



VYAPAR INDUSTRIES LIMITED

ANNUAL REPORT (2012-2013)

BOARD OF DIRECTORS

Abbas A Rassai	-	Chairman
Hussain A Rassai	-	Joint Chairman
Akil A. Rassai	-	Managing Director
Ramesh W. Lalwaney	-	Director
Parvez M.Master	-	Director
Hussain M. Cementwala	-	Director

AUDITORS

Salim A. Kantawala
Chartered Accountant, Mumbai

EQUITY SHARES ARE LISTED ON

Bombay Stock Exchange

REGISTER AND SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED.

E, 2/3, Ansa Industrial Estate,
Sakivihar, Sakinaka,
Andheri (East), Mumbai 400 072.
Ph: 022-28470652/53, 40430200

DATE OF AGM

September 30, 2013

DAY

Monday

TIME

3.00 p.m



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th Annual General Meeting of the members of VYAPAR INDUSTRIES LIMITED will be held at 145, S. V. Road, Khar (West), Mumbai - 400 052 on Monday, September 30, 2013 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report.
2. To appoint a Director in place of Mr. Abbas A. Rassai who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Ramesh W. Lalwaney who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors to hold office from the conclusion on this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy in order to be effective, should be duly completed, stamped and signed, and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
3. Members are requested to bring their copies of the Annual Report to the Meeting. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
4. Members are requested to advise immediately change in their address, if any, quoting their Folio number(s) to the company.
5. The Register of Members and Shares Transfer Books of the Company will remain closed from Tuesday, September 24, 2013 to Monday, September 30, 2013 (both days inclusive)
6. In order to receive copies of Annual Reports and other communication through e-mail, Members are requested to register their e-mail addresses with the company by sending their e-mail to vyapar@vyaparindustries.com

For and on behalf of the Board

**Abbas A. Rassai
Chairman**

Registered Office:

145, S.V. Road, Khar (W),
Mumbai-400 052.
May 29, 2013



ANNEXURE TO THE NOTICE

Information under Clause 49 of the listing agreement with respect to directors seeking reappointment in this annual general meeting

Item No. 2

1. Name	Shri Abbas A. Rassai
2. Date of Birth	2nd February, 1941
3. Profession	Business
4. Qualification	B.Com.
5. List of other Directorship held excluding private companies	NIL
6. Chairman / Member of the committee of Board of Director of the company	NIL
7. Chairman / Member of the committee of Board of Director of the other company	NIL
8. Expertise in specific functional area	In the field of Manufacturing & Marketing of Yarn

Item No. 3

1. Name	Shri Ramesh W. Lalwaney
2. Date of Birth	11th December, 1950
3. Profession	Professional
4. Qualification	B.Sc., P.G., DBA, DIS, Master in Law (Gold Medalist)
5. List of other Directorship held excluding private companies	None
6. Chairman / Member of the committee of Board of Director of the company	3 (Three)
7. Chairman / Member of the committee of Board of Director of the other company	None
8. Expertise in specific functional area	In the field of Legal Consultancy

**DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their 28th Annual Report of the Company along with the audited statements of accounts for the year ended March 31, 2013.

OPERATING AND FINANCIAL REVIEW

(Amount in Rs.)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Sales	57,11,65,147	77,83,07,038
Other Income	3,25,77,130	1,98,22,273
Total Expenditure	58,62,67,036	74,43,22,007
Depreciation	6,66,804	139,757
Profit before exceptional items	1,68,08,437	5,36,67,547
Exceptional Items	–	2,95,05,533
Profit before Tax	1,68,08,437	2,41,62,014
Provision for Taxes		
Current	25,18,900	3,55,306
Deferred	23,36,717	1,10,75,218
MAT	8,44,100	44,78,969
Profit (Loss) after Taxes	1,11,08,720	82,52,521
Opening Balance (surplus)	(1,21,50,567)	(2,02,46,126)
Add Profit for the year	1,11,08,720	82,52,521
	(10,41,847)	(1,19,93,605)
Appropriation		
Transferred from General Reserves	–	–
Excess Provision for Gratuity	–	–
Excess Provision for FBT	–	(100)
Short/(Excess) Provision for FBT A/Y08-09	–	1,04,720
Short/(Excess) Provision for FBT A/Y09-10	–	52,342
Balance Carried to Reserves & Surplus	(10,41,847)	(1,21,50,567)

Note- Sales figures mentioned above are presented after making adjustment in exchange difference.

DIVIDEND

In view of the accumulated loss and to conserve the resources of the Company, the Board of Directors of the Company has not recommended any dividend for the year 2012-13.

CAPITAL

The company's present paid up capital stands at Rs. 10,89,50,000 comprising of 1,08,95,000 equity shares of Rs. 10/- each, All the GDR's of the company have been converted into shares and underlying securities to Foreign Depository stands NIL as on date.



OPERATIONS

During the year under review the sales turnover registered fall from Rs. 77,83,07,038 to Rs. 57,11,65,147. The existing business has been effected by adverse market conditions prevailing in the market which was fired by shooting prices of Yarn prevailing in the market. The Company imports yarn from China and sells in local market. Company is getting most of its yarn air spliced which makes its knot less. This is value addition for the Company's product, to be well accepted in local market. Company has posted a profit before tax of Rs. 1,67,51,492/- during the year in comparison to profit of Rs. 2,41,62,014/- in the last year.

Yarn & Thread will be the thrust areas of business for the Company in the Coming years. The Company's Yarn and thread products are very well accepted due to the ISO certification, quality improvement and timely delivery policy. The company has concentrated on its goals of consolidating and strengthening its marketing network, delivering quality products and cutting cost wherever possible.

Various organization development initiatives were undertaken during the year. These are expected to help create a robust organization based on strong values, uniform and systematic business processes and people empowerment. Your company is planning to enter into new field of Solar Power Generation.

The Management Discussion and Analysis Report deals with the operations of your Company in detail and forms part of this Annual Report.

Your directors are hopeful of better results for the company in the current year.

LISTING OF EQUITY SHARES

The Company's equity shares are listed on the Bombay Stock Exchange and the listing fee for the year 2013-14 has been paid.

PUBLIC DEPOSITS

The Company has not invited and / or accepted any deposits, during the year.

CASH FLOW STATEMENT

Cash flow statement pursuant to Clause 32 of the listing agreement is attached herewith.

DIRECTORS

Mr. Abbas A. Rassai & Mr. Ramesh W. Lalwaney, Directors of the Company retires at the ensuing Annual General meeting and being eligible offer themselves for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Management and after due enquiry, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have, in the selection of the accounting policies, consulted the statutory auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made 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 that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

SUBSIDIARIES

Company do not have any subsidiary as on the date of report.



CORPORATE GOVERNANCE

Your Company being a professionally run company, has always believed in transparency and accountability. Your Company is fully compliant with the revised Clause 49 of the Listing Agreement. A report on Corporate Governance is attached to this report.

AUDITORS AND THEIR OBSERVATIONS

Salim A. Kantawala, Chartered Accountants retire as Auditors at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members will be required to appoint Auditors for the current year and fix their remuneration.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained written certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

With regard to the Auditors observations, the same have been duly explained in the notes, hence does not require any further clarifications.

PARTICULARS ON CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

This information is required as per 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 and forming part of the Directors' Report for the year ended March 31, 2013.

Since the Company's operations involve low consumption of energy, the Company has no comments to offer as far as (a) conservation of energy and (b) Technology absorptions are concerned.

FOREIGN EXCHANGE

Foreign exchange earned during the period under consideration was NIL.

Foreign exchange expenditure incurred during year amounted to Rs. 22,92,81,093/-.

PARTICULARS OF EMPLOYEES

Particulars of the employees under the provision of section 217 (2A) of the Companies Act, 1956 are not given as no employees was in receipt of remuneration exceeding Rs. 60,00,000/- p.a. if employed for the full year or Rs. 5,00,000/- p.m. if employed for part of the year.

ACKNOWLEDGEMENTS

The Directors would like to thank all clients, Bankers and Government of Maharashtra for the un-stinted support received from them during the year.

The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board

Abbas A. Rassai
Chairman

Dated: May 29, 2013

Place: Mumbai

MANAGEMENT'S DISCUSSION AND ANALYSIS

India - Today

India today, is a fast emerging economic super power. With a population of a strong 300 million and the world's largest middle class population, it unleashes the latent strength of popular consumerism while reshaping both business & the way of life. With the surging trend in all sectors, International Trade Journals have rightly billed India as one of the fastest growing economies in the world. Strong and buoyant demand, increasing purchasing power in the hands of younger population and overall structural and inclusive growth on the macro-economic front acted as external impetus' contributing to this growth.

