

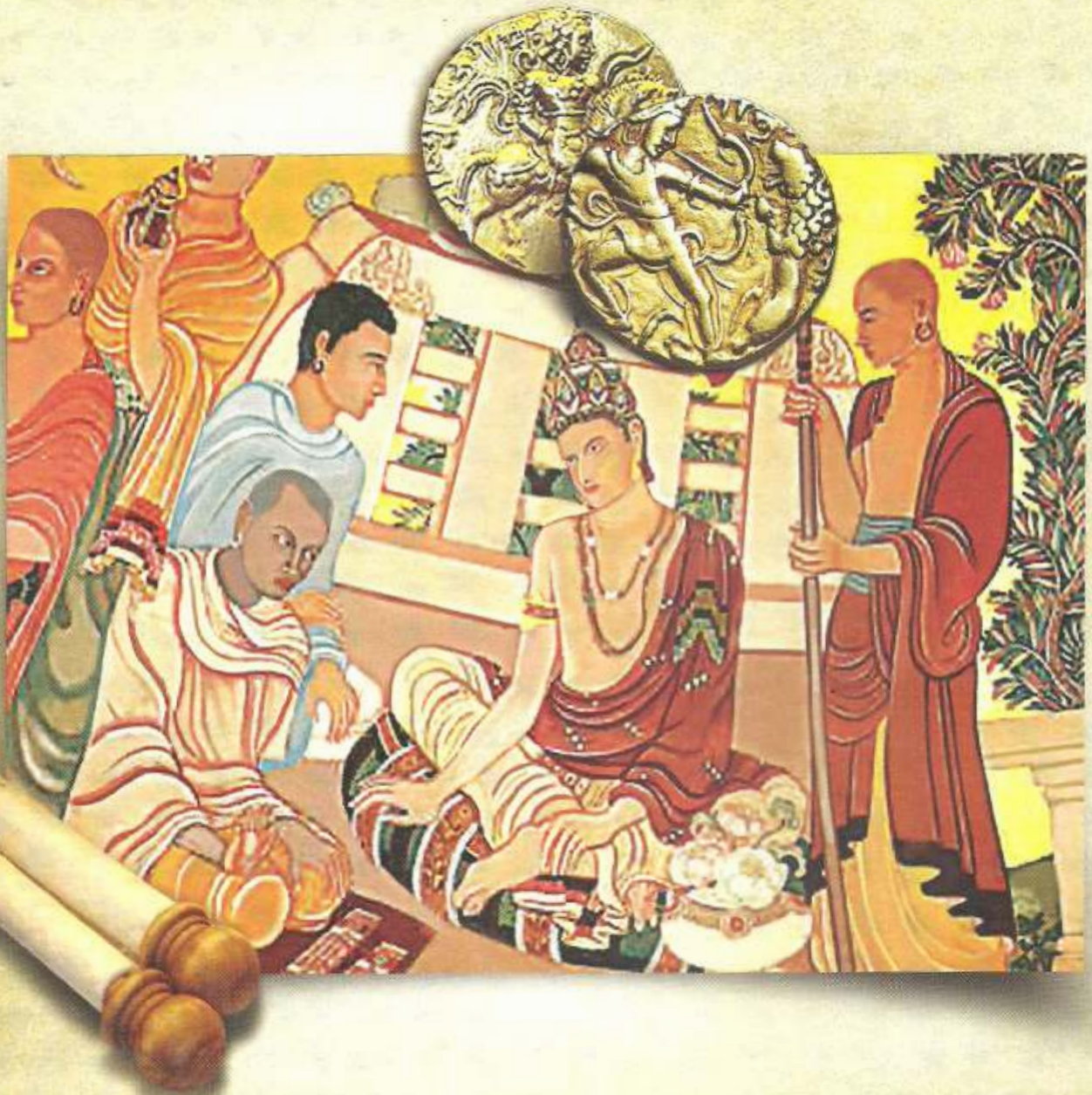


|| Arthashastra ||



Annual Report 2013

Much of our knowledge about state policy under the Mauryas comes from the Arthashastra written by Kautilya, more popularly known as Chanakya, who was a Brahmin minister under Chandragupta Maurya. An ancient Indian treatise on statecraft, economic



policy and military strategy, Arthashastra has some invaluable insights on management that have significance even today.

||Unearthing Opportunities||

A company strategist who understands that competition extends well beyond existing rivals will detect wider competitive threats and be better equipped to address them. At the same time, thinking comprehensively about an industry's structure can uncover opportunities: differences in customers, suppliers, substitutes, potential entrants, and rivals that can become the basis for distinct strategies yielding superior performance. In a world of more open competition and relentless change, it is more important than ever to think structurally about competition. Pearls of wisdom penned down at the end of the fourth century BC, relevant like never before, even today, after centuries of oblivion.



Dollar Industries Ltd

Board of Directors

Sri Dindayal Gupta	Chairman
Mr. Vinod Kumar Gupta	Managing Director
Mr. Binay Kumar Gupta	Wholetime Director
Mr. Krishan Kumar Gupta	Wholetime Director
Mr. Bajranglal Gupta	Wholetime Director
Mr. Ashok Kumar Goel	Independent Director
Mr. Rakesh Agarwal	Independent Director
Mr. Pawan Kumar Agarwal	Independent Director
Ms Shristee Sinha	Company Secretary

Main Bankers

State Bank of India, Indusind Bank Ltd, ICICI Bank Ltd, Allahabad Bank

Auditors

M/s Amit Ved Garg & Co.

Chartered Accountants, 22, B.R.B Basu Road, Kolkata - 700001

Registrar & Share Transfer Agents

Niche Technologies Pvt. Ltd.

71, B.R.B Basu Road, Kolkata - 700001

Registered Office

Om Tower, 12th Floor, 32, J.L. Nehru Road, Kolkata - 700071

Manufacturing Facilities

Tirupur, Delhi, Ludhiana, Kolkata, Veda sandur

Branches

Tirupur | Delhi | Jaipur | Patna | Bhagalpur | Ranchi | Indore | Guwahati | Cuttack | Rudrapur | Vadodara
Mumbai | Nagpur | Bangalore | Hyderabad | Agra | Varanasi | Kanpur | Ludhiana | Rohtak | Raipur



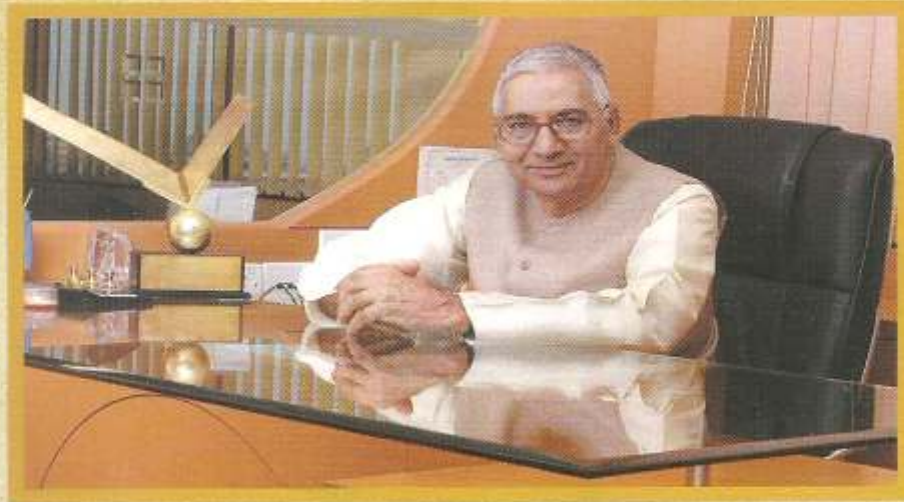
Contents

	Page
Notice of Annual General Meeting	1
Director's Report	3
Corporate Governance Report	8
Management Discussion & Analysis Report	17
Auditor's Report	27
Balance Sheet and Profit & Loss Account	32
Notes to Financial Statement	36

Before you start any work, always ask yourself three questions - Why am I doing it? What the results might be? And Will I be successful? Only when you think deeply and find satisfactory answers to these questions, go ahead.



|| Judgment Calls ||



I have always believed that a leader's most important role in any organisation is making good judgments – well informed, wise decisions that produce the desired outcomes. When a leader shows consistently good judgment, little else matters. Of course, it is not humanly possible to make the right call every single time. Over the course of our lives, each one of us makes thousands of judgment calls. Some are trivial, while some are monumental. At Dollar Industries, we have always held the belief that the consequence of judgment calls are magnified exponentially, because they influence the lives and livelihood of others. Having breached the 500 crore turnover mark, having successfully evolved into readymade garment brands, I have realized judgment is a process, not an event. It involves deep questions like those laid down in the Arthashastra. It's a huge responsibility that will one day deliver the verdict on my career – and life.

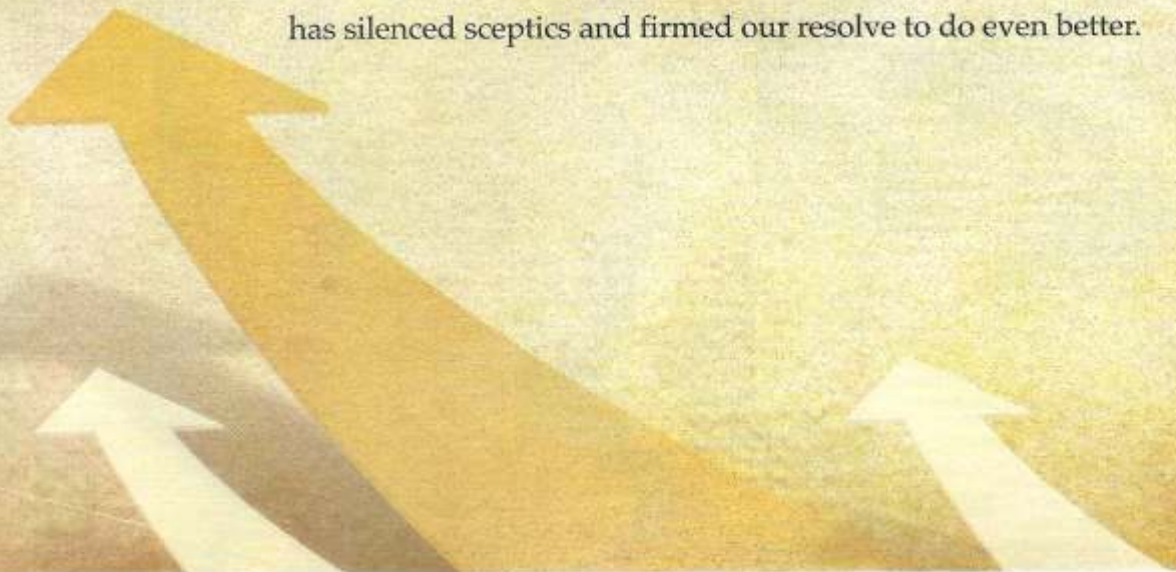
Shri Dindayal Gupta
Chairman

The one excellent thing that can be learned from a lion is that whatever a man intends doing should be done by him with a whole-hearted and strenuous effort.

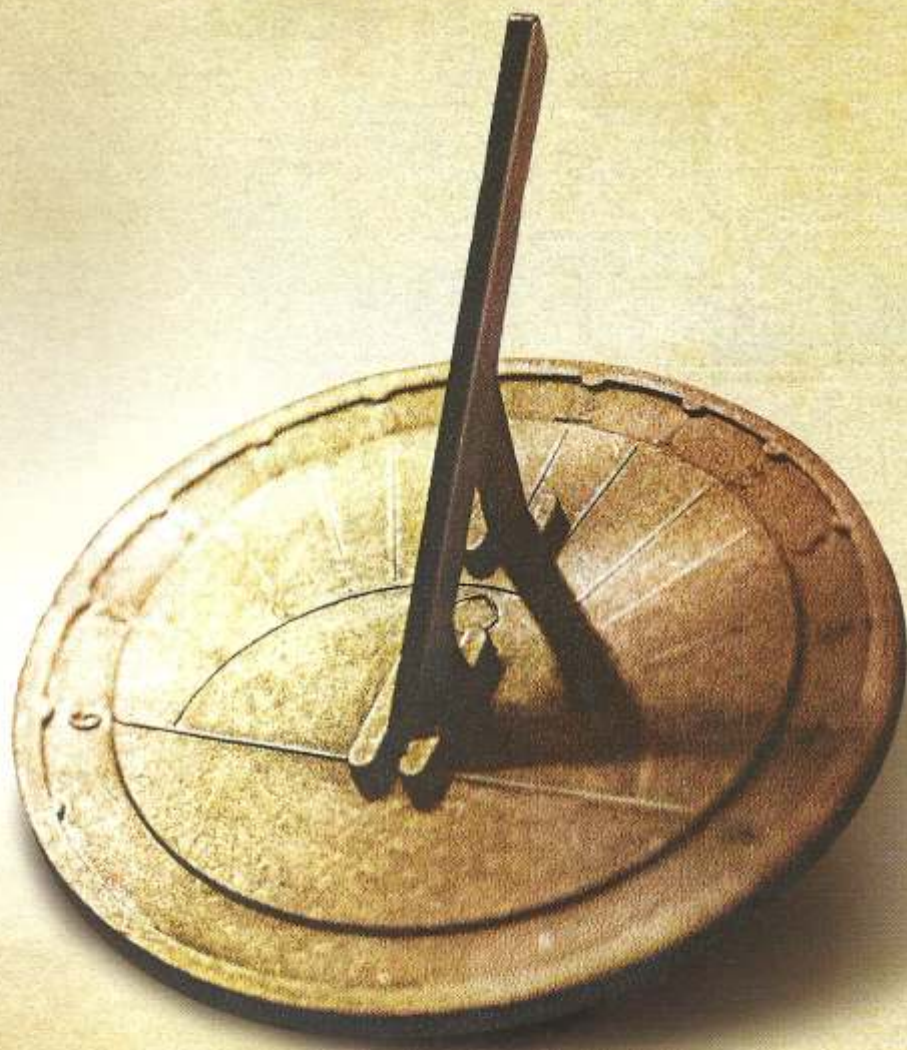


|| Animal Spirit ||

Kautilya helped the young Chandragupta Maurya, who was a Vaishya, to ascend to the Nanda throne in 321 BC. Kautilya's counsel is particularly remarkable because the young Maurya's supporters were not as well armed as the Nandas. Kautilya continued to help Chandragupta Maurya in his campaigns and his influence was crucial in consolidating the great Mauryan empire. If there is one defining characteristic about Dollar Industries, it is the animal spirit within, best epitomized by the lion. Aggressive when required, predictable and dependable when the situation demands. During the year under review, the industry grew at anything between 12 to 14 percent, while Dollar climbed by 28%, scaling a new height to touch ₹ 579.47 crore. An achievement that has silenced sceptics and firmed our resolve to do even better.



