the Company for the last three financial years. – Rs.43,805,584/-**

Average Net Profit: Rs. 14,601,861/-

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

The Company is required to spend Rs. 292,000/- towards CSR activities in the Financial Year 2014-2015.

5. **Details of CSR activities/ projects undertaken during the year.**

a. Total amount to be spent for the year : Rs. 292,000/-

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 Subheads:		Cumulative spent upto the reporting period	Amount Spent: Direct/ through implanting agency*
			1 Local area/ others-		1 Direct expenditure of project	2 Overheads		
			2 Specify state/district (Name of the District/s, State/s where project / programme was undertaken)					
1	Tribal Society Development	Rural Development	Mumbai, Maharashtra	217,000	252,000	252,000	252,000	
2	Educational Aid	Education	Maharashtra	35,000	36,000	36,000	36,000	
3	Medical Assistance	Health Care	Savarkundla Gujarat	40,000	40,000	40,000	40,000	
			Total	292,000	328,000	328,000	328,000	

6. 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

7. 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 B to Directors' Report

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 2014-2015:

Name of the Director	Ratio
Mr. Rajendra Agarwal (Managing Director)	800%
Mr. Ajay Agarwal (Whole Time Director)	300%

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 2014-2015:

Name	% increase/ (decrease)
Mr. Rajendra Agarwal (Managing Director)	Nil
Mr. Ajay Agarwal (Whole Time Director)	Nil
Mr. Ashok Agarwal (Chief Financial Officer)	12.88%
Mr. Shreedhar Hirimbi (Company Secretary)	Nil

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: 10.29 %
- (iv) The number of permanent employees on the rolls of the Company: There were 622 employees on the rolls as on March 31, 2015
- (v) The explanation on the relationship between average increase in remuneration and Company performance: The Company's turnover increased by 9.30%, against the increase in median remuneration by 10.29%. 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 2014-2015 against Financial Year 2013-2014 is 9.30%. The aggregate decrease in remuneration of the KMPs is 3.83% during the Financial Year 2014 -2015.

- (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. 78.52 Crores as at March 31, 2015 as against Rs. 51.48 Crores as at March 31, 2014 (based on share prices quoted on the NSE).The Price Earnings Ratio was 10.13 as at March 31, 2015 as compared to 13.75 as at March 31, 2014 (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 10.02 % for employees other than Managerial Personnel and 6.39 % for Managerial Personnel.

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

Particulars	Remuneration as a % of turnover for Financial Year ended March 31, 2015
Mr. Rajendra Agarwal (Managing Director)	0.05%
Mr. Ajay Agarwal (Whole Time Director)	0.02%
Mr. Ashok Agarwal (Chief Financial Officer)	0.04%
Mr. Shreedhar Hirimbi (Company Secretary)	Nil

- (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 9 : 1.

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

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.

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.

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, shareholder benefit and employee growth, thereby delighting all its stakeholders while minimizing risks.

The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India (SEBI) from time to time, under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The provisions of Clause 49 have been implemented in a 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 Clause 49 of the Listing agreement.

As on 31st March, 2015 The Board of the Company comprises Seven Directors - Two Executive Directors and Five Non-Executive Directors, of whom three are Independent Directors. The current strength of the Board includes one Women Director as required under applicable legislation. The Chairman of the Board is a Non-Executive Promoter Director.

Directors' Attendance Record and Directorship / Committee Membership / Chairmanship held as on 31.03.2015

Name of Director	Executive / Non-Executive / Independent	Relation ship with Other Directors	Board Meetings attended during the year	Whether attended last AGM	Directorships* including Donear 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	6	Yes	2	-	-
Mr. Rajendra Agarwal - Managing Director	Executive & Promoter	Son of Mr. Vishwanath L. Agarwal	6	Yes	1	-	-
Mr. Ajay Agarwal - Whole Time Director	Executive & Promoter	Son of Mr. Vishwanath L. Agarwal	6	Yes	1	-	-
Mr. Santkumar Agarwal	Non-Executive & Independent	None	6	No	1	1	4
Mr. Durgaprasad Agarwal	Non-Executive & Independent	None	6	Yes	2	4	1
Mr. RajagopalSivaraj	Non-Executive & Independent	None	6	No	1	-	5
Mrs. Neena Agarwal – Women Director (Appointed w.e.f. 30.03.15)	Non-Executive & Promoter	Wife of Mr. Ajay Agarwal	Nil	No	1	-	-

- 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.

b) Appointment / Reappointment of Directors:

Mr. Ajay V. Agarwal retires by rotation.

Mrs. Neena Agarwal & Mrs. Medha Pattanayak were appointed as additional directors of the Company on 30.03.2015 & 05.05.2015 respectively. Pursuant to Sec. 161 of the Companies Act, 2013, an additional director ceases to be a director at the commencement of the ensuing Annual General Meeting or the last date on which the Annual General Meeting should have been held whichever is earlier. Accordingly, the above two directors cease to be directors at the ensuing Annual General Meeting and they are eligible for reappointment as regular directors

c) Independent Directors

The Independent Directors of the Company fully meet the requirements laid down under Clause 49 II (B) of the Listing Agreement. As mandated by Clause 49 of the Listing Agreement:

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
 - (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 06th March, 2015 evaluated the performance of all the Directors on the Board.

e) Separate meetings of the Independent Directors

The Independent Directors held a Meeting on 06th March, 2015, 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.

5. BOARD MEETINGS AND GENERAL 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 is not more than 4 months as per the Clause 49 of the Listing Agreement.

The meetings of the Board of Directors/Committee are held in Mumbai. The Board meets at least once in a quarter interalia to review the quarterly performance and financial results. A total of six Board Meetings were held during the year 2014-2015 on the following dates: 29.04.2014, 30.05.2014, 14.08.2014, 14.11.2014, 14.02.2015 and 25.02.2015.

The Board is apprised and informed of all the important matters relating to the business of the Company including those information as prescribed in Annexure X of the Clause 49 of the Listing Agreement. 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.

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
2011-2012	22.09.2012	11.30 a.m.	Hotel Kohinoor Continental, J.B. Nagar, Andheri Kurla Road, Andheri (East), Mumbai – 400 049
2012-2013	28.09.2013	11.30 a.m.	Donear House, Plot no. A-49/50, Marol Industrial Area, MIDC, Andheri (East), Mumbai – 400 093
2013-2014	24.09.2014	11.30 a.m.	Hotel Kohinoor Continental, J.B. Nagar, Andheri Kurla Road, Andheri (East), Mumbai – 400 049

There were no Special Resolution passed at AGM.

Extra Ordinary General Meeting

No Extra Ordinary General Meeting of the Shareholders was held during the financial year ended 31st March, 2015.

6. BOARD COMMITTEES

As mandated by the revised Clause 49 which has become applicable to the Company with effect from 1st October, 2014, 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 the revised Clause 49 of the Listing Agreement, during the year ended 31 March, 2015, 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) Corporate Social Responsibility (CSR) Committee.
- v) Risk Management Committee

i) AUDIT COMMITTEE

a) Terms of Reference

The terms of reference to the Audit Committee include the matters specified under sub clause (iii) of clause 49 of the Listing Agreement.

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 30th May, 2014, 14th August, 2014, 14th November, 2014 & 14th February, 2015. The details of the members of Audit Committee and meeting attended by them are as under:

Name of the Directors	Category	Designation	No. of Meetings attended
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

- (i) 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.
- (ii) Recommending the Board, the appointment, re-appointment and if required replacement or removal of Statutory Auditors and fixation of Audit fees.
- (iii) 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.
 - Qualifications in draft Audit Report.
- (iv) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
 - (v) Reviewing, with the management the performance of Statutory and Internal Auditors, adequacy of internal control systems.
 - (vi) 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.
 - (vii) 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.
 - (viii) To review the functioning of Whistle Blower Mechanism, in case, if the same exists.
 - (ix) 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 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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

b) Composition

Name of the Directors	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

c) Meeting

During the financial year 2014-15, there was no Nomination and Remuneration Committee Meeting.

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 Rs. 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 2015 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	-	-	7,000	7,000
Mr. Rajendra V Agarwal – Managing Director	2,400,000	403,385	-	2,803,385
Mr. Ajay V Agarwal – Whole Time Director	900,000	151,269	-	1,051,269
Mr. RajagopalSivaraj – Non - executive / Independent Director	-	-	9,000	9,000
Mr. Durgaprasad C Agarwal – Non - executive /Independent Director	-	-	11,000	11,000
Mr. Sant Kumar B Agarwal – Non - executive /Independent Director	-	-	11,000	11,000
Mrs. Neena Agarwal – Non-executive Promoter Director (Appointed w.e.f. 30.03.2015)	-	-	-	-

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
Complaints:				
SEBI/Stock Exchange	Nil	0	0	0
Shareholders-non receipt of Annual Report Queries	Nil	8	8	0
Dividend	Nil	0	0	0

IV) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to the provision of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The terms of reference of the CSR Committee include the matters specified under Section 135 of Companies Act, 2013. Pursuant to Sec 135 (5) of Companies Act, 2013 the Board shall ensure that the Company spends in every financial year at least 2% of the average net profits of the company during the three immediately preceding financial years. However during the financial year under report the Company has spent Rs. 328,000/- under CSR activities as required under Companies (Corporate Social Responsibility policy) Rules, 2014.