A. INDUSTRY OVERVIEW

India - Heritage in Textiles

Indian textiles have a legendary heritage through the ages. Some of the best attires of Greeks & Romans were draped with Indian textiles. European settlers exchanged silver & gold for Indian textiles, which became the fashion statement of the period. Calico, Pajamas, Gingham, Dungaree, Chintz & Khaki these apparel names are Indian contributions to the English language.

1. Indian Textile Industry - An overview

- 1.1 The Polyester / Viscose industry is one of the key industries in the Indian economy and India is today one of the leading countries in the world as far as trade is concerned. Though new opportunities are rapidly emerging India's future position will largely depend on how effectively the Industry and Government are able to resolve core issues and take advantage of an increasingly fragmented industry structure. The Industry, which is one of the oldest in existence, has promoted economic development even in far-flung areas of the country, both urban and rural. Two of the highly developed metropolises of Modern India like Mumbai and Ahmedabad grown over the years have the main business base of textile industry.
- 1.2 Thanks to the fast growing consumer class and increasing disposable incomes, per capita domestic consumption of textiles & apparels is expected to have huge volume growth.
- 1.3 India's cotton textile & garment industry has immense export potential. Cost competitiveness backed by international quality is driving the penetration of Indian basic yarns and grey fabrics in global commodity market, as a result of which apparels can be manufactured in relatively small batch lots. This flexibility offers larger variety of casual wear and leisure garments at cost effective levels.
- 1.4 With a projected two fold increase in the size of the global textile market in the next 4 years, the National Textile Policy has targeted India's export revenues to 50 billion US dollars by the year end.
- 1.5 Besides natural fibers like cotton, jute & silk, synthetic raw material products such as polyester staple fiber, polyester filament yarn, acrylic fiber and viscose fiber are produced in a mass scale. That presents the wide canvas of the Indian textile scene with wider opportunities.

2. Solar Energy - An overview

Despite the overwhelming availability of solar power, little was installed compared to other power generation, prior to 2012, due to the high installation cost. This cost has declined as more systems have been installed, and has followed a typical learning curve.

Solar Energy in India has just started to take-off. It is expected that due to the various advantages that PV Solar offers, it will far surpass Wind energy in the Country. With a boost by the Government in 2009-10 under Jawaharlal Nehru Solar Mission, Solar Energy is all set to take the center stage for a long time to come.

Although PV Solar is already quite competitive and in most certain cases PV Solar Projects can become financially viable even in the absence of subsidies. Industrial plants and commercial facilities in several



states are paying a very high price for power - INR 7.0 per kWh and above. In any case PV Solar makes tremendous sense for replacement of D.G. Sets which run during the day.

Solar energy is genesis for all forms of energy. This energy can be made use of in two way the Thermal route i.e. using heat for drying, heating, cooking or generation of electricity or through the Photovoltaic route which converts solar energy in to electricity that can be used for a myriad purposes such as lighting, pumping and generation of electricity. With its pollution free nature, virtually inexhaustible supply and global distribution - solar energy is very attractive energy resource.

Solar Energy can be utilized for varied applications. So the answer to "Why Solar" question can be sought from two different perspectives: utilizing solar energy for grid-interactive and off-grid (including captive) power generation.

2.1 India's Unique Proposition

- Economic Value : the generation of solar electricity coincides with the normal peak demand during daylight hours in most places, thus mitigating peak energy costs, brings total energy bills down, and obviates the need to build as much additional generation and transmission capacity as would be the case without PV.
- Geographical Location : India being a tropical country receives adequate solar radiation for 300 days, amounting to 3,000 hours of sunshine equivalent to over 5,000 trillion kWh. Almost all the regions receive 4-7 kWh of solar radiation per sq.mtrs. with about 2,300-3,200 sunshine hours/year, depending upon the location.

2.2 Generation based Incentive Scheme

The Ministry of New Renewable Energy has already introduced Generation Based Incentive (GBI) schemes separately for wind and solar energy.

Under the Scheme for Solar Energy, GBI is provided to support small grid solar power projects connected to the distribution grid (below 33 KV) to the state utilities. Indian Renewable Energy Development Agency (IREDA) has selected 78 projects with a total capacity of about 98 MW for which the Ministry will provide GBI of Rs. 12.41 per kWh to the State utilities when they directly purchase solar power from the project developers. The quantum of GBI to the utilities is kept fixed, as a difference of the CERC tariff for 2010-11 (Rs. 17.91 per kWh) and a reference tariff of Rs. 5.5 per kWh. These projects were expected to be commissioned during 2011-12. Currently, the scheme is not open to accept new project proposals.

This information was given by the Minister of New and Renewable Energy Dr. Farooq Abdullah in a written reply to a question in Lok Sabha.

B. INDUSTRY STRUCTURE AND DEVELOPMENT:

Great changes are taking place in the global industry, and as the company has established its position in the Indian Economy and also restructuring itself to fit in the competitive market.

The Unpredictable volatility in global economies impacted the textile markets and demand in major consuming economies turned cautious and slower. Many producers across the globe shifted or set up new manufacturing bases at low cost centres, mostly in Asian countries, Competitiveness of the Chinese export eroded as the Chinese government made Yuan market dominated. As a result, Yuan strengthened by 5% while other major Asian currencies depreciated by 5-9% against the US Dollar. In addition labour costs also impacted cost structures in China.

Drop in turnover and profit of the Company was mainly due to adverse market conditions and slow down in domestic markets. The results of the Company for the year under review bear a witness to the efforts of the Board in this unfavorable market conditions and heavy competition.

Reliance one of the biggest manufacturers of Polyester in India in last year has introduced Germanium a cheap substitute for Polyester. This yarn is blend of polyester and carbonic yarn. As this yarn looks very similar to Viscose and the quality is also very good, all the weavers have switched to it. This has resulted



in steep fall in demand for Viscose in Yarn Market. Century Textiles another biggest manufacturers of Polyester in India has also started selling its Polyester stock at prize below cost in order to eliminate surplus or to gain an edge on competition. This has created a surplus supply of Polyester available in Indian markets at much cheaper rate.

This made small players like us very panicky and has forced small players like us to dump our stock at much cheaper rates in order to eliminate further bigger loss.

Company is seriously considering either importing or buying this substitute product from local market and selling the same instead of costly Polyester. Company is awaiting consumers response from the market of the substitute. Company is also trying to get this substitute manufactured from their existing foreign supplier.

It is expected that by 2015 polyester capacity would increase by about 12 MMT, largely in PFY. Most of these capacity additions of about 9 MMT are planned in China. At the same time, global demand is likely to grow by 7MMT by the same period.

The export scenario for the year under review continued to be fiercely competitive and the domestic industry witnessed moderate increase in demand. In spite of adverse market conditions, the Company's performance during the year under review was satisfactory.

C. FUTURE PROSPECT / BUSINESS PLANS OF THE COMPANY

During the year Yarn & Thread, was the thrust areas of business for the Company. The Company's Yarn and thread products are very well accepted due to the ISO certification, quality improvement and timely delivery policy. The company has concentrated on its goals of consolidating and strengthening its marketing network, delivering quality products and cutting cost wherever possible.

Looking at the opportunities available in Solar Power, Company is planning to enter into field of Solar Power Generation. Company could not enter in to the field of education due to adverse domestic conditions, government policies and unhealthy competition.

Sustained growth story of the Indian economy promises to augur well for the business in general. Your Company is well-poised to explore opportunities which may arise due to all round growth. Its strong expertise in core areas, strength of its well-positioned brands, continued application of state-of art technology, wider and deeper penetration in the growing markets in tier II and tier III cities are the strengths which are expected to enable your company to continue to move ahead on its growth trajectory.

But rising inflationary pressures, weak global recovery, volatility in raw material prices, tighter fiscal and monetary policies and possibility of slower growth rate of Indian economy are the key concerns on the macroeconomic fronts which may have an impact on your company's operations in the ensuing year. Your Company, however, is well-placed to mitigate the risks. It's strong presence in the domestic market, well-established brands and resilient distribution network, are expected to stand tests of time. On the strengths of these, your company, therefore, expects good growth in the ensuing year.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company's internal control systems are periodically reviewed by the management together with the Audit Committee of the Board. The emphasis of internal control prevails across functions and processes, covering the entire gamut of activities including finance, supply chain, distribution, marketing etc.

E. HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATIONS:

The Company recognizes the need for continuous growth and development of its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational



challenges. Industrial relations have continued to be harmonious at all units throughout the year. Measures for safety of employees, Welfare and development continue to receive top priorities.

F. **RESEARCH & DEVELOPMENT**

The company has been carrying out research and development in the following specific areas.

1. To improve the breaking strength and tenacity of the thread.
2. To reduce the elongation of the thread.
3. To reduce the shrinkage of the thread.
4. To make the yarn anti-microbial.
5. To make the yarn fire resistant.

G. **CAUTIONARY STATEMENT:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied.

Important factors that could make a difference to the company's operation include demand and supply conditions, finished good prices, raw materials cost and availability, changes in Government regulation and tax structure, economic developments within India and the countries with which the company has business contacts and other factors such as litigations, Industrial relations of India and compensation paid during the year.

The Company assumes no responsibility in respect of forwarded looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events of the Company.

For and on behalf of the Board
Abbas A. Rassai
Chairman

Place : Mumbai
Date : May 29, 2013

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Your Company is committed to good Corporate Governance and endeavours to implement the Code of Corporate Governance in its true spirit.

The philosophy of your Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholder value without compromising in any way in compliance with laws and regulations.

Your Company believes that good governance brings about sustained corporate growth and long term benefits for stakeholders. Your Company continues to follow procedures and practices in conformity with the Code of Corporate Governance as enunciated in the Listing Agreement. Details of the implementation of the Code follow in the paragraphs below.

I. BOARD OF DIRECTORS

The Board of Directors monitors performance of the Company, approves and reviews policies/strategies and evaluates management performance. The Board ensures legal and ethical conduct and accurate financial reporting.

The Company as on 31st March, 2013 has six Directors, three Promoter Executive Directors and three Non Executive Independent Directors who are professionals, with expertise and experience in general corporate management, finance, legal and other allied fields.

The Senior Management has made disclosure to the Board confirming that there are no material, financial and /or commercial transactions between them and the Company which would have potential conflict of interest with the Company at large.

A. The Constitution of the Board:

Name of Director	Director of public Companies *	Membership in Committee #	Chairmanship in Committee
Mr. Abbas A. Rassai (Executive Chairman)	1	–	–
Mr. Hussain A. Rassai (Executive Joint Chairman)	2	1	–
Mr. Akil A.Rassai (Managing Director)	2	–	–
Mr. Parvez M.Master (Independent Director)	1	2	1
Mr. Ramesh W. Lalwaney (Independent Director)	1	3	2
*Mr. Hussain M. Cementwala (Independent Director)	1	3	–

* including Directorship in Vyapar Industries Limited.

Committees considered are Audit Committee, Shareholders / Investors Grievance Committee & Remuneration Committee including in Vyapar Industries Limited.

As mandated by the revised Clause 49, the independent Directors on the Company's Board :

- Apart from receiving Director's sitting fees, do not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its holding Company,
- Are not related to the promoters or persons occupying management positions at the Board level or at one level below the Board.



- Have not been executives of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
 - ▶ Statutory audit firm or the internal audit firm that is associated with the Company
 - ▶ Legal firm(s) and consulting firm(s) that have a material association with the Company.
- are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

B. Board Procedure

A detailed agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibility effectively, the Chairman of the Company briefs the Board at every Meeting on the overall performance of the Company. A detailed functional report is also placed at every Board Meeting. Amongst other things, the Board also reviews strategy and business plans, annual operating and capital expenditure budgets, compliance with statutory/ regulatory requirements and review of major legal issues, adoption of quarter/half-yearly/annual results, risk management policies, investor's grievances, minutes and significant transactions of subsidiary companies, investment and exposure limits, major accounting provisions and write-offs, corporate restructuring, minutes of meetings of the Audit Committee and Committee of Directors of the Board, etc.

C. Attendance of the Directors at Meetings of the Board.

The Board of Directors meets at least once a quarter to review the Company's performance and financial results and more often, if necessary, to transact other businesses.

During the financial year 2012-13, the Board met on 20th April, 31st July, 30th August, 31st October all in 2012 and 31st January & 4th March in 2013.

The 27th Annual General Meeting was held on September 29, 2012.

The attendance of the Directors at these meetings is as under:

Director	No. of Board Meetings	Attendance at the last AGM
Mr. Abbas A. Rassai	6	Yes
Mr. Hussain A. Rassai	5	Yes
Mr. Akil A. Rassai	6	Yes
Mr. Ramesh W. Lalwaney	6	Yes
Mr. Parvez A. Master	6	--
Mr. Hussain M. Cementwala	6	-

D. Directors Seeking Appointment/Re-appointment

Mr. Abbas A. Rassai and Mr. Ramesh W. Lalwaney retire by rotation and, being eligible offer themselves for re-appointment.

MR. ABBAS RASSAI – CHAIRMAN

Mr. Abbas A. Rassai, aged 72 years is a graduate in Economics and has completed 1st year Law at Govt. Law College, Mumbai. He has over 50 years of experience in fields of textile manufacturing and sewing threads.

He was the Proprietor of Abbas A. M. Rassai (1961), a company specializing in manufacturing sewing thread. He has got a wide range of experience in project consultancy, imports and exports. He was the CEO of Vyapar.Com & Industries Ltd. (2001) company manufacturing all kinds of threads and yarns.

He is actively associated with a number of Social, Cultural, Commercial and Educational Organisation. He was the Vice Chairman of Mandvi Co-op. Bank Ltd., President of Saifee Ambulance Society,

President of Milan International, Vice President of Indo Arab Chamber of Commerce & Industries. He was Past President of Bombay Harbour Jaycees (1980-81) and Founder & Past President of Rotary Club of Mumbai Khar (1992-93).

MR. RAMESH W. LALWANNEY - DIRECTOR

Mr. Ramesh W. Lalwaney is a Science Graduate, has done B.Sc., PGDBA., DIS., and holds LL.M.-Master of Law (Gold Medalist) from Bombay University. A practicing legal consultant. Consultant to various business Organizations and Co-operative Societies. He is visiting faculty of Law at Jitendra Chauhan Collage of Law affiliated to Mumbai University and Kamlaben Gambhirchand Shah Law School affiliated to S.N.D.T. Women's University. He is also a mediator on the penal of Bombay High Court. He is author of Law Text Books including 'Business Law' and 'The Industrial Law'.

Name of Company	Name of Committee	Position Held
Vyapar Industries Ltd.	Shareholders & Investors Grievances Committee	Chairman
Vyapar Industries Ltd.	Audit Committee	Member
Vyapar Industries Ltd.	Remuneration Committee	Chairman

II. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on March 31, 2013, Vyapar Audit Committee comprises of :

1. Mr. Parvez Master - Chairman (Non Executive Independent Director)
2. Mr. Hussain M. Cementwala - member (Non Executive Independent Director)
3. Mr. Ramesh Lalwaney - member (Non Executive Independent Director)
4. Mr. Anil Kumar Singla, Company Secretary will act as secretary of Audit Committee.

The Committee met five times during the year on April 20, 2012, July 31, 2012, August 30, 2012, October 31, 2012 and January 31, 2013. The Minutes of the Audit Committee meetings were placed before and discussed by the Board. The attendance record of VIL Audit Committee is as under :

Name of Director	Designation	No. of meetings attended during 2012-13
Mr. Parvez Master	Chairman	5
Mr. Ramesh Lalwaney	Member	5
Mr. Hussain Cementwala	Member	5

All the members of Audit Committee are financial literate and have accounting and financial management expertise.

The Committee invites Senior Management personnel and statutory auditors to attend these meetings.

The functions of the Audit Committee include the following :

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same.



- c. Major accounting entries involving estimates based on the exercise of judgment by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has reviewed the following information:

1. Management Discussion & Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management.
3. Internal Audit Reports relating to internal control weaknesses.

REMUNERATION COMMITTEE

The Company Remuneration Committee as on 31st March 2013 consisting of non-executive directors, viz. Mr. Ramesh W. Lalwaney, Mr. Hussain M. Cementwala and Mr. Parvez Master and has been entrusted with the responsibility of determination of the remuneration payable to the executive directors, recommendation for appointment / re-appointment of the executive directors, revision in the remuneration of the existing executive directors of the company from time to time. Mr. Ramesh W. Lalwaney is the Chairman of the Committee. The Committee met once during the year.