We should not fret for what is past, nor should we be
anxious about the future; men of discernment deal only with
the present moment.



|| Future-Ready ||

Companies routinely overinvest in promotions and underinvest in product development, and new forms of distribution. As a result, powerhouse brands have been weakened, often beyond recovery. They become so entranced with their ability to price and sell in real time that they neglect investments in their brands' long-term health. Right from day one, at Dollar Industries we have developed and cultivated a long-term mindset. We have always believed that long-term metrics can redress short-term myopia.



It is this mind-set that has driven Dollar's diversification strategy. Gym Vests, Tees, Bermudas, Track Pants, Boxer Shorts, Denims were launched under an umbrella identity called Force. In keeping with the changing times and aspirations, Force will soon evolve into a new paradigm, an all-encompassing apparel brand that builds on the strengths of the past to build a pathway into the future.

One whose knowledge is confined to books and whose wealth is in the possession of others, can use neither his knowledge nor wealth when the need for them arises.



|| World View ||

By getting out of their offices and appreciating what the world looks like from the places where products are made and customers are served, Dollar Industries managers have become truly worldly instead of merely global. The worldly perspective acknowledges that life on this globe is made up of all kinds of worlds. What we need today is a plurality of worldviews. And this plurality comes from relentlessly entering new markets, acquiring nothing but the latest in technology while always taking into account the soft data, including the values underlying each choice. When Dollar acquired the 9001:2008 ISO certification, the idea was not to announce it to the world, but to passionately pursue the quality benchmarks that will take us to the next level.

Holding a steady course requires just as much skill as steering around to a new direction. While there is an overwhelming need of action, it should never be at the cost of reflection.



The happiness and peace attained by those satisfied by the nectar of spiritual tranquility is not attained by greedy persons restlessly moving here and there.



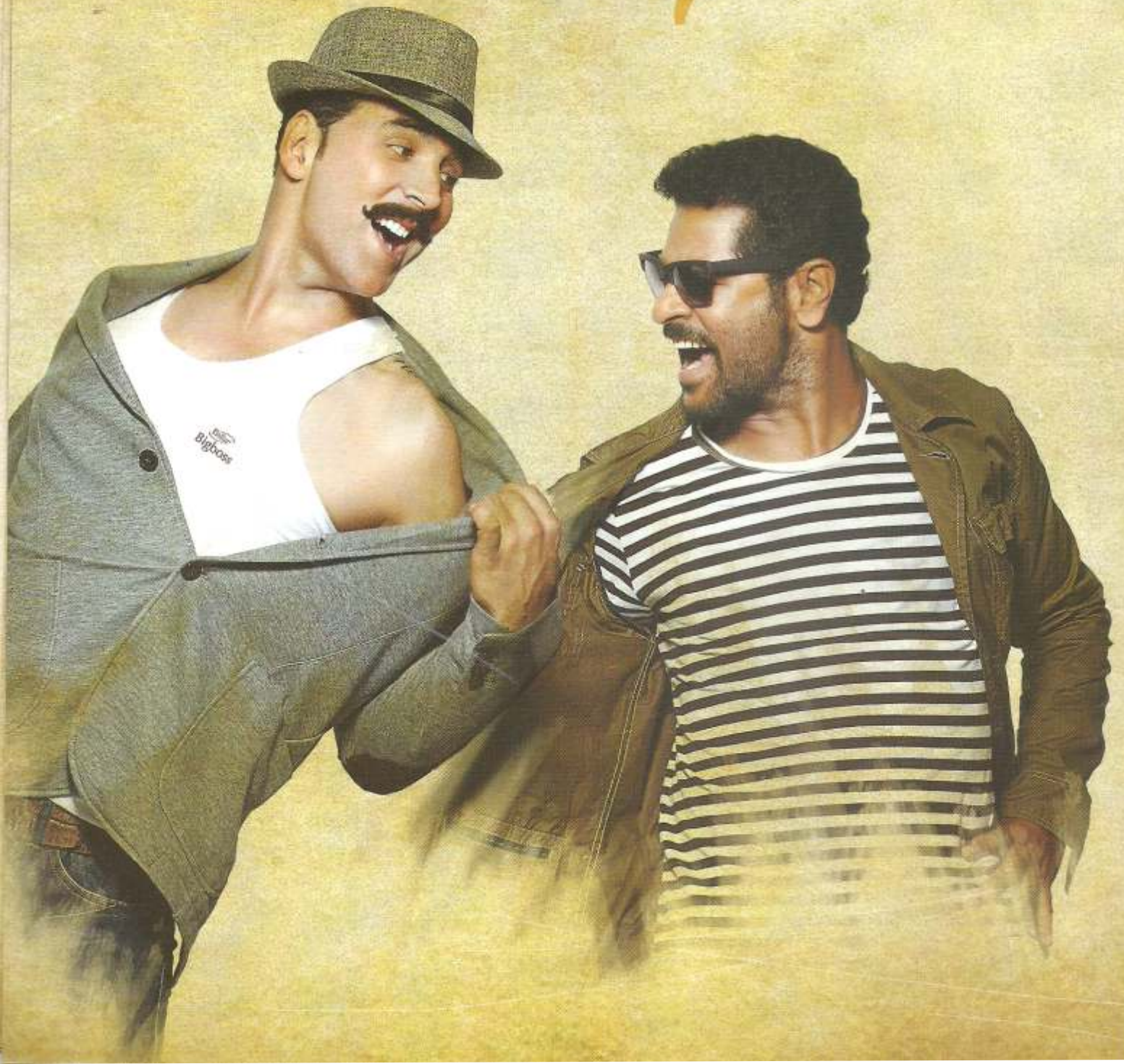
|| People Power ||

Sustaining innovation, many agree, is crucial for a company's long-term success. But truly innovative people are rare: they have excellent analytic skills, never rest on their laurels, and can identify the solutions likeliest to win over top leadership. Dollar's unique talent-management procedures help in spotting potential innovators. This requires mentoring and peer networks. Mentors provide insight into the motivations, goals, mind-set, and budget constraints of managers in a variety of relevant functions. Peer networks on the other hand provide a sense of solidarity and uniquely fertile environment in which to exchange ideas, impart information, and instill hope.

At Dollar Industries, while we keep adding the latest knitting machines and new processing units, we keep reminding ourselves about our most prized asset. Our people.



The earth is supported by the power of truth; it is the power of truth that makes the sun shine and the winds blow; indeed all things rest upon truth.



|| Long Haul ||

Companies often pay too much attention to short-term data and not enough to the long-term health of their brands. Brand management today is like driving a car by looking only a few feet ahead. The drivers can change direction rapidly, but they are not necessarily on the path where they want to go. At Dollar Industries we roped in Prabhudeva to supplement the star power of Akshay, because we are convinced that a short-term orientation erodes a brand's ability to compete in the marketplace.

We are in it for the long haul. Having scaled the 500 crore mark, our sights are now set on doubling this figure in less than five years. Formidable? Yes. Impossible? No.



Notice

NOTICE is hereby given that **Annual General Meeting** of **M/S. Dollar Industries Limited** will be held at **15 E, Shib Krishna Daw Lane, Phool Bagan, Kolkata – 700 054** on Friday, the 20th day of September, 2013 at 11.30 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and the Profit & Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Rakesh Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ashok Kumar Goel, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Binay Kumar Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

7. ALTERATION OF ARTICLES OF ASSOCIATION

To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“ **RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Article 94 of the Articles of Association of the Company be hereby altered and replaced with the following :

Article 94. Subject to the provisions of Sections 198, 309, 310 and 311 of the Act the remuneration payable to the Directors of the Company may be as hereinafter provided. The remuneration of each Director for attending the meetings of the Board or Committee thereof shall be such sum as may from time to time be fixed by the Board, subject to the overall limits as may be prescribed by the Central Government from time to time. Subject to the provision of the Act, the Directors shall be paid such further remuneration (if any) as the Company in General Meeting shall from time to time determine and such additional remuneration shall be divided amongst the Director in such proportion and manner as the Board may from time to time determine and in default of such determination shall be divided among the Directors equally.”

Registered Office:
32, J. L. Nehru Road
Kolkata – 700 071

Date: 14.08.2013

By Order of the Board of Directors
For Dollar Industries Limited

sd/-
Srishtee Sinha.
Company Secretary

Notice

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxies to be effective, must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The Register of Members and Transfer Books of the Company will be closed from 17.9.2013 to 20.9.2013 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.7

The Board of Directors of the Company has proposed to authorize the Board for remuneration being paid to the Directors of the Company pursuant to Section 198, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 within the limits as may be permitted by the Central Government from time to time. For this purpose it is required to alter and replace the Article 94 of the Articles of Association of the Company by means of Special Resolution as per provisions of Section 31 of the Companies Act, 1956.

The Board recommends the Resolution for the approval of the Shareholders.

None of the Directors of the Company are in any way concerned or interested in the proposed resolution.

A copy of the memorandum & articles of association of the company referred to above is open for inspection during business hours in all working days.

Directors' Report

DIRECTORS' REPORT TO THE MEMBERS

Your Directors hereby present the Annual Report and the Audited Accounts for the year ended 31st March, 2013.

(₹ in lacs)

FINANCIAL RESULTS :	2012-13	2011-12
Sales	57947.21	45354.31
Other Income	310.99	154.49
Profit before interest, depreciation & taxation	4228.33	3641.20
Less : Interest	1565.95	1449.95
Depreciation	1004.12	911.23
Profit Before Tax	1658.26	1280.02
Less : Provision for Tax	540.79	400.68
Profit After Tax	1117.47	879.35
Add : Balance brought forward from previous year	3424.58	2635.25
Less : Proposed Dividend (Including Dividend Distribution Tax)	108.02	90.02
Balance carried to Balance Sheet	4434.03	3424.58

CURRENT OPERATIONS

During the financial year, your Company has reported an increase of 27.77% in turnover and an increase of 27.08% in the net profit compared to the previous financial year despite tough economic conditions. The export too has increased to ₹4652.13 lac against ₹3341.79 lac during the previous financial year. The Company has been consistently showing improved results by understanding the customer needs and preferences for design, quality and comfort to meet the ever-changing market requirements. Considering the above situation the management of the Company expects a good volume of growth in coming years.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹1.20 (previous year: ₹1/-) per equity share of ₹10/- fully paid-up (i.e. 12% on the paid-up value of equity shares).

ISSUE OF SHARES

The Company has not issued any shares during the financial year.

EXPANSION OF ACTIVITIES

During the year 3 knitting machines were added at Agarpara Unit of the Company.

The Company has acquired Land & building for setting up a processing unit in Tamilnadu. Installation of machineries and addition to building is under going in full swing. The Company has incurred a sum of ₹4.00 crores till date.

The Company is also planning to increase in the capacity of its existing Spining mill by adding 6000 spindles. It would

Directors' Report *(Contd.)*

increase yarn production from 9.23 ton to 11.73 ton per day. The cost of the project is expected to be 19.00 crores.

During the year 4th wind mill of the capacity of 850MW of the Company has started production. The Company has incurred a sum of ₹ 5.37 crores to set up this wind mill.

DIRECTORS

According to provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Rakesh Agarwal, Mr. Ashok Kumar Goel and Mr. Binay Kumar Gupta, Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offered themselves for re-appointment.

AUDITORS

Yours Company's Statutory Auditors, M/s. Amit Ved Garg & Co., Chartered Accountants, Kolkata, retire at the conclusion of the ensuing Annual General Meeting. M/s. Amit Ved Garg & Co. have sought the re-appointment and have confirmed that their re-appointment, if made, shall be within the limits laid down under section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The notes to the Accounts referred to the Auditors Report are self explanatory and therefore, do not call for any further comments.