Mr. Durgaprasad Agarwal, Non-executive and Independent Director is the Chairman of CSR Committee.

The Composition of the CSR 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. Rajendra Agarwal	Executive and Promoter	Member

V) 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

After identifying the risks and assessing the level of impact controls are put in place to reduce the risk by the officers concern. During the financial year 2014-15, no meeting was held . The Company Secretary acts as the Secretary of the Committee.

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 behaviour, 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 will be posted on Company's website 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 will be posted on Company's website 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, 2015.
- No presentation was made/displayed in newspaper on website.
- The Company follows the Accounting Standards as prescribed in Companies Accounting Standards Rules 2006 and in the preparation of the financial statement; the Company has not adopted a treatment different from that prescribed by any Accounting Standard.
- 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 compliance Clause 49(V) of the Listing Agreement with the Stock Exchanges. 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 with the Stock Exchanges. The adoption of non-mandatory requirements has been dealt with in this Report.
- 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. 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-vis 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 31st March, 2015. The report is self-explanatory.

11. GENERAL SHAREHOLDER INFORMATION

Sr. No.	Particulars	Details		
1	Annual General Meeting	26th September, 2015 11:30:00 AM Donear House, 9th Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093		
2	Financial Calendar (Tentative)	Financials for Quarter ending	Financial Reporting Date	
		June 30, 2015	Second week of August, 2015	
		September 30, 2015	Second week of November, 2015	
		December 31, 2015	Second week of February, 2016	
		March 31, 2016	Last week of May 2016	
		Annual General Meeting for the year ended March. 31, 2015	August-September, 2015	
3	Date of Book Closure	17 th September, 2015 to 25 th September, 2015 (both days inclusive)		
4	Dividend Payment Date	Within 30 Days from the date of AGM		
5	Listing on Stock Exchanges	Name & Address of Stock Exchange Ltd	Stock Code	Demat ISIN for NSDL & CDSL
		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 2015-2016 has been paid to both the Stock Exchanges BSE & NSE
7	Registrars & Transfer Agents	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai - 400 078
	Contact person	Ms. Sadhna Sawant
	Contact No	25963838. Extn. 2297 Fax. : 25946969
	Email	sadhana.sawant@linktime.co.in
8	Custodial Fees to Depositories	The Company has paid custodial fees for the year 2015-16 to NSDL and CDSL.
9	Address for correspondence	Donear Industries Limited
		Donear House, 8 th 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 Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.; Phone: 022 25963838, Fax: 022 25946969; (Email : sadhana.sawant@linkintime.co.in)

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.

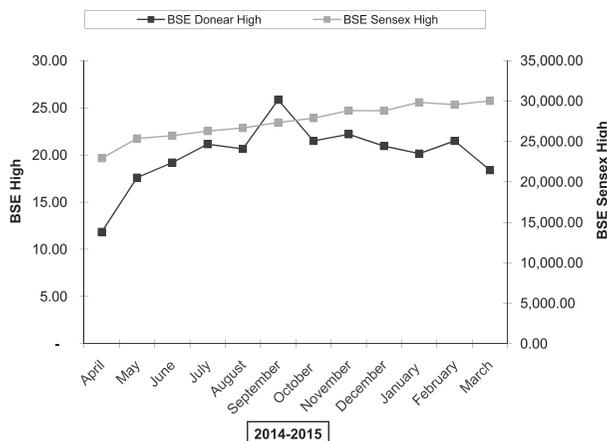
Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, 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 31.03.2015

Month	BSE			NSE	
	High	Low	BSE Sensex (High)	High	Low
Apr-2014	11.85	9.01	22939.31	12.35	9.25
May-2014	17.60	10.25	25375.63	17.80	10.55
Jun-2014	19.20	14.95	25725.12	19.70	14.65
Jul-2014	21.15	16.10	26300.17	21.10	15.75
Aug-2014	20.65	15.00	26674.38	20.65	14.85
Sep-2014	25.85	17.90	27354.99	25.75	18.45
Oct-2014	21.50	18.75	27894.32	21.95	18.50
Nov-2014	22.20	17.50	28822.37	22.15	17.50
Dec-2014	20.95	16.10	28809.64	22.00	17.30
Jan-2015	20.15	16.50	29844.16	20.00	16.35
Feb-2015	21.50	16.25	29560.32	21.60	15.90
Mar-2015	18.40	13.00	30024.74	19.60	12.50



14. SHAREHOLDING PATTERN AS ON 31-03-2015

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
1	Indian			
	(a) Individuals/ Hindu Undivided Family	12	30744198	59.12
	(b) Bodies Corporate	6	8254000	15.87
	Sub Total(A)(1)	18	38998198	75
2	Foreign			
	(a) Directors & their relatives	Nil	Nil	Nil
	Sub Total (A)(2)	Nil	Nil	Nil
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		18	38998198	75
(B)	Public shareholding			
1	Foreign Institutions investors	4	7268664	13.98
	(a) Mutual Fund	1	146518	0.28
	Sub-Total (B)(1)	5	7415182	14.26
2	Non-institutions			
	(a) Bodies Corporate	126	478855	0.92
	(b) Individuals			
	(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	4487	3424954	6.59
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	13	1563970	3.01
	(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)	26	18317	0.04
	(v) Non Resident Indians (Non-Repat)	8	2470	0
	(vi) Clearing Members	35	98054	0.19
	(vii) Hindu Undivided Family	Nil	Nil	Nil
	Sub-Total (B)(2)	4695	5586620	10.74
Total Public Shareholding (B)= (B)(1)+(B)(2)		4700	13001802	25
TOTAL (A)+(B)		4718	52000000	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	51933919	99.87

15. DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2015

No. of equity shares held	No. of shareholders	% of shareholder	Total no. of shares held	% of shares held
1 - 500	3595	76.1975	539641	1.0378
501 - 1000	447	9.4744	380278	0.7313
1001 - 2000	291	6.1679	466873	0.8978
2001 - 3000	109	2.3103	279326	0.5372
3001 - 4000	42	0.8902	149356	0.2872
4001 - 5000	51	1.0810	245390	0.4719
5001 - 10000	90	1.9076	640155	1.2311
10001 and above	93	1.9712	49298981	94.8057
Total	4718	100.00	52000000	100.0000

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
2007-08	27/09/2008	27/10/2015
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

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	40851146	78.56
Held in dematerialized form in CDSL	11082773	21.31
Physical	66081	0.13
Total	52000000	100.00

18. REGISTERED OFFICE ADDRESS FOR CORRESPONDENCE

Donear House, 8th 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.

Laxmi Fab.

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

Umbergaon Unit

G.I.D.C. Umbergaon,
Dist. Valsad (Gujarat).

Balaji Textiles

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

Balaji Industries

Dockmandi, Village Amlı,
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. SantKumar 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. Audit Qualifications – During the year under review, there was no audit qualification in the Company's financial statements except internal audit system in the Company which the management is planning to appoint a firm of Chartered Accountants as Internal Auditors. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

4. 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 31st March 2015 and that to the best of our 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 years 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

Managing Director

ASHOK AGARWAL

Chief Financial Officer

Place : Mumbai

Date : 30th May 2015

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To the Members of **DONEAR INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **DONEAR INDUSTRIES LIMITED**, for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement. 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 generally complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 **M. L. Bhuwania & Co.**

Chartered Accountants

Firm Registration No. 101484W

J P. Bairagra

Partner

Membership No.12839

Place: Mumbai

Date: 30th May, 2015

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, 2015, 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 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 there under.

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, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 31st March, 2015 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, 2015 ("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 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. 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. Bhwania & Co.

Chartered Accountants

Firm's Registration No. 101484W

J.P. Bairagra

Partner

Membership No.12839

Place: Mumbai

Date: 30th May, 2015

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 2015.

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.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. 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) During the year, 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) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no continuing failure to correct major weakness in such internal controls system has been observed.
- (v) The Company has not accepted any deposits from the public. 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 generally regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty, 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 Wealth Tax, Service Tax, Customs Duty and Cess, which have not been deposited on account of any dispute.

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

Sr. No.	Name of the Statute	Nature of the Dues	Amount (Rs.)	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.	Maharashtra Value Added Tax Act, 2002	Sales Tax/Vat Tax	87,146	2010-2011	Deputy Commissioner of Sales Tax (Appeal)
3.	Central Excise Act, 1944	Excise Duty on Cenvat Dues	4,16,848	2008-2009	Commissioner, Central Excise, Customs & Service Tax, Surat (Appeal).

- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- (viii) The Company does not have accumulated losses at the end of the financial year. Further, the Company has not incurred any cash losses during the financial year ended and in the immediately preceding financial year ended.
- (ix) 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 during the year. The Company has not taken any loans from financial institutions and has not issued debentures during the year.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 3 (x) of the Order is not applicable to the Company.
- (xi) On the basis of our examination of the documents and records and according to the information and explanations given to us, we are of the opinion that term loans have been applied for the purposes for which they were obtained.
- (xii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2015.