REMUNERATION TO DIRECTORS

During the year under review, the Executive Directors were paid an aggregate of Rs.36,30,000/- as remuneration distributed as under:-

Directors	Remuneration paid during the year upto 31.3.2013 Rs.
Mr. Abbas A. Rassai	13,50,000
Mr. Hussain A. Rassai	11,40,000
Mr. Akil A. Rassai	11,40,000



Directors have voluntarily waived receipt of sitting fees for attending meetings of the Board / Committees of the Board of Directors of the Company. None of the non-executive directors are holding any shares/convertible instruments in the Company.

During 2012-13, the Company did not advance any loans to any of its directors. No stock options have been issued to any of the directors on the Board.

REMUNERATION POLICY

Remuneration committee recommends to the board the compensation package of the Executive Directors. The remuneration to the Executive Directors is subject to approval of the Board and shareholders as may be required. The non-executive directors are to be paid sitting fees for attending the meetings of the Board of Directors and Committees within the ceiling prescribed by the Central Government.

SHAREHOLDER'S & INVESTOR'S GRIEVANCE COMMITTEE :

The Shareholder's and Investor's Grievance Committee of your Company as on 31.03.2013 comprises of non-executive directors, viz. Mr. Ramesh W. Lalwaney, Mr. Hussain M. Cementwala and Mr. Hussain A. Rassai, Executive Director.

Mr. Ramesh W. Lalwaney is the Chairman of the Committee.

The Committee's objective is attending to investors' complaints pertaining to transfers / transmission of shares, non-receipt of dividend / interest, and any other related matters. The Committee met once during the year.

Compliance Officer:

Mr. Anil Kumar Singla, Company Secretary
 Vyapar Industries Limited
 145, S. V. Road, Khar (W),
 Mumbai - 400 052.
 Ph-022-66989111, Fax: 022-66987010
 E-mail : vyapar@vyaparindustries.com

Status of Investors Complaints / Share transfers received during the period 1st April, 2012 to 31st March, 2013

1. Number of complaints received from the investors comprising of Non-receipt of Dividend, Non-receipt of Shares lodged for transfer, Non-Receipt of Annual Report, etc.	Nil
2. Number of complaints resolved	Nil
3. Complaints Pending as at 31st March, 2013	Nil
4. Number of Share transfers pending for approval as at 31st March, 2013	Nil

GENERAL SHAREHOLDERS' INFORMATION

GENERAL SHAREHOLDER INFORMATION:

1. Twenty Sixth Annual General Meeting

Date : 30th September, 2013
 Time : 3.00 p.m.
 Venue : Vyapar Industries Limited - 145, S. V. Road, Khar (W), Mumbai-400052.

2. Dates of Book Closure :

Tuesday, 24th September, 2013 to Saturday, 30th September, 2013 (both days inclusive)



3. Financial Calendar of the Company:

The financial year covers the period from 1st April to 31st March.

Financial reporting for 2012-13 (Tentative):

The First Quarter Results - 30.6.2013	Between 31st July and 15th August 2013
The Half Yearly Results - 30.9.2013	Between 30th October and 15 th November 2013
Third Quarter Results - 31.12.2013	Between 30th January and 15 th February, 2014
Approval of Annual Accounts - 31.3.2014	2nd week of May, 2014/ Last week of June, 2014

4. Registered Office

Vyapar Industries Limited
145, S. V. Road, Khar (W),
Mumbai-400052.

5. Listing on Stock Exchanges

Code/Trading Symbol

A. Equity Shares

Bombay Stock Exchange Limited (BSE), 506142
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001.

B. GDRs Company's Global Depository Receipt (GDR) Listed on Singapore Stock Exchange (SGX) were during the year delisted from the Singapore Stock Exchange (SGX) on 29th May, 2013.

Singapore Exchange Ltd. (SGX) ISIN Code : US92921T1097
Singapore

6. Stock Code

Bombay Stock Exchange Limited
Equity Share (physical form) : 506142 VYAPAR INDUSTRIES LTD.
(Demat Form) : ISIN INE070G01012

7. BSE - Stock Price Data (for the period April, 2012 to March, 2013)

Year	Month	High (Rs.)	Low (Rs.)	Monthly Volume
2012	April	26.00	20.95	3,72,085
2012	May	27.50	23.00	1,65,497
2012	June	25.20	20.20	12,591
2012	July	28.15	22.25	77,174
2012	August	28.95	24.65	99,748
2012	September	28.85	25.00	25,107
2012	October	32.15	25.60	26,635
2012	November	31.85	25.10	70,457
2012	December	27.55	23.95	46,975
2013	January	25.45	20.95	57,078
2013	February	26.95	21.95	4,75,059
2013	March	27.00	24.55	5,63,500

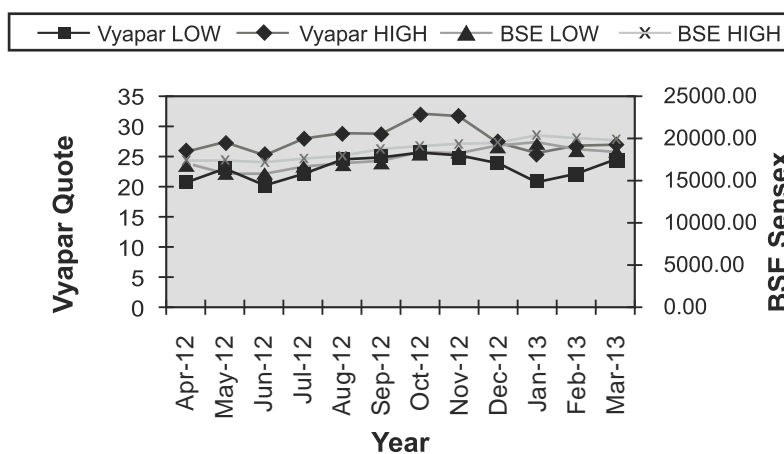
8. Performance in comparison to Broad Based BSE Sensex :

(for the period April 2012 to March 2013)

The performance of the Company's shares in comparison to broad based BSE sensex is given in the Charts below :

Year	Month	VIL High	VIL Low
2012	April	26.00	20.95
2012	May	27.50	23.00
2012	June	25.20	20.20
2012	July	28.15	22.25
2012	August	28.95	24.65
2012	September	28.85	25.00
2012	October	32.15	25.60
2012	November	31.85	25.10
2012	December	27.55	23.95
2013	January	25.45	20.95
2013	February	26.95	21.95
2013	March	27.00	24.55

Monthly High-Low Share Price / BSE Sensex



09. Registrar and Share Transfer Agents:

BIGSHARE SERVICES PRIVATE LIMITED.

E, 2/3 Ansa Industrial Estate,

Sakivihar, Sakinaka,

Andheri (East), Mumbai 400 072.

Tel No. 022-28470652 / 53, 40430200

10. Share Transfer System

Shares sent for transfer in physical form are registered and returned within a period of 15 days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

As of date, there are no pending share transfers pertaining to the year under review.

**11. Distribution of Shareholding as on 31st March, 2013:**

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
1 - 5000	1,065	76.95	149078	1.37
5001 - 10000	134	9.68	113090	1.04
10001 - 20000	74	5.35	112928	1.04
20001 - 30000	27	1.95	66864	0.61
30001 - 40000	18	1.30	63598	0.58
40001 - 50000	6	0.43	29703	0.27
50001 - 100000	27	1.95	203092	1.87
100001 & above	33	2.39	10156647	93.22
TOTAL	1,384	100.00	10895000	100.00

12. Shareholding pattern as at 31st March, 2013:

Category	No. of Shares	% of holding
Promoters	3893468	35.74
FII's	1619900	14.87
GDR	1188750	10.91
Private Corporate Bodies	2063450	18.94
Indian Public	1713220	15.72
NRI/OCB's	391005	3.59
Shares in Transit	25207	0.23
Total	10895000	100.00

13. Dematerialisation of Shares

As on 31st March 2013, 1,08,78,031 (99.84%) of total equity capital was held in Electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares have to be compulsorily traded in the electronic form. Requests for dematerialisation of shares are processed and confirmed within 7 days.

14. Details of Public Funding obtained in the last three years:

The Company has not obtained any public funding in the last three years.

15. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

GDR: All the GDRs of the Company were converted into Equity shares of the Company during the year. GDRs of the Company were delisted from Singapore Stock Exchange on 29th May, 2013.

16. Other offices of the Company

The Company has Offices at the following places:

Registered Office:

Vyapar Industries Limited
145, S.V Road, Khar (W),
MUMBAI-400052.

Surat Branch Office:

Vyapar Industries Limited
Yaasin Park, Ground Floor,
Satranjiwad, Zampa Bazar,
Begumpura, SURAT (Gujarat).

17. Address for Correspondence

(Registered Office)

Vyapar Industries Limited
145, S. V. Road, Khar (W),
Mumbai - 400052.