DIRECTORS' RESPONSIBILITY STATEMENT

We, the Directors of the Company, hereby confirm, pursuant to provisions of section 217 (2AA) of the Companies Act, 1956, in respect of financial year under review, that :

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2013 and of the profit of the Company for the year ended on 31st March, 2013;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing, and detecting fraud and other irregularities.
- iv) the Directors have prepared the annual accounts on a going concern basis.

TRADING OF SECURITIES IN STOCK EXCHANGES

The shares of the Company are listed at The Calcutta Stock Exchange Ltd. and Jaipur Stock Exchange Ltd. The Company is registered with both NSDL & CDSL for holding the shares in dematerialized form and open for trading. The Company has paid Listing Fees to both the Stock Exchanges and depositories.

CORPORATE GOVERNANCE

The Company has been pro-active in following the principles and practices of good corporate governance. As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance alongwith a certificate from Mr. Santosh Kumar Tibrewalla, Practising Company Secretary regarding Compliance of conditions of Corporate Governance, Management Discussion & Analysis Report and certification by CEO & CFO are given as Annexure – B, C, D and E which form part of this Report.



Directors' Report *(Contd.)*

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 your Company has adopted the Code of Conduct for Prevention of Insider Trading.

PARTICULARS OF EMPLOYEES

In view of no employee of the Company having drawn remuneration as prescribed in Section 217 (2A) of the Companies Act, 1956 or in the rules made pursuant to the same, during the Financial Year under review, particulars of the employees pursuant to said provisions are not required to be given.

INDUSTRIAL RELATIONS

The industrial relation during the year 2012-13 had been cordial. The Directors take on record the dedicated services and significant efforts made by the Officers, Staff and Workers towards the progress of the Company.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure –A, which forms part of this report.

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation to all the employees for their commendable teamwork, exemplary professionalism and enthusiastic contribution during the year.

Registered Office:
32, J. L. Nehru Road
Kolkata – 700 071

Date: 14.08.2013

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

Din Dayal Gupta
Chairman

Annexure to the Directors' Report

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Particulars pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 :

A. CONSERVATION OF ENERGY:

a. Energy conservation measures taken by the Company

The Company has made necessary applications to various authorities for utilizing the power units generated in its own windmills. However, the manufacturing process of the products of the Company is not power intensive except its spinning and elastic divisions. The Company always put its endeavors to save energy, wherever possible.

b. Additional investment / proposal by the Company for reduction in consumption of energy :

The Company has incurred a sum of ₹ 5.37 crores to set up 4th wind mill of the capacity of 850 MW during the year and it has started production.

c. Impact of the measures in (a) & (b) above taken by the Company

The above measures will result in reduced cost incurred on consumption of energy by way of in house consumption.

d. Energy consumption by the Company in totality and consumption per unit as per Form A of the annexure is as follows:

FORM A

(Form for Disclosure of particulars with respect to conservation of energy)

Particulars	2012-13	2011-12
A. Power and fuel Consumption		
1. Electricity		
Total units Purchased/Consumed	10016130	94,75,766
Total Cost (₹)	78765497	3,62,64,117
Average rate per unit (₹)	7.86	3.83
2. Coal and Coke		
Quantity (MT)	N.A	N.A
Total Cost (₹)	N.A	N.A
Average rate per MT (₹)	N.A	N.A
B. Consumption per unit of Production		
1. Electricity (Unit/kg)	3.85	3.85
Coal and Coke (Kg/MT)	N.A	N.A

Annexure to the Directors' Report (Contd.)

B. RESEARCH AND DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

a. Research & Development (R & D)

The Company itself is not carrying out any R & D. However, the Hosiery Research Association has undertaken such activities.

b. Technology Development, adaptation and innovation

The Company has been using indigenous technology and as such does not require to import technology.

C. FOREIGN EXCHANGE EARNING AND OUTGO

(₹ in lac)

	2012-13	2011-12
Total Foreign Exchange Earned (F.O.B.)	4356.21	3150.65
Total Foreign Exchange Used	429.25	406.66

Registered Office:

32, J. L. Nehru Road
Kolkata – 700 071

Date: 14th August, 2013

By Order of the Board of Directors
For Dollar Industries Limited

Din Dayal Gupta
Chairman

Corporate Governance Report

ANNEXURE "B" TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company in terms of Clause 49 of the Listing Agreement with the Stock Exchanges the Company has adopted practice of Corporate Governance for ensuring and protecting the rights of its shareholders by means of transparency, integrity, accountability and checks at the different levels of the management of the Company.

BOARD OF DIRECTORS

a) The composition and category of Directors :

Category	Name of the Directors
Non – Executive Director - Promoter - Chairman	Mr. Din Dayal Gupta
Executive – Managing Director - Promoter	Mr. Vinod Kumar Gupta
Executive – Whole Time Director - Promoter	Mr. Bajrang Lal Gupta
Executive – Whole Time Director - Promoter	Mr. Binay Kumar Gupta
Executive – Whole Time Director - Promoter	Mr. Krishan Kumar Gupta
Non – Executive Director – Independent	Mr. Pawan Kumar Agarwal
Non – Executive Director – Independent	Mr. Rakesh Agarwal
Non – Executive Director – Independent	Mr. Ashok Kumar Goel

b) Attendance of each Director at the Annual General Meeting and Number of other Directorship and Chairmanship/ Membership of Committee of each Director in various Companies :

Name of the Director	Attendance Particulars			Number of other Directorship and Committee membership/Chairmanship	
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Din Dayal Gupta	14	Present	-	1	-
Mr. Vinod Kumar Gupta	14	Present	7	2	1
Mr. Bajrang Lal Gupta	14	Present	1	1	1
Mr. Binay Kumar Gupta	14	Present	1	-	-
Mr. Krishan Kumar Gupta	13	Present	6	1	-
Mr. Pawan Kumar Agarwal	10	Present	-	3	1
Mr. Rakesh Agarwal	12	Present	-	2	1
Mr. Ashok Kumar Goel	10	Present	-	2	-

During the year 2012-13, 15 (fifteen) Board meetings were held on 10.04.2012, 14.05.2012, 13.08.2012, 27.08.2012, 30.08.2012, 3.10.2012, 19.10.2012, 14.11.2012, 31.12.2012, 14.01.2013, 16.01.2013, 02.02.2013, 14.02.2013, 01.03.2013 and 19.03.2013.

Corporate Governance Report (Contd.)

CODE OF CONDUCT :

The Company has framed Code of Conduct for the Directors and Senior Management of the Company. The Directors and Senior Management have affirmed compliance of the said Code of Conduct as on 31st March, 2013. A declaration signed by the CEO is annexed as Annexure 'E'.

AUDIT COMMITTEE :

The Audit Committee was entrusted with review of quarterly and annual financial statements before submission to the Board, review of observations of auditors and to ensure compliance of internal control systems authority for investigation and access for full information and external professional advice for discharge of the functions delegated to the Committee by the Board. Mr. Pawan Kumar Agarwal is the Chairman of the Committee. All the members of the Committee are financially literate.

The scope of the audit committee, inter alia, includes:

- Review of the Company's financial reporting process, the financial statements and financial/risk management policies ;
- Review of the adequacy of the internal control systems and finance of the internal audit team ;
- Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit and review of the same.

During the period under review five Audit Committee meetings were held on 14.05.2012, 13.08.2012, 30.08.2012, 14.11.2012 and 14.02.2013. The composition of the Audit Committee and attendance of its meetings are given below:

Constitution	No. of Meetings held	Attended
Mr. Pawan Kumar Agarwal – Non-Executive – Independent –Chairman	5	5
Mr. Rakesh Agarwal – Non-Executive – Independent	5	5
Mr. Vinod Kumar Gupta - Executive – Promoter	5	4

The Audit Committee meetings are usually held at Company's Registered Office and attended by members of the Committee, other Accounts Heads and Unit Heads. Representative of the Statutory Auditors are also invited to the same as required.

MANAGERIAL REMUNERATION :

a. Remuneration Committee:

The Remuneration Committee of the Company is authorised to decide the remuneration of Managing / Whole-time Directors. Mr. Rakesh Agarwal is the Chairman of the Committee. During the year under review 1(One) meeting of the Remuneration Committee was held on 30.8.2012.

Constitution	No. of Meetings held	Attended
Mr. Rakesh Agarwal – Non-Executive – Independent–Chairman	1	1
Mr. Pawan Kumar Agarwal – Non-Executive – Independent	1	1
Mr. Ashok Kumar Goel – Non-Executive – Independent	1	1

Corporate Governance Report (Contd.)

b. Remuneration Policy:

The Company follows the policy to fix remuneration of Managing & Whole Time Directors by taking into account the financial position of the Company, trend in the industry, qualification, experience, past performance and past remuneration of the respective director in the manner to strike a balance between the interest of the Company and its shareholders.

c. Remuneration to Directors:

The statement of the remuneration paid /payable to the Managing /Whole-time /Executive Directors and Sitting Fees paid/ payable to Non-Executive Directors is given below:-

Name of Directors	Remuneration paid/payable for 2012-13				Service Contract	
	Salary (₹)	Benefits (₹)	Sitting Fees(₹)	Pay per month(₹)	Period	Effective from
Mr. Din Dayal Gupta	--	--	--	--	--	--
Mr. Vinod Kumar Gupta	1600000/-	--	--	200000/-	5 years	1.12.2012
Mr. Bajrang Lal Gupta	1200000/-	--	--	150000/-	5 years	1.12.2012
Mr. Binay Kumar Gupta	1200000/-	--	--	150000/-	5 years	1.12.2012
Mr. Krishan Kumar Gupta	1200000/-	--	--	150000/-	5years	1.12.2012
Mr. Pawan Kumar Agarwal	--	--	--	--	--	--
Mr. Rakesh Agarwal	--	--	--	--	--	--
Mr. Ashok Kumar Goel	--	--	--	--	--	--

Notes: 1. The appointment/ agreement of all Managing /Executive /Whole-time Directors can be terminated by giving three months notice by either party.

2. The non-executive Directors have waived all their sitting fees till 31st March, 2013.

TRANSFER COMMITTEE

The Share Transfer Committee comprised of Mr. Bajrang Lal Gupta, Mr. Krishan Kumar Gupta and Mr. Ashok Kumar Goel. Mr. Bajrang Lal Gupta is the Chairman of the Committee. Ms. Srishtee Sinha is the Secretary & Compliance Officer of the Committee.

The Share Transfer Committee meet as and when required and is entrusted with Transfer / transmission of shares, issue of duplicate share certificates, change of name / status, transposition of names, sub-division / consolidation of share certificates, dematerialisation / rematerialisation of shares, etc.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Shareholders' / Investors' Grievance Committee comprised of Mr. Vinod Kumar Gupta, Mr. Din Dayal Gupta and Mr. Pawan Kumar Agarwal. Mr. Vinod Kumar Gupta is the Chairman of the Committee.

Corporate Governance Report *(Contd.)*

Shareholders'/ Investors' Grievance Committee look into redressing of shareholder's and investors grievances like transfer of Shares, non receipt of Balance Sheet, etc.

Ms. Srishtee Sinha is the Secretary & Compliance Officer of the Committee.

SHARES HELD BY NON-EXECUTIVE DIRECTORS

Sl. No	Name	No. of Shares
1	Mr. Din Dayal Gupta	23170
2	Mr. Pawan Kumar Agarwal	NIL
3	Mr. Rakesh Agarwal	NIL
4	Mr. Ashok Kumar Goel	NIL

GENERAL BODY MEETINGS :

Location and time of General Meetings held in last three years :

Year	Type	Date	Venue	Time
2011-12	A.G.M	29.09.2012	15E, Shib Krishna Daw Lane Phool Bagan Kolkata – 700 054	11.30 A.M.
2010-11	A.G.M	26.09.2011	15E, Shib Krishna Daw Lane Phool Bagan Kolkata – 700 054	11.00A.M.
2009-10	A.G.M	27.09.2010	15E, Shib Krishna Daw Lane Phool Bagan Kolkata – 700 054	11.00 A.M

Notes :

- 1) All resolutions were moved at the last Annual General Meeting were passed by show of hands unanimously by all the members present at the meeting. No special resolution was passed in last 3 Annual General Meetings ;
- 2) No business transacted at the last year was required to be passed by postal Ballot in terms of Company's (passing of the resolution by Postal Ballot) Rules, 2011 ;
- 3) No business proposed to be transacted at the ensuing Annual General Meeting is required to be passed by Postal Ballot in terms of Company's (passing of the resolution by Postal Ballot) Rules, 2011.

DISCLOSURES

- a. **Disclosures on materially significant related party transactions i. e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

Corporate Governance Report *(Contd.)*

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years.**

No penalty or strictures have been imposed on the Company by any of the aforesaid authorities during the last 3 years.

- c. Accounting Treatment in preparation of financial statement :**

The Company has followed the guidelines of accounting standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.

- d. Subsidiary Company :**

The Company does not have any material non-listed Indian Subsidiary as defined in Clause 49 of the Listing Agreement.

- e. Risk Management :**

The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.

- f. CEO / CFO certification :**

The CEO / CFO certification as required under Clause 49 is annexed hereto which forms part of this report.