For and on behalf of

M. L. BHUWANIA & CO.

Chartered Accountants

Firm Registration No. 101484W

J.P. Bairagra

Partner

Membership No. 12839

Place: Mumbai

Date: 30th May, 2015

Form No. MR-3

SECRETARIAL AUDIT

REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

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 31st March, 2015 ('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 31st March, 2015 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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the 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 to the Company during the Audit period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit period)**
- (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.
(Not notified hence not applicable to the Company during the audit period)
- (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 there has been no specific event / action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Yogesh Sharma

Practicing Company Secretary
ACS: 33235 CP No.: 12366

Place: Mumbai

Date: 30th May, 2015

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

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:

CIN	L99999MH1987PLC042076
Registration Date	1 st January, 1987
Name of the Company	Donear Industries Limited
Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office & contact details	Donear House, 8 th Floor, Plot No. A-50, Road No. 1, MIDC, Andheri (East), Mumbai – 400 093 Tel. 022 -3076 8100 Fax. 022-28370041
Whether listed company	Yes
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	43.73%
2	Polywool Fabrics	5112	13.35%
3	Polyester Viscose Fabrics	5515	38.97%

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:-

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% total turnover of the company
1	N.A	N.A	N.A

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	30704198	40000	30744198	59.25	30704198	40000	30744198	59.25	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	8254000			15.75	8254000			15.75	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(f) Any other	0			0	0	0	0	0	0
	0	0	0			0	0		
Total shareholding of Promoter (A)	38958198	40000	38998198	75	38958198	40000	38998198	75	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	146518	0	146518	0.28	146518	0	146518	0.28	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	8004576	0	8004576	15.39	7268664	0	7268664	13.98	1.41
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	8151094	0	8151094	15.68	7415182	0	7415182	14.26	1.42
2. Non-Institutions									
a) Bodies Corp.	303731	0	303731	0.58	478855	0	478855	0.92	-0.34
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2996259	26081	3022340	5.81	3398873	26081	3424954	6.59	-0.78
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1406405	0	1406405	2.7	1563970	0	1563970	3.01	-0.31
c) Others (specify)									
Non Resident Indians	27089	0	27089	0.05	20787	0	20787	0.04	0.01
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	91143	0	91143	0.18	98054	0	98054	0.19	-0.01
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies – D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	4824627	26081	4850708	9.33	5560539	26081	5586620	10.74	-1.41
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12975721	26081	13001802	25	12975721	26081	13001802	25	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	51933919	66081	52000000	100	51933919	66081	52000000	100	0

B) Shareholding of Promoter-

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

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
1	At the beginning of the year	38998198	75.00	38998198	75.00
2	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
3	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.	Merill Lynch Capital Markets Espana S.A.S.V.	3965000	7.6250	3965000	7.6250
2.	Citi group Global Markets Mauritius Private Limited	2488645	4.7859	2144539	4.1241
3.	Mavi Investment Fund Limited	940000	1.8077	600000	1.1538
4.	Lotus Global Investment Limited	559125	1.0752	559125	1.0752
5.	Mangtooram Laxminarayan Jajodia	212987	0.4095	212957	0.4095
6.	Giniya Devi Agarwal	180989	0.3481	180989	0.3481
7.	Sushilkumar Kashiprasad Murarka	155848	0.2997	155848	0.2997
8.	Sanjay Kumar Chandmal Agarwal	112821	0.2170	112821	0.2170
9.	Vikas Durgaprasad Agarwal	100377	0.1930	100377	0.1930
10.	Renu Rajesh Agarwal	100250	0.1928	100250	0.1928

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

(Rs. In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27090.50	3989.50	1463.12	32543.12
ii) Interest due but not paid	127.22	-	-	127.22
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	27217.72	3989.50	1463.12	32670.34
Change in Indebtedness during the financial year				
* Addition	506.03	-	312.88	818.91
* Reduction	-	(266.75)	-	(266.75)
Net Change	506.03	(266.75)	312.88	552.16
Indebtedness at the end of the financial year				
i) Principal Amount	27723.75	3722.75	1776.00	33222.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	27723.75	3722.75	1776.00	33222.50

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

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

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Amount
		Mr. Rajendra Agarwal (MD)	Mr. Ajay Agarwal (WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.00	9.00	33.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.47	1.87	6.34
	(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 (A)	28.47	10.87	39.34

B. Remuneration to other directors

(Rs. In Lacs)

S N.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. Durgaprasad Agarwal	Mr. Santkumar Agarwal	Mr. Rajagopal Sivaraj	
	Fee for attending board committee meetings	0.11	0.11	0.09	0.31
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.11	0.11	0.09	0.31
2	Other Non-Executive Directors	Mr. Vishwanath L. Agarwal			
	Fee for attending board committee meetings	0.07	-	-	0.07
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	0.07	-	-	0.07
	Total (B)=(1+2)	0.18	0.11	0.09	0.38

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

SN	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Sreedhar Hirimbi (CS)	Mr. Ashok Agarwal (CFO)	
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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No.	As at 31.03.2015		As at 31.03.2014	
I EQUITY AND LIABILITIES					
(1) Shareholder's fund					
(a) Share Capital	1	104,000,000		104,000,000	
(b) Reserves and Surplus	2	615,900,891	719,900,891	554,288,230	658,288,230
(2) Non-current liabilities					
(a) Long Term Borrowings	3	222,300,000		466,310,647	
(b) Other Long Term Liabilities	4	177,250,390	399,550,390	145,969,725	612,280,372
(3) Current liabilities					
(a) Short Term Borrowings	5	2,696,381,765		2,452,895,584	
(b) Trade Payables	6	305,883,907		305,765,732	
(c) Other Current Liabilities	7	297,612,170		266,973,344	
(d) Short Term Provisions	8	24,733,540	3,324,611,382	23,308,521	3,048,943,181
	TOTAL		4,444,062,663		4,319,511,783
II ASSETS					
(1) Non - current assets					
(a) Fixed Assets	9				
(i) Tangible Assets		1,077,550,789		1,093,519,036	
(ii) Intangible Assets		3,677,624		6,405,627	
(iii) Capital Work-in-progress		3,258,032		95,445,837	
		1,084,486,445		1,195,370,500	
(b) Non-current Investment	10	9,840,000		9,840,000	
(c) Deferred Tax Assets	11	122,644,765		100,066,839	
(d) Long Term Loans and Advances	12	85,074,536	1,302,045,746	82,810,260	1,388,087,599
(2) Current assets					
(a) Inventories	13	1,666,750,467		1,679,388,948	
(b) Trade Receivables	14	1,250,661,848		1,039,127,013	
(c) Cash and Bank Balances	15	49,735,705		54,765,869	
(d) Short Term Loans and Advances	16	74,441,394		57,524,902	
(e) Other Current Assets	17	100,427,503	3,142,016,917	100,617,452	2,931,424,184
	TOTAL		4,444,062,663		4,319,511,783
Contingent Liabilities and Commitments	18				
Notes to Accounts	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

J.P. BAIRAGRA

Partner

Membership No.12839

Place : Mumbai

Date : 30th May, 2015

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
Revenue from operations	19	5,163,307,269	4,723,790,571
Other income	20	47,341,585	56,712,039
TOTAL REVENUE		5,210,648,854	4,780,502,610
Cost of Materials Consumed	21	2,179,863,458	2,051,870,380
Purchases of Stock-in-Trade	22	411,100,834	516,123,312
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	33,006,556	(181,054,114)
Employee benefits expense	24	484,431,835	447,390,702
Finance costs	25	302,814,761	295,661,066
Depreciation and Amortisation expense	9	255,524,678	218,065,111
Other expenses	26	1,506,727,106	1,404,167,072
TOTAL EXPENSES		5,173,469,228	4,752,223,529
Profit before exceptional and extraordinary items and tax		37,179,626	28,279,081
Exceptional items	27	16,741,849	-
Profit before extraordinary items and tax		53,921,475	28,279,081
Extraordinary items		-	-
Profit before tax		53,921,475	28,279,081
Less: Tax Expenses			
Current tax		8,007,740	6,086,000
Deferred tax		(21,032,087)	(11,883,734)
MAT credit entitlement		(8,007,740)	(3,752,000)
Income Tax for earlier years		(2,394,941)	568,626
Profit for the period		77,348,503	37,260,189
Earning per equity share :	28		
(1) Basic Earning Per Share		1.49	0.72
(2) Diluted Earning Per Share		1.49	0.72
(3) Face Value Per Share		2.00	2.00
Notes to Accounts	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

J.P. BAIRAGRA
Partner
Membership No.12839
Place : Mumbai
Date : 30th May, 2015

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

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015

(Amount in ₹)