Ph: 66989111, Fax: 66987010, Email: vyapar@vyaparindustries.com

Shareholders may also correspond with the Registrars and Share Transfer Agents, at:
BIGSHARE SERVICES PRIVATE LIMITED.

E, 2/3 Ansa Industrial Estate,
Sakivihar, Sakinaka,
Andheri (East), Mumbai 400 072.
Tel No. 022-28470652 / 53

V. OTHER DISCLOSURE**1. Details of Annual/Extraordinary General Meetings:**

Annual General Meetings held during the past 3 years

Year	Date	Time	Venue
2010	30 th September, 2010	3.00 p.m.	Registered office Khar(W), Mumbai
2011	30 th September, 2011	3.00 p.m.	Registered office Khar(W), Mumbai
2012	29 th September, 2012	3.00 p.m.	Registered office Khar(W), Mumbai

Extra Ordinary General Meetings held during the past 3 years : **NIL**

Details of special resolutions passed in previous 3 AGMs / EGMs :

27 th AGM	Special Resolutions were passed for reappointing Mr. Abbas A. Rassai as Chairman, Mr. Hussain A. Rassai as Joint Chairman and Mr. Akil A. Rassai as Managing Director u/s 198, 269, 309, Schedule XIII and other applicable provisions for three years.
26 th AGM	Regularisation of Additional Directors Mr. Hussain M. Cementwala appointed during the year.
25 th AGM	NIL

No other special resolution is proposed to be conducted through postal ballot.

2. Details of Non-compliance

There was no non-compliance by the Company on any matters related to capital markets during the last three years.

3. Code of Conduct

The Board of Directors of the Company has laid two separate Code of Conduct - one for directors and other for senior management and employees. These codes are posted on the Company's website, www.vyaparindustries.com. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Joint Chairman is annexed to this report.

4. Means of Communication

The quarterly, half-yearly and yearly results are published in national and local dailies. These are not sent individually to the shareholders. The Company also informs stock exchanges in a prompt manner, all price sensitive information or such other matters which in its opinion, are material and relevant for the shareholders.

5. The Management Discussion and Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.**6. CEO Certification**

We hereby certify that, to the best of our knowledge and belief.



- a) We have reviewed the financial statements and cash flow statement for the year and that to the best of our knowledge and belief :
 - i. These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that :
 - i. there are no significant changes in internal control over financial reporting during the year
 - ii. there are no significant changes in accounting policies during the year; and
 - iii. there are no instances of significant fraud, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's Internal Control Systems over financial reporting.

Sd/-
Akil Rassai
Managing Director

Mumbai, 29th May, 2013

7. Disclosure of Accounting Treatment

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

8. Materially Significant Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interests of Company.

9. Code for Prevention of Insider Trading Practices:

In compliance with the SEBI Regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct for its designated employees. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautions them on consequences of violations. Mr. Anil Kumar Singla Company Secretary has been appointed as the Compliance Officer under this code.

10. Compliance:

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49. Except as stated elsewhere in this report, the company has not adopted other non-mandatory requirements.

11. Non-mandatory Requirements:

I. The Board

At present there is no policy fixing for the tenure of independent directors.

II. Remuneration Committee

Particulars of constitution of Remuneration Committee and terms of reference thereof has been detailed earlier.



III. Shareholder's Rights

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the company.

IV. Audit Qualifications

The financial accounts of the company are unqualified

V. Training of Board Members

There is no formal policy at present for training of the Board Members of the company as the members of the Board are eminent and experienced professional persons.

VI. Mechanism for evaluating non-executive board members

There is no formal mechanism existing at present for performance evaluation of non-executive directors.

VII. Whistle Blower Policy

The Company has not implemented the whistle blower policy.

Sd/-

Hussain A. Rassai
Joint Chairman

Mumbai, 29th May, 2013

DECLARATION ON CODE OF CONDUCT

To

The Members of

VYAPAR INDUSTRIES LIMITED, Mumbai

I, Hussain Rassai, Joint Chairman of Vyapar Industries Limited declare that to the best of my knowledge and belief, all the members of the Board of Directors and the designated personnel in the senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2013.

For VYAPAR INDUSTRIES LIMITED

HUSSAIN A. RASSAI
Joint Chairman

Mumbai, 29th May, 2013



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

VYAPAR INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Vyapar Industries Limited, for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that as per the records maintained by the Registrars and Share Transfer Agents of the Company and presented to the Shareholders / Investor Grievance Committee no investor grievances are pending for a period exceeding one month against the Company.

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

Salim A. Kantawala
(Chartered Accountant)
Membership No. 38859

Place: Mumbai
Date: 29th May, 2013

For the Kind Attention of the Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating the service of notice / documents including annual report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their email address by sending their details to the registrar and share transfer agents, M/s. Bigshare Services Pvt. Ltd.

AUDITOR'S REPORT

To, the Members of VYAPAR INDUSTRIES LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of Vyapar Industries Limited (the Company), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 judgement, 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

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

Report on Other Legal Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;



- b. In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books;
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d. In our opinion, the balance sheet, the statement of profit and loss and cash flow statement comply with the Accounting standards referred to in Section 211 (3C) of the Act;
- e. On the basis of the written representations received from the director, as on March 31st, 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 Section 274(1)(g) of the Act.

For Salim A. Kantawala
Chartered Accountant
(Registration No. 038859)

Salim A. Kantawala
(Proprietor)

Place: Mumbai

Date: 29th May, 2013

ANNEXURE TO AUDITORS REPORT 31st March, 2013

Referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date :

I In respect of Fixed Assets :

- a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available records.
- b) As explained to us, all the fixed assets have been physically verified by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.

II In respect of Inventories :

- a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and the explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company has maintain proper records of Inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.

III According to the information and explanation given to us, the company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act 1956. Consequently clauses (iii) (a) to (iii) (g) of paragraph 4 of CARO are not applicable.

IV In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.

V In respect of the contracts or arrangements referred to in section 301 of the Companies Act, 1956:

- a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of 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 / arrangements entered in the register maintained under Section 301 of the Companies Act 1956 and exceeding the value of Rs. 5,00,000 in the respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

VI. According to the information and explanation given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of the paragraph 4 of the Order are not applicable to the company.

VII In our opinion, the Company has an internal audit system commensurate with size of the company and nature of its business.

VIII In our opinion, and to the best of our knowledge and belief, having regard to the nature of the company's business and operations, there is no statutory requirement for maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956. Further, to the best of our knowledge and according to the information and explanation given to us, the central government has not prescribed the maintenance of cost records for any product of the company. Consequently, clause (viii) of the paragraph 4 of CARO is not applicable.



IX. In respect of statutory Dues:

- a) According to the records of the company, and based on the information and explanation given to us, the company has been generally regular in depositing undisputed applicable statutory dues including Income Tax, Sales Tax, Service Tax, Custom Duty, and other material statutory dues with the appropriate authorities during the year. According to the information and explanation given to us no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanations given to us there were no such statutory dues which have not been deposited as on 31st March 2013 on account of Disputes. Consequently, the requirement of clause (ix) (b) of paragraph 4 of the Order is not applicable.

X The Company has accumulated losses of Rs. 10,41,847/- which is less than 50% of its net worth at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the preceding financial year.

XI In our opinion and according to the information and explanations given to us, the company has not borrowed any money from banks, financial institution or issued any debentures. Consequently, the requirement of Clause (xi) of paragraph 4 of the Order is not applicable.

XII In our opinion and according to the information and explanation given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by the way of pledge of shares, debentures and other securities.

XIII In our opinion and according to the information and explanation given to us and based on the information available, the Company is not a chit fund / nidhi mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the company

XIV The company has not dealt in shares, securities, debentures and other investments. Consequently, clause (xiv) of paragraph 4 of the order is not applicable.

XV According to the information and explanations given to us and based on the information available, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Consequently, the requirement of Clause (xv) of paragraph 4 of the order is not applicable.

XVI According to the information and explanations given to us, No term loans are raised during the year by the Company. Consequently, the requirement of Clause (xvi) of paragraph 4 of the order is not applicable.

XVII According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis have been used for long term investment.

XVIII The Company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Companies Act, 1956.

XIX The Company did not issue any debentures during the year. Consequently, clause (xix) of paragraph 4 of the order is not applicable.

XX The Company has not raised any monies by way of public issues during the year.

XXI To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, no fraud on or by the Company was noticed or reported during the year.