- g. Management Discussion and Analysis Report :**

The Management Discussion and Analysis Report as required under Clause 49 is annexed hereto which forms part of this report.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT :

Mr. Rakesh Agarwal

Mr. Rakesh Agarwal is a Commerce Graduate and 42 years of age. He is an Independent Director of the Company.

He does not hold any Directorship in any other Company. He is Chairman of the Remuneration Committee. He is a member of Audit Committee of the Company.

Mr. Ashok Kumar Goel

Mr. Ashok Kumar Goel is of 51 years of age and is an Independent Director of the Company. He is member of the Share Transfer Committee and Remuneration Committee of the Company.

He does not hold any Directorship in any other Company. He is a member of Share Transfer Committee and Remuneration Committee of the Company.

Mr. Binay Kumar Gupta

Mr. Binay Kumar Gupta is a Commerce Graduate and is of 45 years of age. He was re - appointed as a Whole Time Director of the Company in the year 2012.

He is looking after Production sales of the products of the Company.

He is one of the Director of M/s. BS Infraproperties Private Limited.

Corporate Governance Report *(Contd.)*

MEANS OF COMMUNICATION

Un-audited financial results on quarterly basis and limited review by the auditors in the prescribed format are taken on record by the Board of Director at its meeting within the prescribed time of the close of every quarter and the same are furnished to all the stock Exchange where the Company's shares are listed. The results are also published within 48 hours in the Newspapers. The quarterly un-audited financial results are published in the Eco of India in English and in Arthik Lipi in Bengali language. The financial results are also displayed on the Website of the Company, www.dollarinternational.com.

LISTING

Shares of your Company are listed on The Calcutta Stock Exchange Ltd. and the Jaipur Stock Exchange Ltd. The name and address of both the Stock Exchanges and the Company's Stock Code are given below :

- The Calcutta Stock Exchange Ltd
7, Lyons Range, Kolkata-700 001
(Scrip Code No. - 017172)
- Jaipur Stock Exchange Ltd
Stock Exchange Building
J. L. N. Marg, Malviya Nagar, Jaipur - 302017
(Scrip Code No. - 1009)

Corporate Governance Report *(Contd.)*

GENERAL INFORMATIONS FOR MEMBERS:

-
- a. Annual General Meeting (Date, Time & Venue) : Friday, 20th September, 2013 at 11.30 A.M. 15E, Shib Krishna Daw Lane, Phool Bagan Kolkata – 700 054.
-
- b. Dividend payment : Within 30 days from the date of AGM for the Financial Year ended on 31.03.2013
-
- c. Date of Book Closure : 17th September, 2013 to 20th September, 2013 (both days inclusive).
-
- d. Financial Calendar : April – March.
-
- e. Market price Data : Monthly High/ Low price during the last Financial Year at the National Stock Exchange depicting liquidity of the Equity Shares is given hereunder :

Months	Share Price High	Share Price Low	Months	Share Price High	Share Price Low
April, 2012	N.T.		October, 2012	N.T.	
May, 2012	N.T.		November, 2012	N.T.	
June, 2012	N.T.		December, 2012	N.T.	
July, 2012	N.T.		January, 2013	N.T.	
August, 2012	N.T.		February, 2013	N.T.	
September, 2012	N.T.		March, 2013	N.T.	

* N. T. denotes No Trading

-
- f. Performance in comparison broad based indices : No comparison to broad based indices such as BSE Sensex / CRISIL Index, etc. could be drawn since there is no trading in the Calcutta Stock Exchange / Jaipur Stock Exchange during the financial year.
-
- g. Registrar and Transfer Agent: Niche Technologies Pvt. Ltd.
(SEBI Registration No. INR 000003290)
D-511, Bagree Market,
71, B. R. B. Basu Road, Kolkata – 700 001
Phone Nos. 033-2235 3070 / 7270 / 7271.
Fax – 033-2215 6823
e.mail: sabbas@nichetechpl.com
website : www.nichetechpl.com
Contact Person : Mr. Shoab Abbas
-
- h. Shares Transfer System : Share Transfer System is entrusted to the Registrar and Share Transfer Agents. Transfer Committee is empowered to approved the Share

Corporate Governance Report (Contd.)

Transfers. Transfer Committee Meeting is held as and when required. The Share Transfer issue of duplicate certificate etc. are endorsed by Directors/Executives/Officers as may be authorised by the Transfer Committee. Grievances received from members and miscellaneous correspondence are processed by Registrars within 30 days.

i. Distribution of Share Holding As on 31.03.2013	Share Limit From	To	No. of Live A/c's	% to Live A/cs.	Total No. of Share	% to Total Share
	1 -	500	1004	79.68	285850	3.69
	501 -	1000	95	7.54	70050	0.90
	1001 -	5000	84	6.67	261460	3.38
	5,001 -	10,000	34	2.70	271550	3.51
	10,001 -	50,000	27	2.14	581620	7.51
	50001 -	100000	6	0.48	418450	5.40
	100001 -	-And Above	10	0.79	5856180	75.61
	Total :			1260	100.00	7745160
j. Share Holding Pattern	Sl. No.	Category	No. of Shares held	% of holding		
	1.	Promoters & Associates	4697210	60.65		
	2.	Mutual Funds & UTI	----	----		
	3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt, Institutions	----	----		
	4.	FII's	----	----		
	5.	Private Corporate Bodies	1667800	21.53		
	6.	Indian Public	1380150	17.82		
	7.	NRI's / OCBs	----	----		
Total:		7745160	100.00			
k. Dematerialisation of Shares	None of the Shareholders of the Company exercised option of converting their holding into dematerialised form either in NSDL or CDSL till 31.03.2013.					

Corporate Governance Report *(Contd.)*

l. Outstanding Instruments : The Company has not issued any GDRs / ADRs / Warrants or any convertible Instrument. As such, there is no impact on Equity of the Company.

m. Plant Location	Units	Addresses
1. West Bengal	i.	28, B. T. Road, Kolkata – 700002
	ii.	F-190, Salpata Bagan, Agarpara 24 Paraganas(N) Kolkata-700109
	iii.	103/24/1, Foreshore Road, Binani Metal Compound, Howrah - 711 102.
2. Delhi		Gali Towerwali, Khasra No. – 642/2, Near Metro Pillar No. – 504, Delhi – 110 041.
3. Punjab		2154/1, Industrial Area, - A Ludhiana – 141 003, Punjab
4. Tamil Nadu	i.	No. 11, Murugananthapuram East Road, M.S. Nagar, Kongu Main Road, Tirupur – 641607 (Tamil Nadu).
	ii.	S.F. No. – 440, N.H.7, V. Pudukkottai – Village, Minukkampatti – P.O., Vedasandur – 624711 (T. N.).
	iii.	8/624, Angeripalayam Road, Tirupur – 641 603.

n. Address for Correspondence : **Dollar Industries Ltd.**
'Om Tower', 12th Floor,
32, J. L. Nehru Road, Kolkata – 700 071
Phone Nos. 033-2288 4064/4065/4066.
Fax – 033-2288 4063
e.mail: bhawani@dollarinternational.com

Management Discussion And Analysis Report

ANNEXURE "C" TO THE DIRECTORS' REPORT

CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

OVERVIEW

"I'm a success today because I had a friend who believed in me and I didn't have the heart to let him down." – said Abraham Lincoln, the 6th President of United States. Customers and business partners of Dollar Industries Ltd are always considered as friends, who are equally appreciated for their role in the Company's growth story. The Company has graduated from just hosiery to a leading brand in the apparel market of India. The exponential growth of the Company over the last few years also depicts the confidence of its leaders and their steering abilities. In the financial year 2012-13, total revenue of the Company has increased to Rupees 579.47 Crores, which is record 28 per cent higher in growth and better in comparison to the revenue of Rupees 453.54 Crores in FY11-12.

BRANDS

An array of powerful brands with superior quality and performance, Dollar's products are popular as value-for-money to its consumers. Thus, each of the brands from the house of Dollar follows a stringent quality control mechanism, which ensures satisfaction from its consumers. The well known brands are Bigboss Premium Innerwear, Force Go Wear, Club, Myme, Hutch, Midas, Comfort, Interlock, Missy, Kids Care, Winter Care and Footprints (Socks).

REVIEW OF THE ECONOMY 2012-13

As we understand India's recent slowdown, we find it partly rooted in external causes, while domestic causes remain important as ever. The strong post-financial-crisis spur led to stronger growth in 2009-10 and 2010-11. However, the boost to consumption, coupled with supply side constraints, led to higher inflation. Monetary policy was tightened, even as external headwinds to growth increased. The consequent slowdown, especially in 2012-13, has been across the board, with no sector of the economy unaffected. Falling savings without a commensurate fall in aggregate investment have led to a widening current account deficit (CAD). Wholesale price index (WPI) inflation has been coming down in recent months.

To understand the complete picture, will start from the slowdown induced by the global financial crisis in 2008-09, the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6 per cent and 9.3 per cent respectively in 2009-10 and 2010-11. However, with the economy exhibiting inflationary tendencies, the Reserve Bank of India (RBI) started raising policy rates in March 2010. High rates as well as policy constraints adversely impacted investment, and in the subsequent two years viz. 2011-12 and 2012-13, the growth rate slowed to 6.2 per cent and 5.0 per cent respectively.

Management Discussion And Analysis Report

(Contd.)

Nevertheless, despite this slowdown, the compound annual growth rate (CAGR) for gross domestic product (GDP) at factor cost, over the decade ending 2012-13 is 7.9 per cent. The moderation in growth is primarily attributable to weakness in industry (comprising the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sectors), which registered a growth rate of only 3.5 per cent and 3.1 per cent in 2011-12 and 2012-13 respectively. The rate of growth of the manufacturing sector was even lower at 2.7 per cent and 1.9 per cent for these two years respectively. Growth in agriculture has also been weak in 2012-13, following lower-than-normal rainfall, especially in the initial phases (months of June and July) of the south-west monsoon.

INDUSTRY STRUCTURE & DEVELOPMENT

India is the one of the world's largest producers of textiles and garments. The potential size of the Indian textile and apparel industry is expected to reach US\$ 221 billion by 2021, according to Technopak's Textile and Apparel Compendium 2012.

Textile industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign exchange earnings. The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 17 per cent to the country's export earnings. It provides direct employment to over 35 million people. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Indian textile industry is set for strong growth, buoyed by both rising domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub. The most significant change in the Indian textile industry has been the advent of man-made fibre (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. Man-made fibre production recorded an increase of 2 per cent during the year 2012-13. Cotton yarn production increased by about 15 per cent during March 2013 and by about 14 per cent during the year 2012-13. Blended and 100 per cent non-cotton yarn production increased by 10 per cent during March 2013 and production increased by 3 per cent during the year 2012-13. Cloth production by mill sector registered a growth of 19 per cent during year 2012-13. Cloth production by handloom and hosiery increased by 2 per cent and 14 per cent. The total cloth production grew by 1 per cent during March 2013 and by 4 per cent during year 2012-13.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investments (FDI) worth ₹ 5,674.45 crore (US\$ 1.04 billion) during April 2000 to February 2013.

Your Company has managed record growth in the last fiscal and we will see that the speed of growth is gaining more momentum this financial year. With additions in our capacities of production both in readymade garments and yarns, the FY 2013-14 will see fast pace growth for your Company. Yes, we proudly call ourselves as a readymade garments company rather than just hosiery since we moved into the apparel segment in the last fiscal with men's casual.

OPPORTUNITIES

Progressive measures are significant for the survival of textile industry today. Automation in all forms can boost the industry, and we are happy that our stakeholders are welcoming it with open arms. Our industry's contribution to the Indian economy has emerged as one of the healthiest. At present, the weaving sector has about 19 lakhs shuttle looms across India. The number of shuttle-less looms is about 50,000; most of them have been set up through incentives provided under the TUF scheme, offered by the Ministry of Textiles in FY 2011. The rising income levels and brand

Management Discussion And Analysis Report

(Contd.)

consciousness among the growing markets in India and export opportunities in abroad has open up new and positive prospects for the Company. Thereafter, effective measures are being taken in terms of bridging the gap between the demand and supply.

The present global economic scenario also opens up immense opportunities for your Company. The inherent strength, in the form of strong domain expertise, powerful brand positioning and resilience of the brands, combined with the deep retail market penetration is giving away to new segment of customers and new channels of distribution.

The Government of India also has promoted a number of export promotion policies for the textile sector. It has also allowed 100 per cent foreign direct investment (FDI) in the Indian textile sector through automatic route. According to the Union Budget 2013-14:

- Technology Upgradation Fund Scheme (TUFS) to continue in 12th Plan with an investment target of ₹ 151,000 crore (US\$ 27.58 billion)
- ₹ 50 crore (US\$ 9.13 million) were allocated to Ministry of Textile to incentivise setting up apparel parks within the Scheme for Integrated Textile Parks (SITP) to house apparel manufacturing units
- A new scheme called the Integrated Processing Development Scheme will be implemented in the 12th Plan to address the environmental concerns of the textile industry

THREATS

Some of the major challenges that our textile industry faces today include organizational flaws in weaving and processing, a fragmented and scientifically backward textile processing sector, and infrastructural logjams in terms of power, road transport, closure of bleaching and dyeing units at large, etc. After identifying the key issues troubling the industry, efforts were made to do away with them by companies like us. The government too came out with a number of schemes to upgrade textile production.