Particulars	Note No.	2014-15		2013-14	
I CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before tax as per Statement of Profit & Loss			53,921,475		28,279,081
Adjustment for :					
(a) Depreciation		255,524,678		218,065,111	
(b) Interest Expenses		299,000,723		286,978,550	
(c) Interest Received		(1,689,374)		(8,600,759)	
(d) (Profit) / Loss on sale of fixed assets		(7,282)		(4,013,512)	
(e) Provision no longer required		(1,327,079)		(1,853,267)	
(f) Unrealised Foreign Exchange rate difference (net)		(1,427,842)		2,638,733	
(g) Sundry Balances written off / (back)		(2,504,749)	547,842,371	(7,194,732)	486,020,124
Operating Profit Before Working Capital Changes			601,763,846		514,299,205
Adjustment for :					
(a) Inventories		12,638,481		(193,110,658)	
(b) Trade Receivables		(212,407,454)		(123,631,128)	
(c) Short Term Loans and Advances		(19,410,692)		13,015,815	
(d) Long Term Loans and Advances		8,422,996		1,305,970	
(e) Other Current Assets		(7,853,361)		7,648,539	
(f) Trade and Other Payables		(9,863,362)		71,138,031	
(g) Short Term Provisions		1,075,308		3,535,913	
(h) Other Current Liabilities		6,980,962		11,011,684	
(i) Other Long Term Current Liabilities		31,280,665	(189,136,457)	4,650,738	(204,435,096)
Cash Generated From Operations			412,627,389		309,864,109
(a) Direct Tax Paid (Net)			(9,085,929)		(2,645,748)
Net Cash from/(used) Operating Activities	Total (I)		403,541,460		307,218,361
II CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets (including Advance for Capital Goods)		(131,389,120)		(148,997,685)	
Sale of Fixed Assets		380,896		6,112,222	
Interest received		2,053,837		8,001,820	
Net Cash from/(used) Investing Activities	Total (II)		(128,954,387)		(134,883,643)
III CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of Borrowings		(18,363,819)		(1,961,037,612)	
Proceeds of Borrowings		55,012,502		2,066,975,392	
Interest Paid		(305,874,405)		(255,957,069)	
Dividend Paid (Including dividend distribution tax)		(12,221,822)		(12,291,536)	
Net Cash from/(used) Financing Activities	Total (III)		(281,447,544)		(162,310,825)
Net Increase/(decrease) in Cash and Cash Equivalents (I+II+III)	Total		(6,860,471)		10,023,893
OPENING BALANCE OF CASH AND CASH EQUIVALENTS			38,007,273		27,983,380
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS			31,146,802		38,007,273
			(6,860,471)		10,023,893
Notes :					
(1) Closing Balance of Cash and cash equivalents include:	Refer Note				
(a) Cash in hand	No 15	6,040,205		1,328,087	
(b) Cheque in Hand		19,258,005		28,332,600	
(c) Balance with Scheduled Banks in Current Accounts		5,814,048		8,369,067	
			31,112,258		38,029,754
Unrealised translation gain/(loss)			34,544		(22,481)
			31,146,802		38,007,273
(2) Interest received on delayed payments from Customers ₹ 35,286,522 (Previous Year ₹ 20,824,685) 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

J.P. BAIRAGRA

Partner

Membership No.12839

Place : Mumbai

Date : 30th May, 2015

For DONEAR INDUSTRIES LIMITED

Vishwanath L. Agarwal

Chairman

Rajendra V. Agarwal

Managing Director

Ashok B. Agarwal
Chief Financial Officer

Sreedhar H.
Company secretary

Ajay V. Agarwal
Whole time Director

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

1 SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
(a) Authorised Shares 160,000,000 Equity Shares, ₹ 2 par value (Previous Year 160,000,000, ₹ 2 par value)	320,000,000	320,000,000
(b) Issued, Subscribed and Fully Paid Up Shares 52,000,000 Equity Shares, ₹ 2 par value (Previous Year 52,000,000, ₹ 2 par value)	104,000,000	104,000,000
Total	104,000,000	104,000,000

Note No 1.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2015:

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of shares	Value (in ₹)	No. of shares	Value (in ₹)
(a) Number of shares at the beginning	52,000,000	104,000,000	52,000,000	104,000,000
(b) Add : Shares issued during the year	-	-	-	-
(c) Less : Shares bought back (if any)	-	-	-	-
(d) Number of shares at the end	52,000,000	104,000,000	52,000,000	104,000,000

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 31.03.2015		As at 31.03.2014	
		No. of shares held	% of shares held	No. of shares held	% of shares held
1.	Rahul R. Agarwal	4,596,000	8.84%	4,596,000	8.84%
2.	Merrill Lynch Capital Markets ESPANA S. A. S.V.	3,965,000	7.63%	3,965,000	7.63%
3.	Rajendra Agarwal	3,846,000	7.40%	3,846,000	7.40%
4.	Ajay Agarwal	3,729,500	7.17%	3,729,500	7.17%
5.	Neena Agarwal	2,917,750	5.61%	2,917,750	5.61%
6.	Surya A. Agarwal	3,640,750	7.00%	3,640,750	7.00%
7.	Bhavardevi Agarwal	2,768,000	5.32%	2,768,000	5.32%
Total		25,463,000	48.97%	25,463,000	48.97%

2 RESERVES & SURPLUS

(Amount in ₹)

Particula	As at 31.03.2015		As at 31.03.2014	
(a) General Reserve At the beginning and at the end of the year	353,160,352		353,160,352	
Less: Adjustment of carrying amount (Net of Deferred Tax of ₹15,45,839) as per Schedule II of Companies Act, 2013	3,218,651	349,941,701	-	353,160,352
(b) Surplus Opening Balance - Surplus	201,127,878		176,035,169	
Add : Net Profit transferred from Statement of Profit and Loss	77,348,503		37,260,189	
Amount available for appropriation	278,476,381		213,295,358	
Less: Appropriations				
Proposed Dividend (Refer Note No. 2.1)	10,400,000		10,400,000	
Dividend Distribution Tax	2,117,191		1,767,480	
Total Appropriations	12,517,191		12,167,480	
Closing Balance - Surplus		265,959,190		201,127,878
Total		615,900,891		554,288,230

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 31.03.2015. The total amount of dividend shall be Rs.12,517,191 (including dividend distribution tax ₹ 2,117,191), (Previous Year ₹ 12,167,480 including dividend distribution tax ₹ 1,767,480).

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

3 LONG TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
Secured Loans				
Term Loans - From Bank				
Indian Rupee (Refer Note No 3.1, 3.2)	448,267,164		655,104,662	
Less : Current Maturities of Long Term Debt s (Refer Note No. 7)	225,967,164	222,300,000	188,794,015	466,310,647
Total		222,300,000		466,310,647

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	12.00	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 (formerly known as State Bank of Indore)	2007-2008	Apr'09	15.15	32
5	State Bank of Hyderabad	2011-2012	Mar'13	13.70	32

4 OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
Others				
Deposits from dealers / customers		177,250,390		145,969,725
Total		177,250,390		145,969,725

5 SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
Secured Loans (Refer Note No 5.1)				
(a) Loans repayable on demand				
From Banks				
Working Capital Loans		1,003,955,600		931,755,600
(b) Other loans and advances				
From Banks				
Cash Credit	1,250,670,007		1,064,112,327	
Export Packing Credit	69,481,158	1,320,151,165	58,077,388	1,122,189,715
Unsecured Loans				
(a) Loans and Advances from Related Party				
From Directors	372,275,000		283,555,000	
From Other Body Corporates	-	372,275,000	115,395,269	398,950,269
Total		2,696,381,765		2,452,895,584

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

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 31.03.2015		As at 31.03.2014	
(a) Sundry Creditors for Goods (Refer Note No 6.1)		97,302,012		127,921,167
(b) Sundry Creditors for Expenses (Refer Note No 6.1)		208,581,895		177,844,565
Total		305,883,907		305,765,732

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 31.03.2015		As at 31.03.2014	
(a) Current maturities of long-term debts [Refer Note No. 3]		225,967,164		188,794,015
(b) Interest Accrued and due on borrowings		-		12,722,222
(c) Unpaid Dividend		348,071		402,413
(d) <u>Other Payable</u>				
Sundry Creditors for Capital Goods	26,531,970		10,419,291	
Advance from Customers	30,294,694		42,589,220	
Temporary Bank Overdraft	-		554,876	
Deposits	349,510		342,306	
Statutory Liabilities	14,120,761	71,296,935	11,149,001	65,054,694
Total		297,612,170		266,973,344

8 SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
(a) <u>Provision for Employee Benefits</u>				
Leave Encashment		11,838,288		10,024,259
(b) <u>Other</u>				
Provision for Income Taxation [Net of Advance Tax]		378,061		1,116,782
Provision for Proposed Dividend (Refer Note No. 2.1)		10,400,000		10,400,000
Provision for Dividend Distribution Tax		2,117,191		1,767,480
Total		24,733,540		23,308,521