For **Salim A. Kantawala**
Chartered Accountant
(Registration No. 038859)

Salim A. Kantawala
(Proprietor)

Place: Mumbai
Date: 29th May, 2013



BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
<u>EQUITY AND LIABILITIES</u>			
Shareholders Funds			
Share Capital	1	10,89,50,000	10,89,50,000
Reserves & Surplus	2	64,22,08,153	63,10,99,433
Non-Current Liability			
Long Term Borrowings		—	--
Current Liabilities			
Trade Payables	3	12,62,492	3,33,400
Other Current Liabilities	4	1,07,31,825	2,17,29,035
Short Term Provision	5	77,251	29,30,879
Total		<u>76,32,29,721</u>	<u>76,50,42,747</u>
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	6	5,95,96,815	5,96,86,980
Intangible Assets	6	—	—
Capital Work-in-Progress	6	—	—
Intangible assets under Development	6	—	—
Non-Current Investment	7	30,64,18,127	30,64,18,127
Long Term Loans and Advances	8	2,07,89,779	86,76,785
Deferred Tax Assets (Net)	9	11,06,32,066	11,29,68,783
Current Assets			
Inventories	10	20,02,00,673	1,28,86,823
Trade Receivable	11	4,09,93,143	4,80,82,292
Cash and Bank Balance	12	1,68,60,367	5,80,86,090
Short Term Loans And Advance	13	27,06,031	15,32,04,147
Other Current Assets	14	50,32,720	50,32,720
TOTAL		<u>76,32,29,721</u>	<u>76,50,42,747</u>
Significant Account Policies Notes to Financial Statement	1 to 24		

As per our Reports of even Date

Salim A. Kantawala
Chartered Accountant

Salim A. Kantawala
(Proprietor)

Place : Mumbai
Date : 29th May, 2013

Anil Singla
Company Secretary

For and on behalf of Board

Hussain A. Rassai
(Joint Chairman)

Akil A. Rassai
(Managing Director)



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	2012-13	2011-12
<u>INCOME</u>			
I. Revenue from Operations	15	57,11,65,147	77,83,07,038
II. Other Income	16	3,25,77,130	1,98,22,273
III Total Revenue		<u>60,37,42,277</u>	<u>79,81,29,311</u>
<u>EXPENDITURE</u>			
Purchase of stock in Trade		74,33,21,919	58,26,55,994
Change in Inventories of Finished Goods	17	(18,73,13,850)	7,51,66,907
Employees Benefits Expense	18	31,14,861	32,36,844
Finance Cost	19	–	8,24,655
Depreciation Expenses		6,66,804	1,39,757
Other Expenses	20	2,71,44,106	8,24,37,607
IV Total Expenses		<u>58,69,33,840</u>	<u>74,44,61,764</u>
V. Profit before exceptional items (III-IV)		1,68,08,437	5,36,67,547
VI. Exceptional Items (Loss on damage to stock)		–	2,95,05,533
VII. Profit before Tax (V - VI)		1,68,08,437	2,41,62,014
VIII Tax Expenses			
Current		25,18,900	3,55,306
Deferred		23,36,717	1,10,75,218
MAT		8,44,100	44,78,969
IX. Profit for the year (VII - VIII)		<u>1,11,08,720</u>	<u>82,52,521</u>
X. Earnings per equity share of face value of Rs. 10 each		1.02	0.76
Basic & Diluted (in Rs.)			
Significant Account Policies			
Notes to Financial Statements	1 to 24		

As per our Reports of even Date

Salim A. Kantawala
Chartered AccountantSalim A. Kantawala
(Proprietor)Place : Mumbai
Date : 29th May, 2013

For and on behalf of Board

Hussain A. Rassai
(Joint Chairman)Akil A. Rassai
(Managing Director)Anil Singla
Company Secretary

CASH FLOW FOR THE YEAR ENDED

	31st March 2013	31st March 2012
I Cash flow from Operating Activity		
Net Profit / (Loss) Before Tax and Extra Ordinary Items / Prior Period Items	1,68,08,437	2,41,62,014
Adjustment for		
Depreciation	6,66,804	1,39,757
Interest Received	(98,909)	(10,94,887)
Interest Paid	—	8,24,655
Loss (Profit) on Sale of Assets	34,255	14,429
Provision For Gratuity	2,03,443	6,918
Discount Received	(1,29,758)	—
Gratuity Paid	(2,60,388)	—
Miscellaneous Expense w/off	—	53,18,018
Operating Profit / (Loss) before working capital changes	1,72,23,884	2,93,70,904
Adjustment for		
Inventory	(18,73,13,850)	7,51,66,909
Trade Receivables	70,89,149	(1,27,79,627)
Other Receivables	13,93,75,716	13,45,36,806
Trade Payable and other liabilities	(1,16,23,401)	(5,95,68,156)
	(3,52,48,502)	16,67,26,836
Income Tax Paid	(54,65,236)	(22,90,522)
Cash flow before extraordinary Item	(4,07,13,738)	16,44,36,314
Extraordinary Item and Prior period Adjustment (Net)	—	—
Net Cash (used) / generated from operating activities (A)	(4,07,13,738)	16,44,36,314
II Cash Flow from Investing activities		
Purchase of Fixed Asset	(6,13,894)	(5,89,49,434)
Sale of Fixed Asset	3,000	3,500
Disposal of Investment as Compensation	—	—
Interest Received	98,909	10,94,887
Net Cash from / (used) in Investing activities (B)	(5,11,985)	(5,78,51,047)
III Cash Flow from Financing activities		
Interest Paid	—	(8,24,655)
Unsecured Loans taken/(paid) during the year	—	(5,42,91,873)
Net Cash from / (used) in Financing activities (C)	—	(5,51,16,528)
Net Increase in Cash and Cash Equivalent (A+B+C)	(4,12,25,723)	5,14,68,739
Add: Cash and Cash Equivalent at the beginning of the year	5,80,86,090	66,17,351
Cash and Cash Equivalent at the end of the year	1,68,60,367	5,80,86,090
Notes:-		
1) Cash and Cash Equivalent includes		
Cash in hand	10,60,302	1,58,985
With Schedule Banks		
On Current Account	11,11,394	5,35,21,832
On Deposit A/C	1,46,88,671	44,05,273
	1,68,60,367	5,80,86,090

2) The above Cash Flow statement 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.

As per our Reports of even Date

Salim A. Kantawala
Chartered Accountant

Salim A. Kantawala
(Proprietor)

Place : Mumbai
Date : 29th May, 2013

Anil Singla
Company Secretary

For and on behalf of Board

Hussain A. Rassai
(Joint Chairman)

Akil A. Rassai
(Managing Director)

**Significant Accounting Policies****A. Basis of preparation of financial statements**

The financial statements are prepared under the historical cost conventions on an accrual basis of accounting, in conformity with accounting principles generally accepted in India and complying in all material respects with the Accounting standards notified by companies (Accounting Standards) Rules, 2006 (As amended) and the relevant provisions of the companies Act, 1956 ('the Act'). The accounting policies have been consistently applied by the company and are consistent with those used in the previous years.

b. Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

C. Fixed Assets and Depreciation

Fixed Assets are stated at the cost of acquisition or construction less accumulated depreciation. The Company capitalizes all direct costs relating to the acquisition of respective fixed asset.

Depreciation on assets is provided using the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is calculated on pro-rata basis from / till the date of installation / disposal (sale).

D. Impairment of Assets

An assets is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting is reversed if there has been a change in estimate of recoverable amount.

E. Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts if applicable, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid / received on forward contracts is recognised over the life of the contract.
- c) Non monetary foreign currency items are carried at cost.
- d) any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

F. Investments

Current investments are carried at lower of cost and quoted / fair value, computed category wise. Long term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary

G. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence and damage, if any. Cost of inventories comprises of cost of purchase and other costs incidental to purchase.

H. Revenue Recognition

Revenue is recognized only when it can be reliably measures and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, sales tax, Value Added Tax (VAT) and gain / loss on corresponding hedge contracts. Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.



I. Sales Tax / Value Added Tax

Sales tax / value added tax paid is charged to profit and loss account.

J. EMPLOYEE BENEFITS

- a) short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques, actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

K. Borrowing Costs

All other borrowing costs are charged to the Profit and Loss account.

L. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provision of the income tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

M. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are 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. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current year presentation (Figures in Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
1. SHARE CAPITAL		
Authorised Share Capital		
1,20,00,000 Equity Shares of Rs. 10/- each [1,20,00,000]	12,00,00,000	12,00,00,000
TOTAL	12,00,00,000	12,00,00,000
Issued, Subscribed & Paid-up		
1,08,95,000 Equity shares of Rs. 10/- each fully paid [1,08,95,000]	10,89,50,000	10,89,50,000
TOTAL	10,89,50,000	10,89,50,000

1.2 The detail of Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March 2013		As at 31st March 2012	
	No of Shares	% held	No of Shares	% held
Jp Morgan Chase Bank NA	11,88,750	10.91	36,21,150	33.24
Sunil Shroff	4,46,223	4.10	6,53,223	6.00
Husain Rassai*	18,68,226	17.15	15,99,741	14.68
Akil Rassai	18,68,226	17.15	15,98,741	14.67
Clareville Capital Opportunities Master Fund Pvt. Ltd.	10,70,000	9.82	—	—
Marconi Investment Pvt. Ltd.	10,56,215	9.69	3,18,215	2.92
Limitless Yarn Traders And Manufactures Ltd.	6,08,109	5.58	52,500	0.48
TOTAL	81,05,749	74.39	78,43,570	71.99

*Does not includes 43500 shares held by Mr. Akil Rassai and 43500 shares by Mr. Hussain in Escrow A/c.

1.3 The reconciliation of the number of shares is set out below:

Particulars	As at 31st March 2013	As at 31st March 2012
Equity shares at the beginning of the year	1,08,95,000	1,08,95,000
Add: Shares Issued	—	—
Less: Shares Cancelled	—	—
Equity Shares at the end of the year	1,08,95,000	1,08,95,000
2. RESERVES & SURPLUS		
A. Securities Premium Reserve		
As per last Balance Sheet	62,07,50,000	62,07,50,000
TOTAL-A	62,07,50,000	62,07,50,000
B. Share Forfeiture A/c		
As per last Balance Sheet	2,25,00,000	2,25,00,000
TOTAL-B	2,25,00,000	2,25,00,000
C. Profit and Loss Account		
As per last Balance Sheet	(1,21,50,567)	(2,02,46,126)
Add: Profit for the year	1,11,08,720	82,52,521
	(10,41,847)	(1,19,93,605)
Less: Appropriations		
Short/(Excess) Provision for FBT	—	(100)
Short/(Excess) Provision for FBT AY 2008-09	—	1,04,720
Short/(Excess) Provision for FBT AY 2009-10	—	52,343
TOTAL-C	(10,41,847)	(1,21,50,567)
TOTAL A + B + C	64,22,08,153	63,10,99,433

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	31st March 2013	31st March 2012
3. TRADE PAYABLES		
Micro, Small and Medium Enterprises	—	—
Others	12,62,492	3,33,400
TOTAL	<u>12,62,492</u>	<u>3,33,400</u>
4. OTHER CURRENT LIABILITIES		
Outstanding Expenses	11,82,932	9,58,220
Advance from Customers	—	1,46,86,678
Other Payables*	95,48,893	60,84,137
TOTAL	<u>1,07,31,825</u>	<u>2,17,29,035</u>
* Includes Statutory dues and amount payable to Singapore Exchange Securities Trading Ltd.		
5. SHORT TERM PROVISIONS		
Provision for Gratuity	77,251	1,34,196
Provision for Tax (Net of Advance Tax)	—	27,96,683
TOTAL	<u>77,251</u>	<u>29,30,879</u>
7. NON CURRENT INVESTMENT <i>(Long Term Investments, Non quoted)</i>		
a) Trade Investments		
In Equity Shares of Associate Companies		
Unquoted, fully paid up		
20,60,000 Hindupur Vyapar Apparel Park of Rs. 10/- each [20,60,000]	2,06,00,000	2,06,00,000
53,98,734 Beneficent Knowledge parks and properties ltd (53,98,734) of Rs. 10/- each	28,58,18,127	28,58,18,127
TOTAL	<u>30,64,18,127</u>	<u>30,64,18,127</u>
8. LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
Advance Tax (Net of Provision)	2,69,429	—
Deposits with related parties	1,24,50,000	48,90,000
Other Deposits	2,61,000	2,86,000
Others	78,09,350	35,00,785
TOTAL	<u>2,07,89,779</u>	<u>86,76,785</u>
9. DEFERRED TAX ASSETS (NET)		
Deferred Tax Liability		
On Depreciation	—	(40,734)
Deferred Tax Asset		
Depreciation	25,135	—
Gratuity	48,638	48,638
Business loss	11,03,17,410	11,27,19,996
Unabsorbed Depreciation	2,40,883	2,40,883
TOTAL	<u>11,06,32,066</u>	<u>11,29,68,783</u>
10. INVENTORIES		
Finished Goods (Yarn)	20,02,00,673	1,28,86,823
Finished Goods (Miscellaneous)	—	—
TOTAL	<u>20,02,00,673</u>	<u>1,28,86,823</u>



Note 6 : Fixed Assets

Description	Gross Block			Depreciation/Amortisation			Net Block			
	As at 01/04/2012	Additions	Deductions	As at 31/03/2013	As at 01/04/2012	For the Year	Deductions	Upto 31/03/2013	As at 31/03/2013	As at 31/03/2012
Tangible Assets										
OWN ASSETS										
Shop (Centaur Mercantile)	5,65,04,739	25,000	-	5,65,29,739	-	-	-	-	5,65,29,739	5,65,04,739
Land	6,00,000	-	-	6,00,000	-	-	-	-	6,00,000	6,00,000
Motor Car	22,75,000	-	-	22,75,000	75,636	5,69,416	-	6,45,052	16,29,948	21,99,364
Furniture & Fixtures	32,407	-	-	32,407	1,19,870	5,864	-	5,864	26,543	32,407
Computer & Printer	80,045	51,850	-	1,31,895	29,236	31,931	-	61,167	70,728	50,809
Air Condition & Office Equipment	4,55,374	5,37,044	1,10,252	8,82,166	1,55,713	59,593	72,997	1,42,309	7,39,857	2,99,661
TOTAL	5,99,47,565	6,13,894	1,10,252	6,04,51,207	3,80,455	6,66,804	72,997	8,54,392	5,95,96,815	5,96,86,980
Previous Year	12,80,000	5,89,49,343	1,62,000	6,00,67,343	3,84,768	1,39,575	1,44,071	3,80,454	5,96,86,980	8,95,232

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	31st March 2013	31st March 2012
11. TRADE RECEIVABLES		
(unsecured and Considered Good)		
Over six Months	53,70,480	2,75,68,426
Other	3,56,22,663	2,05,13,866
TOTAL	<u>4,09,93,143</u>	<u>4,80,82,292</u>
12. CASH AND BANK BALANCE		
Balance with Bank	11,11,394	5,35,21,832
Cash on Hand	10,60,302	1,58,985
Fixed Deposits with Bank*	1,46,88,671	44,05,273
TOTAL	<u>1,68,60,367</u>	<u>5,80,86,090</u>
*Fixed Deposit with banks include deposit of Rs. 17,88,671 with maturity of more than 12 months.		
13. SHORT TERM LOANS AND ADVANCES		
(unsecured and Considered Good)		
Prepaid Expenses	45,671	43,309
Advance to suppliers	20,000	15,28,79,381
Others*	26,40,360	2,81,457
TOTAL	<u>27,06,031</u>	<u>15,32,04,147</u>
*Includes primarily interest receivable on Fixed Deposit with banks.		
14. OTHER CURRENT ASSETS		
New India Assurance Company	50,32,720	50,32,720
TOTAL	<u>50,32,720</u>	<u>50,32,720</u>
15. REVENUE FROM OPERATIONS		
Sales of Products	57,11,65,147	77,83,07,038
Less. Excise duty	-	-
TOTAL	<u>57,11,65,147</u>	<u>77,83,07,038</u>
Particulars of Sale of Products		
Particulars	2012-13	2011-12
Yarn	57,11,65,147	77,83,07,038
TOTAL	<u>57,11,65,147</u>	<u>77,83,07,038</u>
16. OTHER INCOME		
Interest		
From Long Term Investments	29,83,377	10,94,887
From Loan	12,40,580	-
Other Non-operating Income		
Discount	1,29,758	-
Miscellaneous Income	52,456	2,24,794
Applicable profit on foreign currency transaction and translation	1,21,77,730	91,90,293
Interest on IT A/c (AY 2009-10)	-	81,459
SAD Refund (Custom Duty)	1,09,36,686	92,30,840
Rent Income	50,53,543	-
TOTAL	<u>3,25,77,130</u>	<u>1,98,22,273</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	31st March 2013	31st March 2012
17. CHANGE IN INVENTORIES OF FINISHED GOODS		
Inventories (at close)		
Finished Goods	20,02,00,673	1,28,86,823
Inventories (at commencement)		
Finished Goods	<u>1,28,86,823</u>	<u>8,80,53,730</u>
TOTAL	<u>18,73,13,850</u>	<u>(7,51,66,907)</u>
18. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	29,26,126	31,93,644
Staff welfare expenses	<u>1,88,735</u>	<u>43,200</u>
TOTAL	<u>31,14,861</u>	<u>32,36,844</u>

18.1 As per Accounting standard 15 "Employees benefit" the disclosures as defined in the Accounting standard are given below.