The highlight in acute threats for last fiscal was power shortfall. Textile production requires key support of good power backup, which if not healthy becomes detrimental to growth. Dollar Industries faced immense power issues in its factories in Tamil Nadu. In the midst of rapid power cuts, it had to generate 34% of power requirement from diesel generators. Even though there was help of 40% power supply from our own windmills, the overall cost of power per unit increased sharply. However, recently, in a major relief, government of Tamil Nadu has withdrawn power cuts except during peak hours because of dip in domestic demand due to improved weather conditions. Now that the State power utility also agreed to consume the entire power generated by windmills run by other private producers, the existing 40% power cut to HT (high tension) industrial and commercial services may be totally relaxed other than peak hours.

Modern equipment is essential for higher productivity from weaving machines and for minimizing fabric defects due to yarn breakage or machine malfunctioning. Monitoring software can also help better data collection as well as inventory management functions. The nature of the weaving industry is changing. From composite to decentralized units, your Company has gradually adopted a mill-like approach to the business, as global textile companies' focus primarily on higher machine speeds.

It is extremely necessary for the Company to move for better infrastructure and equipment that can give higher speeds and wider widths. Further, we need better quality yarn. This problem is largely settled, as our spinning industry is churning high quality yarn, though at higher costs, but higher nonetheless, a major portion of which is being exported

Management Discussion And Analysis Report

(Contd.)

to other countries. The recent ban on cotton exports by the government of India is a major step in this direction and will ensure a regular supply of yarn for our mills. Your Company has learned the benefits of investment in modernization and how it can cut down the cost of production, reduce fabric deficiencies and help us compete with low-cost, weaving machines of the west.

Other major issues pertaining to our sector include threats of new entrants and the competitive rivalry in terms of price wars could undermine profit margins. But your Company has strategy in place to deal with these situations too.

SEGMENT- WISE PERFORMANCE

The Management reviewed the disclosure requirement of Segment wise reporting and is of the view that since the Company's products are covered under Hosiery industry which is single business segment in terms of AS-17 and therefore separate disclosure on reporting by business segment is not required.

FUTURE OUTLOOK

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. We have also seen that consumerism and disposable income is on the rise giving vent to freedom and choice of purchase to Indian consumers. Thus, the organized apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

We are also experiencing the influence with operational benchmarks and growth patterns of the Company getting highlighted with its consistent growth, resulting in improved earnings. The sanguinity of this constant development is driven by a robust Pan India foot print. This also includes strategic expansion across upcoming markets in India, presence in socio-economic segments and rising customer appetite. Ever-increasing customer sentiment provides the Company with greater confidence on achieving enhanced sales on the back of an overall improvement in the demand scenario.

India as said, is the new global arena with strong growth in demand, are expected from the tier-2 and 3 cities. The Company's resilient position in all socio-economic segments of the branded readymade garments space in the domestic market will be a major growth driver for the Company. The continued focus of Company on overall cost rationalization and better working capital rotation has yielded better results YOY. The Company is poised to take advantage of its diversified set of brands and a planned expansion of distribution network. Refined efforts to maintain quality and scouting for new technology will promote growth, the Company has understood this on time. With all the improvements taking place, the management forecasts a performance to be reckoning with esteemed organizations in India Inc.

RISKS AND CONCERNS

Risk is an expression of the uncertainty about events and their possible outcomes that could have a material impact on performance and prospects.

The principal risk factor in current times is summarized as the collision of macro events on consumer outlook. Times of financial crisis are churning new trends, be it basic needs or fashion. Thus, the mood of consumer engulfs devastating change in their confidence, which resulted in lingering impact on discretionary expenditures.

Added to an existing turmoil, the branded readymade garments industry is again highly creative, competitive and rapidly changing. Any inability on the part of the Company to perceive and capitalize on prevailing trends, forecast of changing

Management Discussion And Analysis Report

(Contd.)

trends or failure to keep pace with the rate of such change will affect its growth prospects. Moreover, the Company's business is cyclical and subjected to seasonal fluctuations as the range of products in the readymade garments business changes according to the season. The basic readymade garments also have a tendency of going out of fashion and unless the Company continues to innovate and catches up with the latest trends. There is always a possibility that the popularity of its products will decline, resulting in decreased sales. Further, any slowdown or downturn in the Indian economy could adversely affect customers spending which in turn is likely to directly impact its sales and results of operations.

Last but not the least, there are also certain levies/cascading effects of taxes on the business which are proving to be a large burden, as there are no modes for the industry to recover or pass on these levies. Delay in the roll out of the GST regime is a looming issue.

Ecological control may also lead to an increase in the cost of effluent treatment and could undermine profit margins.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Effective governance consists of competent management; implementation of standard policies and processes; maintenance of an appropriate audit program with internal control environment effective risk monitoring and management information system (MIS).

The Company has appropriate and sufficient internal control systems in line with the size and the industry it operates in. The Company has a well laid framework of systems, processes, procedures and policies ensure compliance to statutes and laws, as well as ensure optimum and sufficient use of resources. The system is reviewed and updated on an ongoing basis with an objective to improve systems and efficiency of operations.

The Company has an integrated approach for management of risk and has formulated the framework for regulatory and risk management, standardizing the definition of internal controls. It also provides a framework for risk management and regulatory compliance, which requires risk assessment and related policies, a control based environment and activities information and communication procedures, and monitoring mechanism for the control environment.

The Company has a sound system of Internal Controls for financial reporting of various transactions, efficiency of operations and compliance with relevant laws and regulations commensurate with its size and nature of business. The Company also has a well defined process for ongoing management reporting, and periodic review of businesses so as to ensure alignment with strategic objectives and timely decision making.

These internal control procedures ensure the following:

- Efficient use and protection of resources.
- Compliance policies, procedures and statutes.
- Accuracy and promptness of financial reports.

The MIS forms an integral part of the Company's control mechanism. All operating parameters are monitored and controlled, with material deviations from the annual planning and budgeting and business outlook including capital expenditure reported to the board on quarterly basis.

Management Discussion And Analysis Report

(Contd.)

The internal audit function is carried out partly by internal resources and the balance activity is outsourced to chartered accountant firms. As part of the effort to evaluate the effectiveness of the internal control systems, the internal audit department reviews the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal audit department is ment by qualified and experience personnel's and reports directly to the audit committee of the board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

FINANCIAL PERFORMANCE ANALYSIS

REVENUES

In the financial year 2012-13, your Company's revenues grew 28 per cent to ₹ 579.47 Crores due to improved sales and higher volume growth.

EBIDTA

EBIDTA during the year stood at ₹ 4228.33 lacs as compare to ₹ 3641.20 lacs in the previous year.

INTEREST COST

Interest cost has increased to ₹ 1565.95 Lacs as against ₹ 1449.95 Lacs.

PROFIT AFTER TAX

The Company has achieved post tax profit of ₹ 1117.47 Lacs as against a post tax profit of ₹ 879.35 lacs last year.

INVENTORY

The inventory as at the end of current year is ₹ 12388.16 lacs as against ₹ 11631.27 lacs as at the end of the last year .The inventory has been valued at lower of cost or net realisable value.

DIVIDEND

The Company has proposed a dividend of ₹ 1.20/= per equity share of ₹ 10/= fully paid-up (i.e. 12% on the paid-up face value of equity shares).

LIQUIDITY

The cash generated from operations was ₹ 3706.09 lacs.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company believes that the people are the most valuable resource for any establishment and are the utmost valuable assets. The Company has laid down stringent measure to make sure that the safety and health of the workers is secured. We have ensured safety precautions at the all the manufacturing facilities of the Company to avoid work injuries. The Company has also laid focus on the needs of the people which would add to enrich their lifestyle. The Company strives to ensure best working conditions not only for their employees but also for the contractors of the Company and ensures that there are no compromises on their health and safety. The Company also encourages and supports its employees

Management Discussion And Analysis Report

(Contd.)

to upgrade their skills on a continual basis through organizing skill development programmes. Employees are also encouraged to participate in professional skills and training development courses.

The relations with Company's work force continue to very cordial and their unstinted co-operation has enabled the unit to achieve continuous growth, both quantitatively and qualitatively.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility has always being an integral part of the Dollar Group's vision and the corner stone of our Core Value of Good Corporate Citizenship. Company believes that a substantial business success cannot be achieved solely through maximizing short term profits. It requires market oriented yet responsible behavior. Dollar has a long tradition of community service and a strong sense of Corporate Social Responsibility towards various stakeholders viz. **Employees:** providing a competitive and challenging work environment that respects his health, having ethical recruitment, remuneration, promotion and other policies that allows him to move to better living condition, ensuring a safe working environment for them, having fair policies for the solution of the employee disputes; **Shareholders:** presenting a fair picture of the Company's financial position and profit/loss to the share holders; **Government:** providing the necessary information to the government as and when required, timely payment of the dues taxes and duties at the proper time by abiding by the laws and regulations of the area in which the Company operates, contributing to the economy through exports; **Customer:** adapting a value addition focus that is to look at every action of ours as to see whether it adds value in the eyes of our customer, enhancing products quality, ensuring reasonable price without discriminating amongst individual; **Investors:** giving the investors a true and fair picture of the financial condition of the business; **Suppliers:** making competitive and timely payments to the suppliers for the product purchased as well as maintaining and amicable relationship with them; **Competitors:** indulging in ethical and healthy competition for the betterment of the industry; **Society:** undertaking community development and area development programs and creating job opportunities; **Environment:** ensuring the purchase of environment friendly supplies, practice a pollution free process of production and having an efficient system for the disposal of waste. In short, the company is set an end-to-end manufacturing process which is as environment-friendly as possible.

Certification by CEO & CFO

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Certification by Whole Time Director – Chief Executive Officer (CEO) and Chief Financial Officer of the Company (CFO)

**The Board of Directors,
M/S. Dollar Industries Ltd.
'Om Tower', 32, J. L. Nehru Road,
Kolkata - 700 071.**

Dear Sirs,

In terms of Clause 49 of the Standard Listing Agreement, we, Vinod Kumar Gupta, Managing Director - CEO and R. N. Purohit, CFO, Certify that :

1. We have reviewed financial statements and the cash flow statements for the financial year 2012-13 and to our best of knowledge, belief and information –
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading ;
 - ii) these statement 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. To our best of knowledge, belief and information, no transaction entered into by the Company during the financial year 2012-13 are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls which we are aware and we have taken and propose to take requisite steps to rectify the deficiencies, if any.
4. We have indicated to the Auditors and the Audit Committee:
 - i) significant changes in internal control during the financial year ;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
5. We have not come across any instances of significant fraud committed by the management or an employee having significant role in the Company's internal control system.

We further declare that all the Board members and Senior management personnel have affirmed compliance of Code of Conduct for the year 2012-13.

For Dollar Industries Ltd.

Place : Kolkata
Date : 14.08.2013

Vinod Kumar Gupta
Managing Director & CEO

R. N.Purohit
Chief Financial Officer



Certification by CEO & CFO *(Contd.)*

ANNEXURE 'E'

Declaration for Compliance with the Code of Conduct of the Company as per Clause 49(I)(D)(ii) of Listing Agreement

I, Vinod Kumar Gupta, Managing Director of M/s. Dollar Industries Ltd. declare that as of 31st March, 2013 all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

For Dollar Industries Ltd.

Place : Kolkata
Date : 14.08.2013

Vinod Kumar Gupta
Managing Director & CEO

Certification of Compliance

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE AS REQUIRED UNDER THE LISTING AGREEMENT WITH STOCK EXCHANGES

To The Members of M/S. DOLLAR INDUSTRIES LTD.

I have examined the Compliance of Corporate Governance by M/S. Dollar Industries Limited for the financial year 2012-13, as stipulated in clause 49 of the Listing Agreement entered into by the said Company with Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has generally complied with the condition of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

I 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.

Place: Kolkata
Date: 14.08.2013

Sd/-
(SANTOSH KUMAR TIBREWALLA)
Practising Company Secretary
Membership No. : 3811
Certificate of Practice No. : 3982.



Independent Auditors' Report

TO THE MEMBERS OF DOLLAR INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Dollar Industries Limited**, which comprise the Balance Sheet as at **March 31, 2013**, and the Statement of Profit and loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2013**, and
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date.
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of

Independent Auditors' Report *(Contd.)*

India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 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.
- The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For AMIT VED GARG & CO.
Chartered Accountants
Firm Regn. No.325121E

Kolkata
May 30, 2013.

(CA. A. Garg)
Proprietor
Membership No.061677

Annexure To The Auditors' Report:

(Referred to in our report of even date to the members of Dollar Industries Limited on the Accounts for the year ended 31st March, 2013)

- (1) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets of significant value have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets.
- c) There was no substantial disposal of fixed assets during the year, which would affect the going concern assumption of the Company.
- (2) a) As explained to us, inventories have been physically verified by the management during the year at reasonable intervals.
- b) The procedure of physical verification of inventories followed by the company are, in our opinion, 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 inventory records of the Company, we are of the opinion that the Company is maintaining proper records of its inventory and no material discrepancies were noticed on physical verification of inventories, as compared to book records.
- (3) a) The company has granted unsecured loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,28,00,000/= and the year-end balance of the loan taken was ₹ 1,04,55,869/=.
- b) The company has taken unsecured loan from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 13,51,04,115/= and the year-end balance of the loan taken was ₹ 13,51,04,115/=.
- c) In our opinion, the terms and conditions on which the loans have been obtained from such parties covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- d) According to the information and explanations given to us, the Company has repaid the principal amounts as stipulated and have been regular in the payment of interest.
- e) There is no overdue amount of loan taken by the company from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control 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. We have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

Annexure To The Auditors' Report: (Contd.)