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

9. FIXED ASSETS

Sr. No.	Particulars of Assets	GROSS BLOCK (At Cost)				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 01.04.2014	Additions during the year	Deduction/ Adjustment during the Year	As at 31.03.2015	As at 01.04.2014	For the Year	Deduction/ Adjustment during the year	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
(i)	TANGIBLE ASSETS										
1.	Freehold Land	68,334,379	-	-	68,334,379	-	-	-	-	68,334,379	68,334,379
2.	Factory Building	567,567,703	300,294	-	567,867,997	254,357,591	30,643,273	31,799	285,032,663	282,835,334	313,210,112
3.	Office Premises	220,334,063	67,612,316	-	287,946,379	5,884,466	11,059,429	-	16,943,895	271,002,484	214,449,597
4.	Residential Building	3,805,526	-	-	3,805,526	1,206,407	126,021	-	1,332,428	2,473,098	2,589,119
5.	Plant & Machinery	1,886,704,721	34,233,063	-	1,920,937,784	1,473,484,427	162,682,566	544,616	1,636,711,609	284,226,175	413,220,294
6.	Electrical Installation	34,617,137	22,598,489	-	57,215,626	17,635,450	6,842,151	642,480	25,120,081	32,095,545	16,981,687
7.	Furniture & Fixtures	58,043,032	77,345,934	-	135,388,966	37,046,828	14,618,788	98,299	51,763,915	83,625,051	20,996,204
8.	Computer	49,974,049	3,319,112	-	53,293,161	41,248,311	5,320,690	856,264	47,425,265	5,867,896	8,725,738
9.	Vehicle	32,404,330	1,829,248	1,036,430	33,197,148	20,591,368	4,130,086	(570,341)	24,151,113	9,046,035	11,812,962
10.	Air Conditioner	11,568,416	7,109,909	-	18,678,325	5,662,200	3,282,040	1,475,035	10,419,275	8,259,050	5,906,216
11.	Office Equipment	23,818,328	26,472,889	-	50,291,217	6,535,600	12,946,353	1,023,522	20,505,475	29,785,742	17,282,728
	Current Year Tangible Assets	2,957,171,684	240,821,254	1,036,430	3,196,956,508	1,863,652,648	251,651,397	4,101,674	2,119,405,719	1,077,550,789	1,093,519,036
	Previous Year Tangible Assets	2,696,274,442	278,630,502	17,733,260	2,987,171,684	1,664,059,780	215,227,418	15,634,550	1,863,652,648	1,093,519,036	-
(ii)	INTANGIBLE ASSETS										
1.	Computer Software	17,307,658	1,418,575	616,087	18,110,146	10,902,031	3,873,281	(342,790)	14,432,522	3,677,624	6,405,627
	Current Year Intangible Assets	17,307,658	1,418,575	616,087	18,110,146	10,902,031	3,873,281	(342,790)	14,432,522	3,677,624	6,405,627
	Previous Year Intangible Assets	13,687,214	3,620,444	-	17,307,658	8,064,338	2,837,693	-	10,902,031	6,405,627	-
	Total Current Year	2,974,479,342	242,239,829	1,652,517	3,215,066,654	1,874,554,679	255,524,678	3,758,884	2,133,838,241	1,081,228,413	1,099,924,663
	Total Previous Year	2,709,961,656	282,250,946	17,733,260	2,974,479,342	1,672,124,118	218,065,111	15,634,550	1,874,554,679	1,099,924,663	-
(iii)	CAPITAL WORK-IN-PROGRESS										
1.	Factory Building	-	-	-	-	-	-	-	-	-	-
2.	Office Premises	45,774,145	21,838,171	67,612,316	-	-	-	-	-	-	45,774,145
3.	Plant & Machinery	27,794,762	10,260,026	34,796,756	3,258,032	-	-	-	-	3,258,032	27,794,762
4.	Electrical Installation	9,710,797	12,816,888	22,527,685	-	-	-	-	-	-	9,710,797
5.	Furniture & Fixtures	-	67,953,786	67,953,786	-	-	-	-	-	-	-
6.	Air Conditioner	-	3,991,540	3,991,540	-	-	-	-	-	-	-
7.	Office Equipment	12,166,133	7,878,879	20,045,012	-	-	-	-	-	-	12,166,133
	Total Capital Work-In-Progress	95,445,837	124,739,290	216,927,095	3,258,032	-	-	-	-	3,258,032	95,445,837

Notes :

(i) Pursuant to Companies Act, 2013 (the Act) being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act, and due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the Year ended 31st March, 2015 and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets.

Accordingly, the Company has re-worked depreciation with reference to the estimated economic lives of Fixed Assets prescribed by Schedule II of the Act during the year ended 31st March, 2015. In case of any asset whose life is completed as at 1st April 2014, the carrying value (Net of residual value) amounting to ₹ 32.19 Lakhs has been adjusted to the Retained Earnings (net of deferred tax impact of ₹ 15.46 Lakhs) and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets. As a result the charge for depreciation is higher by ₹ 655.83 Lacs for the year ended 31st March, 2015.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

10 NON CURRENT INVESTMENT

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
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		9,840,000		9,840,000
Total		9,840,000		9,840,000

11 DEFERRED TAX ASSETS

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
On account of				
(i) Difference in Depreciation as per books and as per Income Tax Act, 1961		109,151,413		82,822,409
(ii) Allowances for Doubtful Debts / Advances		4,691,711		9,233,671
(iii) Expenses allowable under Income Tax on payment basis		8,801,641		8,010,759
Total		122,644,765		100,066,839

12 LONG TERM LOANS & ADVANCES

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
(Unsecured, considered good, unless otherwise stated)				
(a) <u>Capital Advances</u>				
(i) Considered Good	13,047,897		15,596,974	
(ii) Considered Doubtful	584,972		584,972	
	<u>13,632,869</u>		<u>16,181,946</u>	
Less : Allowance for bad and doubtful advances	584,972	13,047,897	584,972	15,596,974
(b) <u>Security Deposits</u>				
(i) Considered Good	10,765,633		19,225,929	
(ii) Considered Doubtful	-		307,344	
	<u>10,765,633</u>		<u>19,533,273</u>	
Less : Allowance for bad and doubtful advances	-	10,765,633	307,344	19,225,929
(c) <u>Other loans and advances</u>				
(i) Advance recoverable in cash or in kind or for value to be received	472,683		734,662	
(ii) Advance Tax [Net of provision for tax]	8,334,965		5,501,292	
(iii) MAT Credit Entitlement	50,757,742		40,355,066	
(iv) Loan to Staff	1,695,616	61,261,006	1,396,337	47,987,357
Total		85,074,536		82,810,260

13 INVENTORIES

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
(a) Raw Material		362,461,169		340,429,000
(b) Semi Finished Goods		277,731,246		230,676,025
(c) Finished Goods (Refer Note No. 13.1)		702,170,414		811,067,604
(d) Traded Finished Goods		219,037,195		190,201,782
(e) Stores & Tools		49,636,629		49,199,307
(f) Packing Material		55,713,814		57,815,230
Total			1,666,750,467	1,679,388,948

Note No 13.1 :

Finished Goods includes Goods-in-Transit of ₹ 49,52,175 (Previous Year ₹ 1,69,07,153)

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

14 TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
(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	108,953,671		38,160,894	
(ii) Considered Doubtful	11,970,188		25,044,940	
	120,923,859		63,205,834	
Less : Allowance for bad and doubtful debts	11,970,188	108,953,671	25,044,940	38,160,894
(b) Other than above (Considered Good)		1,141,708,177		1,000,966,119
Total		1,250,661,848		1,039,127,013

Note No. 14.1

Balance of Debtors includes ₹ Nil (Previous Year ₹ 2,34,61,457) 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 31.03.2015		As at 31.03.2014	
(a) <u>Cash & Cash Equivalents</u>				
(i) <u>Balance with banks</u>				
- In Current Account	5,855,578		8,357,207	
(ii) Cheques, Drafts in Hand	19,258,005		28,332,600	
(iii) Cash In Hand	6,033,219	31,146,802	1,317,466	38,007,273
(b) <u>Other Balance with banks</u>				
In Unpaid Dividend Account (Refer Note No 15.1)	348,071		402,413	
In Margin Money Deposits due within one year (Refer Note No 15.2)	15,389,957		13,380,146	
In Margin Money Deposits due after one year (Refer Note No 15.2)	2,850,875	18,588,903	2,976,037	16,758,596
Total		49,735,705		54,765,869

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 ₹ 1,82,40,832 (Previous Year ₹ 1,63,56,183) are lying with bank against Bank Guarantees and Letter of Credit.