Defined Contribution Plan

No contribution has been made to defined contribution plans. The company does not made contribution to provident fund as they are not covered by Employees provident fund and Miscellaneous provision Act 1952.

Defined benefit plan

The company provision for gratuity is the defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The company does not recognise leave encashment.

I. Reconciliation of opening and closing balances of Defined benefit obligation

	Gratuity (Unfunded)	
	2012-13	2011-12
Defined benefit obligation at beginning of year	1,34,196	1,27,278
Current Service cost	22,836	20,379
Interest Cost	11,407	10,500
Actuarial (Gain) / Loss	1,69,200	(23,961)
Benefits paid	(2,60,388)	-
Defined benefit obligation at year end	<u>77,251</u>	<u>1,34,196</u>

II. Expenses recognised during the year

	Gratuity (Unfunded)	
	2012-13	2011-12
Current Service cost	22,836	20,379
Interest Cost	11,407	10,500
Actuarial (Gain) / Loss	1,69,200	(23,961)
Net Cost	<u>2,03,443</u>	<u>6,918</u>

20.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF :

	2012-13	2011-12
Stock in Trade	28,44,55,558	38,51,55,492

20.2 PAYMENT TO AUDITOR AS:

	2012-13	2011-12
Statutory Audit Fees	4,50,000	4,50,000
Tax Audit Fees	1,50,000	1,50,000
Consultancy Fees	<u>96,632</u>	<u>96,350</u>
TOTAL	<u>6,96,632</u>	<u>6,96,350</u>

20.3 EXPENDITURE IN FOREIGN CURRENCY:

	2012-13	2011-12
Import of Yarn	22,92,81,093	31,51,17,570

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
21 EARNING PER SHARE (EPS)

	2012-13	2011-12
Net Profit after tax as per statement of Profit and Loss attributable to Equity		
i) Shareholders	1,11,08,720	12,08,279
Weighted Average number of equity shares		
ii) used as denominator for calculating EPS	1,08,95,000	1,08,95,000
iii) Basis and Diluted earning per share	1.02	0.11
iv) Face value per equity share	10	10

22 EARNING IN FOREIGN EXCHANGE

	2012-13	2011-12
FOB value of exports	NIL	NIL

23 RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with the related party are given below
List of related parties where share control exists and related parties with whom transactions i) have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship
1.	Hindupur Vyapar Apparel Park	Associates
2.	Beneficent Knowledge Parks and Properties Ltd.	
3.	Mr. Abbas A. Rassai	Key Managerial Personnel
4.	Mr. Hussain A. Rassai	
5.	Mr. Akil A. Rassai	
6.	Mrs. Shamima Rassai	Relative of Key Managerial Personnel
7.	Mrs. Yakuta Rassai	
8.	Mrs. Sakina Rassai	
9.	M/s. Noble Enterprises	Enterprises over which Key Managerial Personnel are able to exercise significant influence

ii) TRANSACTIONS DURING THE YEAR WITH RELATED PARTIES:

Sr. No.	Nature of Transactions (Excluding reimbursements)	Associates	Enterprise over which key managerial personnel are able to exercise significant influence	Key Managerial Personnel	Others	Total
1.	Salary	–	–	36,30,000	15,36,000	51,66,000
2.	Deposits	–	–	50,40,000	25,20,000	75,60,000
3.	Rent	–	18,00,000	24,00,000	12,00,000	54,00,000
Balance as on 31st March, 2013						
	Investments	30,64,18,127	–	–	–	30,64,18,127
		(30,64,18,127)				(30,64,18,127)
	Deposits	–	–	1,24,50,000	–	1,24,50,000
				(48,90,000)		(48,90,000)

Disclosure in Respect of Material Related Party Transaction during the year :

- Deposit given to Key managerial and their relatives include to Mr. Akeel Rassai Rs. 25,20,000/- (Previous Year Rs. NIL), Mr. Hussain Rassai Rs. 25,20,000/- (Previous Year Rs. NIL) and Mrs. Shamima Rassai Rs. 25,20,000/- (Previous Year Rs. NIL) as deposit given against Leave and Licence agreement.
- Payment of salary to Key Managerial Personnel and their relatives include to Mr. Abbas Rassai Rs. 13,50,00/- (Previous Year Rs. 13,50,000), Mr. Akeel Rassai Rs. 11,40,000/- (Previous Year Rs. 11,40,000/-) Mr. Hussain Rassai Rs. 11,40,000/- (Previous Year Rs. 11,40,000/-), Mrs. Yakuta

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

Rassai Rs. 4,80,000/- (Previous Year Rs. 4,80,000/-), Mrs. Shamima Rassa Rs. 5,76,000/- (Previous Year Rs. 5,76,000/-), Mrs. Sakina Rassa Rs. 4,80,000/- (Previous Year Rs. 4,80,000/-).

3. Payment of Rent to Key Managerial Personnel, their relatives and enterprise over which Key Managerial Personnel are able to exercise significant influence includes to M/s. Noble Enterprise Rs. 18,00,000/- (Previous Year Rs. 18,00,000/-), Mr. Akeel Rassa Rs. 12,00,000/- (Previous Year Rs. 10,80,000/-), Mr. Hussain Rassa Rs. 12,00,000/- (Previous Year Rs. 10,80,000/-), Mrs. Shamima Rassa Rs. 12,00,000/- (Previous Year Rs. 10,80,000/-).

24 CONTINGENT LIABILITIES AND COMMITMENTS

Sr. No.		As at 31st March 2013	As at 31st March 2012
1	Guarantee in respect of SEZ unit	2,21,19,676	2,21,19,676
2	In respect of custom duty pending appeal	—	23,30,000
3	Service Tax Liability Pending appeal	65,85,661	65,85,661
TOTAL		2,87,05,337	3,10,35,337

As per our Reports of even Date

Salim A. Kantawala
Chartered Accountant

Salim A. Kantawala
(Proprietor)

Place : Mumbai
Date : 29th May, 2013

For and on behalf of Board

Hussain A. Rassa
(Joint Chairman)

Akil A. Rassa
(Managing Director)

Anil Singla
Company Secretary



Attendance Slip
VYAPAR INDUSTRIES LIMITED
Registered Office: 145, S.V. Road, Khar (W), Mumbai – 400 052

Please fill attendance slip and hand it over at the entrance of the meeting hall.
Joint shareholders may obtain additional slip on request.

DP. ID*
Registered Folio
No.
Client ID*

Name and Address of the Shareholder : _____
No. of Share(s) held : _____

I hereby record my presence at the 28th Annual General Meeting of the Company held on Monday, September 30, 2013 at 3.00 p.m. at 145, S.V. Road, Khar (W), Mumbai – 400 052.

Signature of the shareholder or proxy _____

*Applicable for investors holding shares in electronic form.

----- Tear Here -----

Proxy Form
VYAPAR INDUSTRIES LIMITED
Registered Office: 145, S.V. Road, Khar (W), Mumbai – 400 052

DP. ID*
Registered Folio
No.
Client ID*

I/We _____
of being a member/members of Vyapar Industries Limited hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 28th Annual General Meeting to be held on Monday, September 30, 2013 at 3.00 p.m. or at any adjournments thereof.

Signed this _____ day of _____ 2013
Place : _____


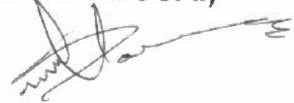
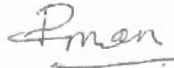
Re. 1/-
Stamp
and
Signature

*Applicable for investors holding shares in electronic form.

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

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	VYAPAR INDUSTRIES LIMITED
2.	Annual Financial Statements for the year ended	31st MARCH, 2013
3.	Type of Audit observation	UNQUALIFIED
4.	Frequency of observation	REPITITIVE SINCE MORE THEN LAST FOUR FIVE YEAR
5.	Signed by	
	- Managing Director	 (AKIL A. RASSAI)
	- Auditor of the Company	 (SALIM A. KANTAWALA)
	- Audit Committee Chairman	 (PARVEZ MASTER)

Company do not have CFO as on date