- (5) a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of five lac rupees in respect of any party during the year have been made at prices which are reasonable having regard to comparable prices at that time.
- (6) The Company has not accepted any deposit during the year from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (7) In our opinion, the Company has an internal audit system which is commensurate with its size and the nature of its business.
- (8) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (9) a) According to the books and records produced to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues as applicable to the Company. According to the information and explanations given to us there are no undisputed outstanding statutory dues as at the end of the year exceeding six months from the date they became payable.
- b) According to the records of the company and the information and explanations given to us and upon our enquiries in this regard, there are no dues as at the end of the year in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess as applicable to the Company which have not been deposited on account of any dispute.
- (10) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses in the financial year under report or in the immediately preceding financial year.
- (11) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The provision of any special statute applicable to chit fund/ Nidhi/ Mutual Benefit Fund/ Societies are not applicable to the Company.

Annexure To The Auditors' Report: *(Contd.)*

- (14) The company is dealing in shares, debentures and other investments and proper records of such transactions have been maintained. Such investments have been held by the company in its own name according to the information and explanations given to us.
- (15) According to the information and explanations given us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (16) On the basis of review or utilization of funds pertaining to term loans on overall basis and related information as made available to us, we are of the opinion that the Company has applied the term loans for the purpose for which they were obtained during the year.
- (17) Based on the information and explanations given to us and on an overall examination of the financial statements of the Company, *prima facie*, short term funds have not been used for long term purposes.
- (18) The company has not made any preferential allotment of shares to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (19) During the year, the Company has neither issued any debentures nor it has any outstanding debentures.
- (20) The Company has not raised any money by way of public issue during the year.
- (21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For AMIT VED GARG & CO.

Chartered Accountants

(CA. A. Garg)

Proprietor

Firm Regn. No.325121E

Membership No.061677

Kolkata

Date: May 30, 2013

Balance Sheet

AS AT 31ST MARCH, 2013

(Amount in ₹)

	Note	As At 31st March, 2013	As At 31st March, 2012
I) EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	2	77451600	77451600
b. Reserves & Surplus	3	808315450	708321185
		885767050	785772785
2. Non-Current Liabilities			
a. Long Term Borrowings	4	467206308	455433120
b. Deferred Tax Liabilities	5	48067524	63988413
		515273832	519421533
3. Current Liabilities			
a. Short Term Borrowings	6	1126276915	992511798
b. Trade Payables	7	316425407	248186472
c. Other Current Liabilities	8	415413405	296012367
d. Short Term Provisions	9	124801942	54287994
		1982917669	1590998631
Total		3383958551	2896192949
II) ASSETS			
1. Non-Current Assets			
a. Fixed Assets	10		
(i) Tangible Assets		531696194	555696647
(ii) Intangible Assets		337104	563039
(iii) Capital Work In Progress		25963756	4147845
b. Non-Current Investments	11	10000	10000
c. Long Term Loans and Advances	12	38584576	40783333
d. Other Non-Current Assets	13	0	33445109
		596591630	634645973
CURRENT ASSETS			
a. Inventories	14	1238816001	1163127072
b. Trade Receivables	15	1110007003	917817607
c. Cash and Cash Equivalents	16	233259976	74019694
d. Short Term Loans and Advances	17	169338797	71639665
e. Other Current Assets	18	35945144	34942938
		2787366921	2261546976
Total		3383958551	2896192949

Significant Accounting Policies and Notes on Financial Statements 1 to 36

As per our report of even date attached
 For **AMIT VED GARG & CO.**
 Chartered Accountants
(CA. A. Garg)
 Firm Regn. No.325121E
 Proprietor
 Membership No.061677
 Kolkata
 Date: May 30, 2013.

For and on behalf of the Board
(V. K. Gupta)
 (Managing Director)

(K. K. Gupta)
 (Director)

(S. Sinha)
 (Secretary)

Profit & Loss Account

Profit And Loss for the year ended 31st March, 2013

(Amount in ₹)

	Note	As At 31st March, 2013	As At 31st March, 2012
I) INCOME			
Revenue from Operations (Gross)	19	6040236503	4742655689
Less: Excise Duty		245515112	207225067
Revenue from Operations (Net)		5794721391	4535430622
Other Income	20	31098738	15449309
Total Revenue	Total	5825820129	4550879931
II) EXPENDITURE			
Cost of Materials Consumed	21	2779530431	2135255999
Change in Inventories of Finished Goods, Stock in-Process and Stock-in-Trade	22	-36994932	-98320763
Employee Benefits Expense	23	37347350	27481811
Finance Costs	24	187068495	162973440
Depreciation and Amortisation Expense		100412262	91122832
Other Expenses	25	2592630099	2104364149
Total Expenses		5659993705	4422877468
Profit Before Tax		165826424	128002463
Tax Expenses			
Current Tax		-70000000	-44000000
MAT Credit Entitlement		0	-5910751
Deferred tax		15920889	8059659
Short Provision for Tax Adjustments in respect of Earlier Years (Net)		0	1783199
Total Tax Expenses		-54079111	-40067893
Profit for the year		111747313	87934570
Earnings per equity share of face value of ₹ 10 each			
Basic and Diluted (in ₹)		14	11

Significant Accounting Policies and Notes on Financial Statements 1 to 36

 As per our report of even date attached
For **AMIT VED GARG & CO.**

 Chartered Accountants
(**CA. A. Garg**)

 Firm Regn. No.325121E
Proprietor
Membership No.061677

 Kolkata
Date: May 30, 2013.

 For and on behalf of the Board
(**V. K. Gupta**)

(Managing Director)

 (**K. K. Gupta**)
(Director)

 (**S. Sinha**)
(Secretary)

Cash Flow Statement

AS AT 31ST MARCH, 2013

(Amount in ₹)

	Current Year 2012 - 2013		Previous Year 2011 - 2012	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		165826424		128002463
Adjustments for :				
Depreciation	100412262		91122832	
Interest Income	-3321298		-2839022	
Profit on Sale of Fixed Assets	-7118019		-1775	
Financial Charges	187068495		162973440	
Deferred Revenue Expenditure Written Off	33445109	310486549	33445110	284700585
Operating profit before working capital changes		476312973		412703048
Adjustments for changes in working capital :				
(Increase)/Decrease in Trade Receivables	-192189397		-206712408	
(Increase)/Decrease in Inventories	-75688929		-131759585	
(Increase)/Decrease in Long Term Loans & Advances	2198757		-3884252	
(Increase)/Decrease in Short Term Loans & Advances	-26661916		-14344103	
(Increase)/Decrease in Other Current Assets	-1002206		17287193	
Increase/(Decrease) in Trade Payables	68238935		189308	
Increase/(Decrease) in Other Current Liabilities	119401038		6462825	
Net changes in working capital		-105703718		-32761022
Cash generated from operations		370609255		79942026
Taxes (Payment)/Refund	-70276338	-70276338	-31352957	-31352957
Net cash used (in)/from operating activities		300332917		48589069
B. Cash flow from Investing activities :				
Additions to fixed assets (Nett)	-69828732		-180991696	
(Increase)/Decrease in Investments	0		-10000	
Increase in Capital WIP	-21815911		-1647026	
Interest Received	3321298		2472557	
Net cash used in/from investing activities		-88323345		-80176165

Cash Flow Statement (Contd.)

AS AT 31ST MARCH, 2013

	Current Year 2012 - 2013	Previous Year 2011 - 2012
C. Cash flow from Financing activities :		
Interest & Financial Charges	-187068495	-162973440
Proceeds from Long Term Borrowings	11773188	169965204
Proceeds from Short Term Borrowings	132814011	138438443
Dividend Paid	-7745160	-7745160
Corporate Dividend Tax Paid	-2542834	-1146340
Net cash used in/from financing activities	-52769290	136538707
Net Increase/(Decrease) in Cash & Cash Equivalents	159240282	4951611
Cash and Cash Equivalents at the beginning of the year	74019694	69068083
Cash and Cash Equivalents at the end of the year	233259976	74019694

- Note :
- The above Cash Flow has been prepared under " Indirect Method " as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
 - This is the Cash Flow Statement referred to, in our report of even date.

As per our report of even date attached

For **AMIT VED GARG & CO.**
Chartered Accountants

(**CA. A. Garg**)
Proprietor
Membership No.061677

Kolkata
Date: May 30, 2013.

For and on behalf of the Board

(**V. K. Gupta**)
(Managing Director)

(**K. K. Gupta**)
(Director)

(**S. Sinha**)
(Secretary)

Note

Notes on Financial Statements for the Year ended 31st March, 2013

NOTE: 1 - SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Accounting

- (i) The financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.
- (ii) The Financial Statements are prepared to comply in all material aspects with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (iii) All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI (Revised) to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.
- (iv) The preparation of the Financial Statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialise.

(B) Fixed Assets & Depreciation

- (i) Fixed Assets are stated at cost less accumulated depreciation.
- (ii) Depreciation on all fixed assets except Land is provided on written down value method on pro-rata basis as per the rates prescribed under Schedule XIV of the Companies Act, 1956.
- (iii) The amount shown under the head "Capital Work in progress" has been appropriated towards respective fixed assets on their completion.
- (iv) Cost of the fixed assets not ready for their intended use at the Balance Sheet date together with all related expenses is shown as Capital Work in Progress/Intangible Assets under development.

(C) Revenue Recognition

- (i) Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.
- (ii) Revenue from sale of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract. Sales are inclusive of excise duty and delivery charges, if any and net of Trade Discounts. But incentive schemes, cash discounts and rebates are separately booked as expenditure. However, excise duty relating to sales is reduced from gross turnover for disclosing net turnover.

Note

Notes on Financial Statements for the Year ended 31st March, 2013

Note: 1 - Significant Accounting Policies (Contd.)

- (iii) Sale of power to Tamil Nadu Electricity Board (TNEB) is accounted for based on the meter reading as per the metering equipments of TNEB installed at the Power Grid.
- (iv) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (v) Other income is accounted for on accrual basis as and when the right to receive arises.

(D) Inventories

- (i) Raw Materials and finished goods are valued at Cost or Net Realisable value, whichever is lower.
- (ii) Cost of inventories comprises material cost on FIFO basis, labour and manufacturing overheads incurred in bringing the inventories to their present location and condition.
- (iii) Inter-divisional transfers are valued, either at works/factory costs of the transferor unit/division, plus other charges.

(E) Investments

Non-Current Investments are stated at cost. The diminution, if any, in the value of investment, is recognised when such diminution is considered other than temporary.

(F) Earning Per Share

- (i) Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- (ii) For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(G) Provisions, Contingent Liabilities and Contingent Assets

- (i) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- (ii) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
- (iii) A Contingent Asset is not recognized in the Accounts.

(H) Taxation

- (i) Current Tax: Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

Note

Notes on Financial Statements for the Year ended 31st March, 2013

Note: 1 - Significant Accounting Policies (Contd.)

- (ii) **Deferred Tax:** The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised only if there is a virtual certainty of their realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to obtain reassurance as to realisation.

(I) Foreign Currency Transactions

- (i) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency as at the date of the transaction.
- (ii) **Conversion :** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.
- (iii) **Exchange Differences :** Exchange differences arising on the settlement of monetary items are recognised as income or as expense in the year in which they arise.
- (iv) **Forward Exchange Contracts :** The Company enters into Forward Exchange Contracts which are not intended for trading or speculation purposes. The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit & Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of foreign exchange contract is recognised as income or expense for the year.
- (v) **Derivative Financial Instruments and Hedging :** The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions and interest rate risk. The method of recognizing the resultant gain or loss depends on whether the derivative is designated as Hedging instrument, and if so, the nature of the item being hedged. The carrying amount of a derivative designated as a hedge is presented as a current asset or a liability.
- (vi) **Cash Flow Hedge :** Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swap that qualifies as cash flow hedges are recorded in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30 - "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India. The gains or losses on designated hedging instruments that qualify as effective hedges are recorded in the Hedging Reserve account and are recognized in the statement of Profit and Loss in the same period or periods during which the hedge transactions affect Profit and Loss Account.

Note

Notes on Financial Statements for the Year ended 31st March, 2013

Note: 1 - Significant Accounting Policies (Contd.)

(J) Export Incentives

Export Incentives are accounted for on the basis of export sales effected during the period on accrual basis.

(K) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the asset exceeds the recoverable amount, an impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

(L) Employee Benefits

Contributions are made to Provident Fund and Employees State Insurance as per the provisions of Provident Fund Act and ESI Act respectively and are charged to the Profit and Loss account. The Company has no further obligations beyond its monthly contributions to the respective funds. Provision for gratuity and leave encashment are not made and are recognised as and when incurred. Termination benefits are recognised as expenditure as and when incurred.

(M) Borrowing Costs

- (i) Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.
- (ii) Other Borrowing costs are recognised as expense in the period in which they are incurred.