16 SHORT TERM LOANS & ADVANCES

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
(Unsecured, considered good, unless otherwise stated)				
<u>Other loans and advances</u>				
(a) Deposits		18,500		43,500
(b) Advance recoverable in cash or in kind or for value to be received		9,610,051		6,181,248
(c) Advance Tax [Net of provision for tax]		22,375,130		24,869,330
(d) Balance with Central Excise		1,067,102		1,072,102
(e) <u>Loans to Staff</u>				
(i) Considered Good	11,753,432		6,478,358	
(ii) Considered Doubtful	-		162,566	
	11,753,432		6,640,924	
Less : Allowance for bad and doubtful advances	-	11,753,432	162,566	6,478,358
(f) <u>Trade Advances</u>				
(i) Considered Good	29,617,179		18,880,364	
(ii) Considered Doubtful	1,635,054		2,359,635	
	31,252,233		21,239,999	
Less : Allowance for bad and doubtful advances	1,635,054	29,617,179	2,359,635	18,880,364
Total		74,441,394		57,524,902

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

17 OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
(a) Export Incentive Receivable		63,140,342		56,290,036
(b) Interest Receivable		31,939,397		34,667,763
(c) Sales Tax Refund Receivable		2,707,112		3,292,728
(d) Others		2,640,652		6,366,925
Total		100,427,503		100,617,452

18 CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹)

Particulars	As at 31.03.2015		As at 31.03.2014	
(a) Contingent Liability not provided for in respect of				
(i) Claims against the Company not acknowledged as debt		495,502		495,502
(ii) Other money for which the company is contingently liable :				
Disputed Income Tax Liability	788,770		788,770	
Disputed Sales Tax Liability	469,795		130,639	
Excise Duty Liability	416,848		-	
Bonds executed under EPCG Schemes to Customs Authorities	102,053,035		132,966,418	
		103,728,448		133,885,827
(b) Commitments not provided for in respect of				
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)		1,849,683		32,609,318
Total		106,073,633		166,990,647

19 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
(a) Sale of Products (Refer Note No 19.1)		4,814,626,405		4,447,666,247
(b) Sale of Services (Refer Note No 19.2)		291,270,468		225,164,961
(c) <u>Other Operating Revenue</u>				
Sale of Scrap	13,159,398		13,961,232	
Export Incentives	44,250,998	57,410,396	36,998,131	50,959,363
		5,163,307,269		4,723,790,571

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
Note No 19.1: Sale of Products				
(a) Sales of Fabrics (Local)	3,848,236,915		3,608,974,229	
(b) Sales of Fabrics (Export)	496,637,620		437,524,212	
(c) Sales of Yarn (Local)	121,938,617		118,205,712	
(d) Sale of Garments (Local)	340,083,032		282,067,635	
(e) Sale of Garments (Export)	7,730,221	4,814,626,405	894,459	4,447,666,247
Note No 19.2: Sale of services				
(a) Process Job Sales	246,447,424		217,045,293	
(b) Yarn Job Sales	8,664,671		8,119,668	
(c) Rental Income	36,158,373	291,270,468	-	225,164,961

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

20 OTHER INCOME

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
(a) <u>Interest income</u>				
Interest on Deposit with Bank	1,689,374		1,555,493	
Interest received on Income Tax Refund	-		7,045,266	
Interest on delayed payments from Customers	35,286,522	36,975,896	20,824,685	29,425,444
(b) <u>Other non-operating income</u>				
Profit on Sale of Fixed Asset (Net)	7,282		4,013,512	
Provision no longer required	1,327,079		1,853,267	
Gain on Foreign Currency Transactions (Net)	-		4,290,563	
Sundry balance written back (Net)	2,504,748		647,238	
Franchisee Registration Fees	4,275,000		1,500,000	
Rent Received	-		10,788,566	
Miscellaneous Income	1,987,004	10,365,689	4,193,449	27,286,595
Total		47,341,585		56,712,039

21 COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
<u>Raw Material Consumed</u> (Refer Note No 21.1)				
Opening Stock of Raw Material	340,429,000		311,867,902	
Add : Purchases of Raw Material	2,201,895,627		2,080,431,478	
Less : Closing Stock of Raw Material	362,461,169	2,179,863,458	340,429,000	2,051,870,380
Total		2,179,863,458		2,051,870,380

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

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
	₹	Percentage	₹	Percentage
(a) <u>Yarn Consumed</u>				
(i) Indigenous	1,846,900,760	84.72%	1,769,049,964	86.22%
(ii) Imported	8,905,512	0.41%	5,136,814	0.25%
Total Yarn Consumed	1,855,806,272	85.13%	1,774,186,778	86.47%
(b) <u>Dyes & Chemicals Consumed (Indigenous)</u>	305,998,931	14.04%	267,883,132	13.06%
(c) <u>Others (Indigenous)</u>	18,058,255	0.83%	9,800,470	0.47%
Total Raw Material Consumed	2,179,863,458	100.00%	2,051,870,380	100.00%
Total of Cost of Material Consumed (a)+(b)+(c)				
(i) Indigenous	2,170,957,946	99.59%	2,046,733,566	99.75%
(ii) Imported	8,905,512	0.41%	5,136,814	0.25%
Total of Cost of materials consumed	2,179,863,458	100.00%	2,051,870,380	100.00%

22 PURCHASES OF STOCK IN TRADE

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
(a) Finish Fabric Purchases		226,720,451		351,459,297
(b) Grey Fabric Purchases		149,186,032		143,266,674
(c) Garment Purchases		35,194,351		21,397,341
Total		411,100,834		516,123,312

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
(a) <u>Finished Goods</u>				
Opening Stock of Finished Fabrics	811,067,604		748,454,934	
Closing Stock of Finished Fabrics	702,170,414	108,897,190	811,067,604	(62,612,670)
(b) <u>Work in Progress</u>				
Opening Stock of Grey Fabrics	230,676,025		132,170,123	
Closing Stock of Grey Fabrics	277,731,246	(47,055,221)	230,676,025	(98,505,902)
(c) <u>Stock-in-Trade</u>				
Opening Stock of Garments	190,201,782		170,266,240	
Closing Stock of Garments	219,037,195	(28,835,413)	190,201,782	(19,935,542)
Total		33,006,556		(181,054,114)

24 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
(a) Salaries, Wages & Other Benefits		458,737,641		427,421,915
(b) Contribution to Provident Fund and Other Funds		15,663,383		11,643,758
(c) Staff Welfare Expenses		10,030,811		8,325,029
Total		484,431,835		447,390,702

25 FINANCE COSTS

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
(a) Interest expenses				
(i) Interest on Term Loan	62,243,572		77,564,053	
(ii) Interest on Other Bank Loan	236,757,151	299,000,723	209,414,497	286,978,550
(b) Other Borrowing Cost				
(i) Processing Charges	3,814,038		5,149,471	
(ii) Premium on Forward Contract	-	3,814,038	3,304,999	8,454,470
(c) Net Loss on Foreign Currency Transactions Considered as Borrowing Cost		-		228,046
Total		302,814,761		295,661,066

26 OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
Consumption of Stores & Spares (Refer Note No 26.1)		85,895,435		105,944,544
Processing Charges		25,713,182		35,137,096
Weaving Charges		119,032,999		107,917,607
Other Labour Charges		94,594,458		81,600,948
Power and Fuel		347,018,038		312,079,496
Repairs and Maintenance				
On Building	3,050,294		1,910,315	
On Machinery	8,096,034		7,348,907	
On Others	20,121,745	31,268,073	18,734,753	27,993,975
Security Charges		2,042,902		1,799,298
Brokerage on purchase		5,105,903		5,486,425
Legal & Professional Expenses		19,280,622		16,167,682
Travelling & Conveyance		56,487,422		43,994,315
Insurance Charges		3,724,484		4,754,628
Packing Material Consumed		201,862,742		179,070,221
Rates & Taxes		3,997,413		2,706,585
Rent Expense		14,270,154		13,749,705
Interest Expenses		19,674,782		19,492,302
Printing & Stationery		8,582,310		8,276,214
Postage, Telegram & Telephone		15,197,325		15,711,103
Auditors Remuneration (Refer Note No 26.2)		1,039,330		1,025,285

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
Bad and doubtful debts	23,855,146		9,257,762	
Less: Allowance for bad and doubtful advances written back	23,855,146	-	9,257,762	-
Allowance for bad and doubtful debts		10,328,307		14,367,759
Allowance for bad and doubtful advances		-		367,032
Bank Charges		5,137,320		5,543,636
Transportation Expenses		53,370,708		48,026,159
Sample Expenses		18,542,354		13,875,495
Advertisement & Sales Promotion		158,545,256		124,047,076
Sales Commission		111,834,111		117,895,799
Discount, Rebate & Claims		74,353,104		81,226,045
Miscellaneous Expenses		17,759,660		15,910,642
Total		1,506,727,106		1,404,167,072

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

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
	₹	Percentage	₹	Percentage
Stores & Spares Consumed				
(i) Indigenous	76,067,588	88.56%	84,034,512	79.32%
(ii) Imported	9,827,847	11.44%	21,910,032	20.68%
Total Stores & Tools Consumed	85,895,435	100.00%	105,944,544	100.00%

Note No. 26.2 - Auditors Remuneration:

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
<u>Statutory Auditors Remuneration</u>				
<u>As an auditor</u>				
- Audit Fees (including Limited Review)	580,000		580,000	
- Tax Audit Fees	135,000		135,000	
- Towards Service Tax	88,374	803,374	88,374	803,374
<u>Other capacity</u>				
- Certification	150,000		137,500	
- Towards Service Tax	18,540		16,995	
- Out of Pocket Expenses	-	168,540	-	154,495
<u>Cost Auditors Remuneration</u>				
- Audit Fees	60,000		60,000	
- Towards Service Tax	7,416	67,416	7,416	67,416
Total		1,039,330		1,025,285

27 EXCEPTIONAL ITEMS

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
Keyman Insurance Surrender Value		18,326,400		-
Less : Insurance Premium paid		1,584,551		-
Total		16,741,849		-

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 31.03.2015		Year ended 31.03.2014	
	Description	Value	Description	Value
(a) Profit attributable to Equity Shareholders	(In ₹)	77,348,503	(In ₹)	37,260,189
(b) Number of Equity Shares outstanding during the year	(In Nos.)	52,000,000	(In Nos.)	52,000,000
(c) Face Value of each Equity Share	(In ₹)	2.00	(In ₹)	2.00
(d) Basic / Diluted earning per share (a) / (b)	(In ₹)	1.49	(In ₹)	0.72