(N) Research & Development Expenses

Revenue expenditure on Research and Development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalized and is depreciated according to the policy followed by the Company.

(O) Leases

Assets taken on lease, under which all the risks and rewards of ownership are effectively retained by the lessor, are classified as operating lease. Operating Lease payments are recognised as an expense in the Profit & Loss Account on a straight line basis over the lease term.

(P) Material Events occurring after Balance Sheet date are taken into consideration.

Note

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	As At 31st March, 2013	As At 31st March, 2012
NOTE: 2 - SHARE CAPITAL		
2.1 Authorised Share Capital		
80,00,000 Equity Shares of ₹ 10/= each	80000000	80000000
Issued, Subscribed & Paid Up Share Capital		
77,45,160 Equity Shares of ₹ 10/= each	77451600	77451600

2.2 Reconciliation of number of shares outstanding at the beginning and at the end of the year

Name of the Shareholder	As At 31st March, 2013		As At 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the Year	7745160	77451600	7745160	77451600
Movement during the year	0	0	0	0
Equity Shares at the end of the Year	7745160	77451600	7745160	77451600

2.3 Terms/Rights, Preferences and Restrictions attached to the Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share which does not enjoy any preferential right or bear any restriction with regard to distribution of dividend or repayment of capital. Each holder of equity shares is entitled to one vote per share.

2.4 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	No of Shares	No of Shares
Equity Shares allotted as fully paid bonus shares	-	-
Equity Shares allotted as fully paid for consideration other than cash*	-	3206100
Equity Shares bought back	-	-

* The above represents Equity shares allotted on 29/03/2007 pursuant to scheme of amalgamation, without payment being received in cash.

2.5 Details of shareholders holding more than 5% shares of the Company

Name of the Shareholder	As At 31st March, 2013		As At 31st March, 2012	
	No. of Shares	% Held	No. of Shares	% Held
Simplex Impex Pvt Ltd	2673520	34.52	2673520	34.52
Shakuntala Exim Pvt Ltd	1000000	12.91	1000000	12.91
Dynamic Tie-up Pvt Ltd	599700	7.74	599700	7.74
Amtek Marketing Pvt Ltd	542400	7.00	542400	7.00

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

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	As At 31st March, 2013	As At 31st March, 2012
NOTE: 3 - RESERVES & SURPLUS		
3.1 General Reserve		
Balance as at the beginning of the year	100500496	100500496
Add: Transferred from Statement of Profit & Loss	0	0
Balance at the end of the year	100500496	100500496
3.2 Amalgamation Reserve		
Balance as at the beginning of the year	125362713	125362713
3.3 Hedging Reserve		
Balance as at the beginning of the year	0	0
Add: Movement during the year	-951106	0
Balance at the end of the year	-951106	0
3.4 Securities Premium Account		
Balance as at the beginning of the year	140000000	140000000
Add: Shares issued during the year	0	0
Balance at the end of the year	140000000	140000000
3.5 Surplus/(deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	342457976	263525025
Add: Profit during the year	111747313	87934570
Less: Appropriations		
Proposed Equity Dividend	-9294192	-7745160
Tax on Proposed Equity Dividend	-1507750	-1256459
Net surplus in the Statement of Profit and Loss	443403347	342457976
Total Reserves & Surplus		
Total	808315450	708321185
NOTE: 4 - LONG TERM BORROWINGS		
4.1 Secured		
Term Loan from Banks	214600000	250050000
Term Loan from Financial Institutions	0	709040
Unsecured		
Long Term Security Deposit	81473295	97774080
Loan from Related Parties	171133013	106900000
Total	467206308	455433120

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

4.2 Security

Loan from Bank and Financial Institutions for purchase of Fixed Assets are secured against the fixed assets purchased out of those loans.

4.3 Repayment Terms

- Term Loan from Allahabad Bank is repayable in 24 equated quarterly installments of ₹ 1,02,00,000/= starting from 30.06.2011 and the last instalment will be falling due on 30.06.2017.
- Term Loan from Allahabad Bank is repayable in 11 equated quarterly installments of ₹ 17,00,000/= starting from 30.12.2010 and the last instalment will be falling due on 30.06.2013.
- Term Loan from ICICI Bank is repayable in 20 equated quarterly installments of ₹ 50,00,000/= starting from 19.08.2012 and the last instalment will be falling due on 19.08.2017.
- Term Loan from ICICI Bank is availed only to the tune of ₹ 2,70,00,000/= out of the total loan sanctioned of ₹ 25,00,00,000/= and shall be repayable as per the final repayment schedule to be fixed by the bank.
- Term Loan from Kotak Mahindra Prime Ltd (NBFC) is repayable in 36 equated monthly installments of 59,535/= starting from 31.03.2011 and the last instalment will be falling due on 31.03.2014.
- Unsecured Loans are repayable at the will of the management or lenders after three years from the date of commencement.

4.4 The applicable rate of interest on the above term loans during the year are

- Term Loan from Allahabad Bank carries interest rate of 13.20% p.a. on reducing balance basis.
- Term Loan from Allahabad Bank carries interest rate of 12.20% p.a. on reducing balance basis.
- Term Loan from ICICI Bank Ltd carries interest rate of 13.25% p.a. on reducing balance basis.
- Term Loan from ICICI Bank Ltd carries interest rate of 13.00% p.a. on reducing balance basis.
- Term Loan from Kotak Mahindra Prime Ltd (NBFC) carries interest rate of 4.12% p. a. on reducing balance basis.
- Unsecured Loans from Related Parties carries interest rate of 9% p.a.

(Amount in ₹)

	As At 31st March, 2013	As At 31st March, 2012
NOTE: 5 - DEFERRED TAX LIABILITIES		
Fixed Assets: Impact of difference between depreciation as per Income Tax and depreciation charged for the financial reporting	37217931	42289226
Advertisement Expenses: Impact of carried forward deferred revenue expenditure	10849593	21699187
Total	48067524	63988413

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	As At 31st March, 2013	As At 31st March, 2012
NOTE: 6 - SHORT TERM BORROWINGS		
6.1 Secured		
Working Capital Loan from Banks	1126276915	992511798
Total	1126276915	992511798
6.2 Security		
Secured Loan From Banks are secured against first charge by way of hypothecation of raw materials, stocks, book debts, stores & spares and all other current assets created out of the bank's finance along with the future additions and also by the personal guarantee of the directors of the Company.		
NOTE: 7 - TRADE PAYABLES		
Trade Payables (Including Acceptances)	316425407	248186472
Total	316425407	248186472
NOTE: 8 - OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Above amount is repayable within a year)	65141864	65924498
Interest accrued and due on borrowings	11358903	1233013
Statutory Dues Payables	30869668	27867965
Other Payables	308042970	200986891
Total	415413405	296012367
NOTE: 9 - SHORT TERM PROVISIONS		
Provision for Income Tax	114000000	44000000
Provision for Proposed Dividend	9294192	7745160
Provision for Corporate Dividend Tax	1507750	2542834
Total	124801942	54287994

Note

(Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

NOTE : 10 - FIXED ASSETS

Sl No.	Description	Deprn. Rate	Gross Block			Depreciation			Net Block			
			As at 01/04/2012	Addition	Deductions/ Adjustments	As at 31/03/2013	For the Year	Deductions/ Adjustments	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012	
Tangible Assets												
1.	Land	-	24584267	259660	-11442038	13401889	0	0	0	13401889	24584267	
2.	Land - Mill	-	33790000	0	0	33790000	0	0	0	33790000	33790000	
3.	Building	10.00%	48775629	412193	0	52897422	13516606	3735960	0	17252586	35644836	35259023
4.	Building - Mill	10.00%	124006172	0	0	124006172	17528492	10659094	0	28187586	9818586	106477680
5.	Building - Process Unit	10.00%	0	5788715	0	5788715	0	0	0	5788715	0	
6.	Computers & Accessories	40.00%	5659259	629540	0	6288799	4216854	716817	0	4933671	1355128	1442405
7.	Plant & Machinery	13.91%	31678434	8978102	0	40656536	9138146	3646241	-6237	12778150	27876396	22540288
8.	Furniture & Fixtures	18.10%	4988782	736141	0	5724923	2354186	533691	0	2887877	2837046	2634596
9.	Motor Cars	25.89%	15543383	2486969	-451216	17579136	6514534	2577362	-306073	8785823	8793313	9028849
10.	Motor Cycles	25.89%	1217036	61070	-43405	1234701	744838	132364	-35686	841516	393185	472198
11.	Wind Mill	15.33%	216592134	53740403	0	270332537	57841595	32371723	0	90213318	180119219	158750539
12.	Plant & Machinery	27.82%	20966851	7331626	-109100	28189377	5769362	4811364	0	10580726	17608651	15197489
13.	Plant & Machinery - Mill	27.82%	205300265	3464296	0	208764561	63097183	40151243	0	103248426	105516135	142203082
14.	Electrical Installations	27.82%	3809143	84969	0	3894112	1046072	768862	0	1814934	2079178	2763071
15.	Tools & Accessories	27.82%	658005	200353	0	858358	104845	81586	0	186431	671927	553160
			737569360	87883637	-12045759	813407238	181872713	100186327	-347996	281711044	531696194	5558696647
Intangible Assets												
16.	Computer Software	40.00%	885220	0	0	885220	322181	225935	0	548116	337104	563039
	Total		885220	0	0	885220	322181	225935	0	548116	337104	563039
	Previous Year		738454580	87883637	-12045759	814292458	182194894	100412262	-347996	282259160	532033298	5562596686
	Capital Work In Progress		557478636	180996696	-20752	738454580	91089588	91122832	-17527	182194893	556259696	466389048
			0	0	0	0	0	0	0	0	25963756	4147845

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

NOTE: 11 - NON-CURRENT INVESTMENTS

	Face Value	As At 31st March, 2013 (No.)	As At 31st March, 2012 (No.)	As At 31st March, 2013 (Amount)	As At 31st March, 2012 (Amount)
Trade Investments (Valued at Cost unless stated Otherwise)					
Investment in Equity Instruments (Unquoted)					
West Bengal Hosiery Park Infrastructure Ltd	10	1000	1000	10000	10000
Aggregate of Unquoted Investments				10000	10000

(Amount in ₹)

	As At 31st March, 2013	As At 31st March, 2012
--	------------------------	------------------------

NOTE: 12 - LONG TERM LOANS AND ADVANCES

Unsecured		
Capital Advances	27000000	27000000
Security Deposits	11584576	13783333
Total	38584576	40783333

NOTE: 13 - OTHER NON-CURRENT ASSETS

Unamortised Expenses	0	33445109
Total	0	33445109

NOTE: 14 - INVENTORIES

As taken, valued and certified by the Management		
Raw Materials	680376707	641682710
Stock-in-Trade (Finished Goods)	558439294	521444362
Total	1238816001	1163127072

NOTE: 15 - TRADE RECEIVABLES

(Unsecured, considered good)		
Debts outstanding for a period exceeding six months from the date they became due for payment	14517290	12512310
Other debts	1095489713	905305297
Total	1110007003	917817607

Note

(Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	As At 31st March, 2013	As At 31st March, 2012
NOTE: 16 - CASH AND CASH EQUIVALENTS		
Cash on hand	1197718	590719
Balances with Banks - Current Accounts	200812850	67754057
Other Bank Balances - Deposits with original maturity for more than 3 months but less than 12 months	31249408	5674918
Total	233259976	74019694

NOTE: 17 - SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Loans & Advances to related parties	9550000	0
Other Loans & Advances	8222815	11522815
Advances (Recoverable in cash or in kind or for value to be received) :		
Income Tax	96215707	25550448
Other Receivables	27631373	21844315
Pre-Paid Expenses	14128174	0
Trade & Misc. Advances	13590728	12722087
Total	169338797	71639665

NOTE: 18 - OTHER CURRENT ASSETS

Interest Accrued But not Due		
- On Bank's Fixed Deposits	390238	244540
On Other Loans & Advances	2109797	1253288
Unamortised Expenses	33445109	33445110
Total	35945144	34942938

(Amount in ₹)

	Current Year 2012-2013	Previous Year 2011-2012
NOTE: 19 - REVENUE FROM OPERATIONS		
Sale of Products :		
Exports	465212864	334178977
Domestic	5472373791	4330741711
	5937586655	4664920688

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	Current Year 2012-2013	Previous Year 2011-2012
Other Operating Revenue :		
Sale of By-products/Cotton Waste	41608169	39680493
Duty Drawback	31947067	23007754
Sale of Wind Energy	29094612	15046754
Revenue from Operations (Gross)	6040236503	4742655689
Less: Excise Duty	245515112	207225067
Total	5794721391	4535430622

NOTE: 20 - OTHER INCOME

Interest Income	3321298	2839022
Industrial Promotion Assistance	3235992	2733661
Interest Incentives (TUFS)	3139365	0
Export Incentives	224412	31418
Claims & Discounts Received	14059652	9804766
Commission	0	38667
Profit On Sale of Fixed Assets	7118019	1775
Total	31098738	15449309

NOTE: 21 - COST OF MATERIALS CONSUMED

21.1 Inventory at the beginning of the year	641682710	608243888
Add: Purchases	2818224428	2168694821
Less: Inventory at the end of the year	680376707	641682710
Cost of Materials Consumed		
Total	2779530431	2135255999