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

29 SEGMENT REPORTING

(i) Information About Primary Business Segment

Particulars	2014-15			
	Segments			Total ₹
	Textiles ₹	Rentals ₹	Unallocable ₹	
Revenue				
Segment Revenue	5,12,71,48,896	3,61,58,373	-	5,16,33,07,269
Result				
Segment Results	40,30,53,817	2,24,62,184	-	42,55,16,001
Less: Unallocated Corporate Expenses Net of Unallocated Corporate Income	-	-	37,15,94,526	37,15,94,526
Less: Extra Ordinary Items	-	-	-	-
Profit Before Tax	40,30,53,817	2,24,62,184	(37,15,94,526)	5,39,21,475
Less: Provision For Tax (Net of Deferred Tax)	-	-	(2,10,32,087)	(2,10,32,087)
Net Profit After Tax & Before Prior Period Adjustments	40,30,53,817	2,24,62,184	(35,05,62,439)	7,49,53,562
Add : Prior Period Tax Adjustments	-	-	(23,94,941)	(23,94,941)
Net Profit After Prior Period Adjustments	40,30,53,817	2,24,62,184	(34,81,67,498)	7,73,48,503
Other Information				
Segment Assets	4,04,23,82,881	11,81,57,461	28,35,22,320	4,44,40,62,662
Segment Liabilities	48,70,94,432	3,42,42,630	3,20,28,24,710	3,72,41,61,772
Capital Expenditure	18,87,22,046	5,35,17,783	-	24,22,39,829
Depreciation / Amortisation	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.
- As this being the first year of reportable segment under Accounting Standard 17 on Segmental Reporting, previous year figures are not applicable.

(ii) Information About Secondary Geographical Business Segment

(Amount in ₹)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
	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 preceeding financial year, geographical segment is reported as the secondary segment, as per the discretion of the management.				
(a) Segment Revenue	4,706,281,013	504,367,841	4,342,083,939	438,418,671
(b) Segment Assets	4,327,722,771	116,339,892	4,238,102,497	81,409,286
(c) Addition to Fixed Assets	242,239,829	-	282,250,946	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

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) Mrs. Bhavardevi Agarwal (Wife of Shri Vishwanath L. Agarwal and mother of Shri Rajendra V. Agarwal and Shri Ajay V. Agarwal)	Relative of Individual having control / Significant influence and Key Management Personnel
(c) (i) Shri Rajendra V. Agarwal	Key Management Personnel
(ii) Shri Ajay V. Agarwal	Key Management Personnel
(d) (i) Mrs. Uma Agarwal (Wife of Shri Rajendra V. Agarwal)	Relative of Key Management Personnel
(ii) Mr. Rahul R. Agarwal (Son of Shri Rajendra V. Agarwal)	Relative of Key Management Personnel
(e) (i) Donear Synthetics Limited	<div style="display: flex; align-items: center; justify-content: center;"> <div style="border-left: 1px solid black; border-right: 1px solid black; border-bottom: 1px solid black; width: 20px; height: 20px; margin-right: 5px;"></div> <div style="text-align: left; padding-left: 10px;"> <p>Entities where individual having control / significant influence or key management personnel or their relatives are able to exercise significant influence</p> </div> </div>
(ii) Lav Kush Traders Pvt.Limited	
(iii) Laxmi Synthetics	
(iv) Rajendra Agarwal (HUF)	
(v) Ajay V. Agarwal (HUF)	
(vi) Sonia Synthetics Pvt.Limited	
(vii) Sonia Synthetics LLP (Converted from Sonia Synthetic P.Ltd.)	
(viii) Donear Retail Pvt.Limited	
(ix) R. Ajay Kumar Real Estate LLP (Converted from R.Ajay Kumar Investment Company Pvt. Ltd.)	
(x) Rajendra Synthetics Pvt. Limited	
(xi) U.N.Reality Pvt. Limited	
(xii) V.R.A. Reality Pvt. Limited	
(xiii) Neptune Fabs	
(xiv) Venus Textiles	
(xv) Lotus Fabrics	
(xvi) Mercury Industries	
(xvii) 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 31.03.2015		Year ended 31.03.2014	
(a) Purchase of Goods, Fixed Assets & Other Services				
(i) Neptune Fabs	12,283,476		11,294,712	
(ii) Venus Textiles	18,105,044		15,775,757	
(iii) Lotus Fabrics	6,986,064		9,798,724	
(iv) Mercury Industries	18,494,337	55,868,921	16,839,084	53,708,277
(b) Sale of Goods (Net of Goods Return)				
(i) Donear Synthetics Ltd		728,732		935,205
(c) Sales Promotion Expenses reimbursed				
(i) Donear Synthetics Ltd		3,970		-
(d) Director's Sitting Fees				
(i) Shri Vishwanath L. Agarwal		7,000		5,000
(e) Rent Paid				
(i) R.Ajaykumar Real Estate. LLP	918,000		540,000	
(ii) Lav Kush Traders Pvt.Limited	30,000		-	
(iii) Laxmi Synthetics	45,000	993,000	-	540,000

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

Disclosure of related party transaction during the year.

(Amount in ₹)

Nature of Transaction & Name of the Related Party	Year ended 31.03.2015		Year ended 31.03.2014	
(f) Remuneration Paid				
(i) Shri Rajendra V. Agarwal	2,803,385		2,803,385	
(ii) Shri Ajay V. Agarwal	1,051,269	3,854,654	1,051,269	3,854,654
(g) Assignment of Keyman Insurance Policy				
(i) Shri Rajendra V. Agarwal	9,163,200		-	
(ii) Shri Ajay V. Agarwal	9,163,200	18,326,400	-	-
(h) Rent Received				
(i) Neptune Fabs	100,000		100,000	
(ii) Venus Textiles	100,000		100,000	
(iii) Lotus Fabrics	100,000		100,000	
(iv) Mercury Industries	100,000	400,000	100,000	400,000
(i) Other recovery of expenses				
(i) Neptune Fabs	1,875,877		1,894,502	
(ii) Venus Textiles	3,300,586		3,014,011	
(iii) Lotus Fabrics	1,467,385		1,850,713	
(iv) Mercury Industries	3,164,805	9,808,653	2,971,142	9,730,368
(j) Bad Debts Written Off				
(i) Donear Fashion Link Pvt. Limited		10,030,593		-
(k) Deposits Given				
(i) R.Ajaykumar Real Estate. LLP		261,000		-
(l) Deposits Received back				
(i) R.Ajaykumar Real Estate. LLP		7,000,000		-
(m) Loans Received				
(i) Shri Vishwanath L. Agarwal	112,805,000		22,355,000	
(ii) Shri Ajay V. Agarwal	145,123,200		1,755,000	
(iii) Shri Rajendra Agarwal	73,948,200		23,170,000	
(iv) Donear Synthetics Ltd	-		1,625,000	
(v) Lav- Kush Traders Pvt. Ltd	500,000		-	
(vi) Donear Retail Pvt. Ltd.	460,000		1,330,000	
(vii) Sonia Synthetics LLP	455,000		1,390,000	
(viii) R.Ajaykumar Real Estate. LLP	-		4,320,000	
(ix) Rajendra Synthetics Pvt. Ltd	1,050,000		995,000	
(x) U.N.Reality Pvt.Ltd.	11,270,000		90,910,000	
(xi) V.R.A. Reality Pvt.Ltd.	10,985,000	356,596,400	185,080,000	332,930,000
(n) Loans Repaid				
(i) Shri Vishwanath L. Agarwal	106,005,000		21,320,000	
(ii) Shri Rajendra Agarwal	59,553,200		9,765,000	
(iii) Shri Ajay V. Agarwal	77,598,200		12,535,000	
(iv) Donear Synthetics Ltd	19,900,269		600,000	
(v) Sonia Synthetics LLP	455,000		8,475,363	
(vi) Lav- Kush Traders Pvt. Ltd	500,000		477,900	
(vii) R.Ajaykumar Real Estate. LLP	-		4,320,000	
(viii) Rajendra Synthetics Pvt. Ltd	1,050,000		16,251,480	
(ix) Donear Retail Pvt. Ltd.	460,000		12,838,500	
(x) U.N.Reality Pvt.Ltd.	18,770,000		83,410,000	
(xi) V.R.A. Reality Pvt.Ltd.	98,980,000	383,271,669	97,085,000	267,078,243
Total		847,150,992		669,181,747

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

(Amount in ₹)

Name of the Related Party	As at 31.03.2015		As at 31.03.2014	
(a) Outstanding Net Receivable				
(i) Donear Fashion Link Pvt. Ltd.	-		10,230,593	
(ii) Donear Synthetics Ltd	30,888	30,888	112,323	10,342,916
(b) Deposit Paid				
(i) R.Ajaykumar Real Estate. LLP		261,000		7,000,000
(c) Deposit Taken				
(i) Neptune Fabs	3,000,000		3,000,000	
(ii) Venus Textiles	3,000,000		3,000,000	
(iii) Lotus Fabrics	3,000,000		3,000,000	
(iv) Mercury Industries	3,000,000	12,000,000	3,000,000	12,000,000
(d) Loans Outstanding				
(i) Shri Vishwanath L. Agarwal	75,175,000		68,375,000	
(ii) Shri Rajendra Agarwal	98,240,000		83,845,000	
(iii) Shri Ajay V. Agarwal	198,860,000		131,335,000	
(iv) Donear Synthetics Ltd	-		19,900,269	
(v) V.R.A. Reality Pvt.Ltd.	-		87,995,000	
(vi) U.N.Reality Pvt.Ltd.	-	372,275,000	7,500,000	398,950,269
(e) Guarantee given by directors				
(i) Towards Term Loan	448,267,164		655,104,662	
(ii) Towards Working Capital	2,324,106,765	2,772,373,929	2,053,945,315	2,709,049,977
Total		3,156,940,817		3,137,343,162

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 31.03.2015	As at 31.03.2014
(a) Defined Contribution Plan - Employees Provident Fund	9,805,555	6,745,394
(b) Defined Benefit Plan - Gratuity	Funded	Funded
(i) Assumptions	As on 31/03/2015	As on 31/03/2014
Discount Rate	8%	8%
Salary Escalation	4%	4%
(ii) Table showing changes in present value of obligations	As on 31/03/2015	As on 31/03/2014
Present value of obligations as at beginning of year	10,549,948	8,434,793
Interest cost	843,996	674,783
Current Service cost	2,341,241	2,409,187
Benefits paid	(1,479,659)	(1,222,329)
Actuarial (gain)/Loss on obligations	680,581	253,514
Present value of obligations as at end of year	12,936,107	10,549,948
(iii) Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	12,039,264	11,366,160
Expected return on plan assets	1,007,790	1,604,618
Contributions	1,211,364	290,815
Benefits paid	(1,479,659)	(1,222,329)
Actuarial Gain / (Loss) on Plan assets	-	Nil
Fair value of plan assets at the end of year	12,778,759	12,039,264

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹)

Particulars	As at 31.03.2015	As at 31.03.2014
(iv) <u>Table showing fair value of plan assets</u>		
Fair value of plan assets at beginning of year	12,039,264	11,366,160
Actual return on plan assets	1,007,790	1,604,618
Contributions	1,211,364	290,815
Benefits Paid	(1,479,659)	(1,222,329)
Fair value of plan assets at the end of year	12,778,759	12,039,264
Funded Status	(157,348)	1,489,316
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)		
(v) <u>Actuarial Gain/Loss recognized</u>		
Actuarial(gain)/Loss for the year Obligation	(680,581)	(253,514)
Actuarial (gain)/Loss for the year - Plan Assets	Nil	Nil
Total (gain)/Loss for the year	680,581	(253,514)
Actuarial (gain)/Loss recognized in the year	680,581	(253,514)
(vi) <u>The amounts to be recognized in the Balance Sheet and Statements of Profit and Loss</u>		
Present value of obligations as at the end of year	12,936,107	10,549,948
Fair value of plan assets as at the end of the year	12,778,759	12,039,264
Funded status	(157,348)	1,489,316
Net Asset / (Liability) recognized in balance sheet	(157,348)	(1,489,316)
(vii) <u>Expenses Recognised in statement of Profit & Loss</u>		
Current Service cost	2,341,241	2,409,187
Interest Cost	843,996	674,783
Expected return on plan assets	(1,007,790)	(1,604,618)
Net Actuarial (gain)/Loss recognised in the year	680,581	253,514
Expenses recognised in statement of Profit & Loss	2,858,028	1,732,866

32 LEASE

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
(a) <u>Assets given on Lease</u>		
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" and in Note No. 20 "Other Income" in the previous year.	36,158,373	10,788,566
(b) <u>Assets taken on Lease</u>		
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"	14,270,154	13,749,705

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

33 C.I.F. VALUE OF IMPORTS

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
(a) Raw Material	8,905,483	5,126,756
(b) Components and Spare parts	9,517,696	25,753,244
(c) Capital Goods	-	509,944
Total	18,423,179	31,389,944

34 EARNINGS IN FOREIGN EXCHANGE

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
(a) F.O.B. Value of Exports	496,802,379	419,879,899
(b) Freight	7,301,162	6,984,013
(c) Insurance	264,300	212,763
Total	504,367,841	427,076,675

35 EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
(a) Travelling, Lodging & Boarding	8,220,573	2,442,674
(b) Advertisement and Sales Promotion	4,007,049	1,935,317
(c) Interest	-	6,012,221
(d) Book & Periodicals	1,192,182	2,474,356
(e) Staff Welfare	-	190,038
(f) Commission	12,171,167	15,205,533
Total	25,590,971	28,260,139

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 31.03.2015		As at 31.03.2014	
	Foreign Currency Amount	₹	Foreign Currency Amount	₹
USD	1,281,248	80,116,274	1,238,345	74,001,039
Euro	398,304	27,022,818	71,940	5,911,815

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

Particulars and Currency	As at 31.03.2015		As at 31.03.2014	
	Foreign Currency Amount	₹	Foreign Currency Amount	₹
USD	112,962	7,080,325	21,554	1,178,034
Euro	32,161	2,187,492	-	-
CHF	290	18,853	-	-

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

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.

(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) 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) Up to March 31, 2014, the depreciation on Tangible Fixed Assets was provided using the Written Down Value method at rates prescribed under Schedule XIV to the Companies Act, 1956 and with effect from April 1, 2014, the depreciation is provided based on useful life prescribed under Schedule II of the Companies Act 2013. 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.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

(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 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.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

- (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

J.P. BAIRAGRA

Partner

Membership No.12839

Place : Mumbai

Date : 30th May, 2015

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

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DONEAR INDUSTRIES LIMITED

CIN: L99999MH1987PLC042076

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

Email 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 29th Annual General Meeting of the Company dated 26th September 2015, 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 2015 and the Directors' and Auditors' Report thereon			
2.	To declare dividend			
3.	Re-appointment of Mr. Ajay 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 Mrs. Neena Agarwal as a Director			
6.	Appointment of Mrs. Medha Pattanayak as an Independent Director			
7.	Approval for Appointment and Remuneration of Cost Auditor			
8.	Authorize the Company u/s 180(1)(a) of the Companies Act, 2013 to create charge or mortgage Company's movable or immovable property to borrow upto Rs. 1500 crore			
9.	Authorize the Company u/s 180(1)(c) of the Companies Act, 2013 to borrow upto Rs. 1500 crore in excess of aggregate of paid up capital and free reserves.			

Place :

Date :

Signature of Shareholder

NOTE: Kindly read the instructions printed overleaf before filling the form. Valid Ballot Forms received by the Scrutinizer by 6.00 p.m. on 24th September 2015 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

INSTRUCTIONS

1. 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 6.00 p.m. of 24th September, 2015. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. 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.
4. In the event member casts his vote 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.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. 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.
7. There will be only one Ballot Form for every Folio/DP ID Client ID irrespective of the number of joint members.
8. 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.
9. 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.
10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company.



DONEAR INDUSTRIES LIMITED

CIN: L99999MH1987PLC042076

Registered Off. Add: Doner House, 8th 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 29th Annual General Meeting of the Company on Saturday, 26th September, 2015 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 :

1st 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.

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DONEAR INDUSTRIES LIMITED

CIN: L99999MH1987PLC042076

Registered Off. Add: Doner House, 8th 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 **DONEAR INDUSTRIES LIMITED**
Registered Office Donear House, 8th 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 29th Annual General Meeting of the Company, to be held on Saturday, 26th September, 2015 at 11.30 a.m. at Donear House, 9th 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 2015 and the Directors and Auditors Reports thereon	❖ Appointment of Mrs. Neena Agarwal as a Director.
❖ To declare dividend	❖ Appointment of Mrs. Medha Pattanayak as an Independent Director.
❖ Re-appointment of Mr.Ajay Agarwal as Director liable to retire by rotation.	❖ Approval for Appointment and Remuneration of Cost Auditor
❖ Appointment of M/s. M.L.Bhuwania & Co., as Auditors of the Company.	❖ Authorize the Company u/s 180(1)(a) of the Companies Act, 2013 to create charge or mortgage Company's movable or immovable property to borrow upto Rs. 1500 crore.
❖ Authorize the Company u/s 180(1)(c) of the Companies Act, 2013 to borrow upto Rs. 1500 crore in excess of aggregate of paid up capital and free reserves	

Signed this _____ day _____ 2015.

Affix
Revenue
Stamp of
Re. 1/-

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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DONEAR[®]
*Royal
Classico*
LUXURY SUITINGS & SHIRTINGS



A RETAIL CHAIN OF



 **Cot**®

Suits & Blazers

Casual Shirts & Trousers

Formal Shirts & Trousers

T-Shirts & Denim

Accessories



Next Generation **APPARELS**



Donear Industries Ltd.
Donear House, Plot No. A-50, Road No.1, MIDC, Andheri (E), Mumbai - 400093 (INDIA)
Customer Care: +91 22 3076 8100, E-mail: info@donear.com