21.2 Details of Raw Material & Component Consumed

Cotton	356831658	366369938
Yarn	815937525	624614210
Fabric	1430978119	1002235345
Other Raw Materials	185783129	142036506
Total	2789530431	2135255999

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	Current Year 2012-2013	Previous Year 2011-2012
21.3 Details of Inventory at the end of the year		
Cotton	63176575	66897311
Yarn	79203292	120676410
Fabric	473582886	425787058
Other Raw Materials	64413954	28321931
Total	680376707	641682710
NOTE: 22 - CHANGES IN INVENTORY OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished Goods	558439294	521444362
Total (A)	558439294	521444362
Inventories at the beginning of the year		
Finished Goods	521444362	423123599
Total (B)	521444362	423123599
Change in Inventory		
Total (A-B)	36994932	98320763
NOTE: 23 - EMPLOYEE BENEFITS EXPENSE		
Salary & Bonus	17209358	17630181
Machine Operator Wages	12852952	4113665
Canteen Expenses (Nett)	1805580	1590778
Staff Recruitment Expenses	279460	247187
Managerial Remuneration	5200000	3900000
Total	37347350	27481811
NOTE: 24 - FINANCE COSTS		
Interest Expense		
- On Working Capital Loans	116880833	98692670
- On Term Loans	26668752	40965679
- On Others	13045059	5336502
Applicable Net Gain/Loss on Foreign Currency Transactions and Translations	30473851	17978589
Total	187068495	162973440

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	Current Year 2012-2013	Previous Year 2011-2012
NOTE: 25 - OTHER EXPENSES		
25.1 Manufacturing Expenses		
Bleaching & Dyeing Charges	400648431	344249299
Knitting Charges	67439135	58884859
Cutting Charges	53131317	42457369
Stiching Charges	599681864	434873951
Elastic Making Charges	7224047	0
Gas Expenses	1292058	773328
Carriage Inward	26212104	18177335
Electrical Maintenance Expenses	1276373	23544
Electricity Expenses	38433373	36264117
Generator Maintenance Expenses	43088740	10244775
Machinery Maintenance Expenses	5847748	93369
Selling & Distribution Expenses		
Advertisement & Publicity	380233110	368150220
Freight Charges	75064086	59039954
Ocean Freight Charges	7271021	4978295
Packing & Forwarding Charges	5517628	4013167
Octroi Charges	8076458	4030230
Selling Expenses	23911478	19295259
Schemes, Discounts & Rebates	505191102	436225855
Selling Commission	70326901	53291278
Establishment Expenses		
Brokerage	1093736	701333
Rent	11707380	7061784

Note

(Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	Current Year 2012-2013	Previous Year 2011-2012
Telephone Expenses	1462402	1355006
Sales Incentives	151109969	122883792
Sales Promotion Expenses	36703376	21249729
Generator Expenses	1271008	1044488
Computer Consumables	908710	950410
Membership & Subscription	142062	306123
Electricity Charges	4534908	3186663
Brand Royalty	2541295	2003347
Professional Fees	3424501	3013063
Insurance Charges	2369190	1820150
Sales Tax (Assessment Dues)	3230216	161679
Sample Testing Charges	212377	137389
Travelling & Conveyance Expenses	4095146	2919973
Bad Debts/Balances Written Off (Nett)	7634284	598144
Printing & Stationery	1653701	1269803
General Expenses	4781102	3947788
Postage & Stamps	2047980	1452421
Filing Fees	13085	6298
Lease Rent	180000	180000
Legal Charges	1231067	1472459
Vehicle Expenses	3170735	3564826
Motor Cycle Expenses	867513	586456
Delivery Charges	5850184	5471779
Excise Duty Paid	157645	0
Repairs & Maintenance	10403736	7619001
Security Service Charges	2461594	2161970
Stock Exchange Listing Fee	30163	28001
Registrar's Fee	19382	9928
Rates & Taxes	428997	1020943
Bank Charges	6745681	10843199
Payment to Auditors	280000	270000
Total	2592630099	2104364149

Note

(Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

	Current Year 2012-2013	Previous Year 2011-2012
25.2 Payment to Auditors includes:		
a) Audit Fees		
- Statutory Fees	225000	225000
- Tax Audit Fees	25000	25000
- VAT Audit Fees	5000	5000
b) Other Services	25000	15000
Total	280000	270000

26 Details of Transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as under:

- a) Key Management Personnel :
 - 1) Mr Din Dayal Gupta, Chairman
 - 2) Mr Vinod Kumar Gupta, Managing Director
 - 3) Mr Binay Kumar Gupta, Whole Time Director
 - 4) Mr Krishan Kumar Gupta, Whole Time Director
 - 5) Mr Bajrang Lal Gupta, Whole Time Director
- b) Relatives of Key Management Personnel :
 - 1) Mr Ramesh Kumar Gupta
 - 2) Mrs Anita Gupta
 - 3) Mrs Nitu Gupta
- c) Enterprises owned or significantly influenced by the Key Management Personnel or their relatives :
 - 1) Goldman Trading Pvt Ltd
 - 2) Simplex Impex Pvt Ltd
 - 3) Amicable Properties Pvt Ltd
 - 4) Sri Venkateshwara Knitting
 - 5) L. M. Garments
 - 6) Bhawani Textiles
 - 7) Sree Krishna Enterprise
- d) Details of transactions with related parties during the year/previous year

Note

(Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

Nature of Transaction	1*	2*	3*	Total
A) Transactions during the year :				
Director Remuneration				
1. Vinod Kumar Gupta	1600000	-	-	1600000
	(1200000)			(1200000)
2. Binay Kumar Gupta	1200000	-	-	1200000
	(900000)			(900000)
3. Krishan Kumar Gupta	1200000	-	-	1200000
	(900000)			(900000)
4. Bajrang Lal Gupta	1200000	-	-	1200000
	(900000)			(900000)
Rent				
1. Vinod Kumar Gupta	309924	-	-	309924
	(304275)			(304275)
2. Krishan Kumar Gupta	69468	-	-	69468
	(69468)			(69468)
3. Bajrang Lal Gupta	277308	-	-	277308
	(276000)			(276000)
4. Goldman Trading Pvt Ltd	-	-	840000	840000
			(84000)	(84000)
5. Sri Venkateshwara Knitting	-	-	500000	500000
			(0)	(0)
Brand Royalty				
1. Bhawani Textiles	-	-	2541295	2541295
			(2003347)	(2003347)
Knitting Charges				
1. Sri Venkateshwara Knitting	-	-	1930404	1930404
			(4079293)	(4079293)
Cutting & Sticking Charges				
1. L. M. Garments	-	-	31054704	31054704

Note

(Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

			(25303701)	(25303701)
2. Ramesh Kumar Gupta	-	1183949	-	1183949
		(1196170)		(1196170)
Bleaching & Dyeing Charges				
1. Sree Krishna Enterprise	-	-	20994340	20994340
			(17625223)	(17625223)
Commission Paid				
1. Ramesh Kumar Gupta	-	1926619	-	1926619
		(1637976)		(1637976)
Interest Paid				
1. Simplex Impex Pvt Ltd			9384159	9384159
			(1370014)	(1370014)
2. Amicable Properties Pvt Ltd	-	-	2805954	2805954
			(0)	(0)
Interest Received				
1. Sri Venkateshwara Knitting	-	-	1006521	1006521
			(0)	(0)
B) Closing balances as at the year end :				
Loan Taken				
1. Simplex Impex Pvt Ltd			103178756	103178756
			(78833013)	(78833013)
2. Amicable Properties Pvt Ltd	-	-	31925359	31925359
			(29300000)	(29300000)
Loan Given				
1. Sri Venkateshwara Knitting	-	-	10455869	10455869
			(0)	(0)
Payables				
1. Ramesh Kumar Gupta	-	1893559	-	1893559
		(882602)		(882602)
2. Bhawani Textiles	-	-	4540909	4540909

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

(Amount in ₹)

			(2953744)	(2953744)
3. L. M. Garments	-	-	1086858	1086858
			(912843)	(912843)
4. Bajrang Lal Gupta	749087	-	-	749087
	(749087)			(749087)
5. Sree Krishna Enterprise	-	-	3808761	3808761
			(4323163)	(4323163)
Receivables				
1. Sri Venkateshwara Knitting	-	-	1272442	1272442
			(2882341)	(2882341)

*1. Key Management Personnel.

*2. Relatives of Key Management Personnel.

*3. Enterprises over which key management personnel and their relatives exercise significant influence.

Notes:

- The related party relationship is as identified by the Company and relied upon by the Auditors.
- Transactions with related parties have been disclosed for the period of existence of relationship. Previous year transactions with parties that have ceased to be related parties in the current year have been excluded in above details as the relationship did not exist.
- Figures in bracket are those as at and for the year ended 31st March, 2012.

Earnings Per Share (EPS) :

(Amount in ₹)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	111747313	87934570
Weighted average number of Equity Shares of ₹ 10/= each outstanding during the year:	7745160	7745160
Earnings Per Share (Basic & Diluted)	14	11
Face Value per equity shares	10	10

Note (Contd.)

Notes on Financial Statements for the Year ended 31st March, 2013

- 28 No employee of the company is in receipt of remuneration in excess of the amount specified U/s 217 (2A) of the Companies Act, 1956.
- 29 Provision is made for Income tax liability estimated to arise on the financial results for the year at the current rate of tax in accordance with the provisions of Income Tax Act, 1961.
- 30 Balances and transactions of parties appearing under the head Debtors, Creditors and Advances are subject to confirmations. In opinion of the Directors, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business. The provision for depreciation and other known liabilities are adequate and not in excess of the amount reasonably necessary.
- 31 The Company has not received any intimation from the 'suppliers' under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
- 32 Contingent Liability not provided for in respect of :
- (i) Bank Guarantee ₹ 18.73 Lacs (Previous Year: ₹ 18.73 Lacs)
- (ii) Central Excise Matters (Under Appeal) ₹ 3.06 Lacs (Previous Year: ₹ 3.06 Lacs)
- 33 The company has only one main business segment "Hosiery Goods". Further, since virtually all sales are effected in the domestic market, there is only one geographical segment. Therefore the disclosure requirements for "Segment Reporting" are not applicable to the company.
- 34 Foreign Exchange Earnings and Outgo : (Amount in ₹)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Earnings in Foreign Currency	4356.21	3150.65
Expenditure in Foreign Currency	429.25	406.66

- 35 Value of imported and indogenous raw materials and components, stores and spare parts consumed and percentage of each to the total consumption :-

	Amount (in ₹)		Percentage	
	2012-13	2011-12	2012-13	2011-12
Raw Materials				
Indigenous	2769385084	2135255999	100	100
Imported	10145347	0	0	0
	2779530431	2135255999	100	100

Note *(Contd.)*

Notes on Financial Statements for the Year ended 31st March, 2013

36 Comparative Financial information (i.e. the amounts and other disclosure for the preceding year) presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

As per our report of even date attached

For **AMIT VED GARG & CO.**
Chartered Accountants

(**CA. A. Garg**)
Proprietor

Membership No.061677
Kolkata
Date: May 30, 2013.

For and on behalf of the Board

(**V. K. Gupta**)
(Managing Director)

(**K. K. Gupta**)
(Director)

(**S. Sinha**)
(Secretary)



THIS PAGE IS INTENTIONALLY LEFT BLANK

DOLLAR INDUSTRIES LIMITED

32, J. L. Nehru Road, 12th Floor, Kolkata – 700 071.

PROXY FORM

I/We.....in the district of
being a member/members of the Company hereby appoint
of.....or failing
 him/her.....of.....in the district of
 as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 15 E, Shib Krishna Daw Lane, Phool Bagan, Kolkata – 700 054 on 20th September, 2013 at 11.30 A.M. and at any adjournment(s) thereof.

Signed this day of 2013

Signature.....



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

*Those who hold shares in demat form must quote their Demat A/c No. and Depository Participant (DP) ID No. and Client ID No.

..... Tear Here.....

DOLLAR INDUSTRIES LIMITED

32, J. L. Nehru Road, 12th Floor, Kolkata – 700 071.

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting held at 15 E, Shib Krishna Daw Lane, Phool Bagan, Kolkata – 700 054 on 20th September, 2013 at 11.30 A.M.

Full name of the Shareholder /
 Proxy* attending the Meeting

Folio No.

DP ID No.....and Client ID No.....

No. of shares

Full Name of Shareholder.....

(if the proxy attends instead of the shareholder).

.....
Signature Shareholder/Proxy holder

* Delete whichever is not applicable.

(Member/Proxy attending the Meeting must fill in this attendance slip and hand it over at the entrance of the Meeting hall)



DOLLAR INDUSTRIES LTD.

(AN ISO 9001: 2008 CERTIFIED ORGANISATION)

Om Tower | 12th Floor | 32 J. L. Nehru Road | Kolkata - 700 071 | India

Phone: 2288 4064-66 | Fax: (033)2288 4063 | Email: bhawani@dollarinternational.com | www.dollarinternational.com

BRANCH

8/624 Avinashi Gounder Palayam | Behind West Coast Industries | Angeripalayam Road | Tirupur - 641 603 | India

Phone: (0421)248 5716, 247 4101, 247 4104 | Fax: (0421) 247 4102 | Email: tirupur@dollarinternational.com