

30th
Annual Report
2011-12



ADDI INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Shri C.L. Jain	-	Chairman & Managing Director
	:	Dr. B.K. Behera	-	Director
	:	Shri V.B. Aggarwal	-	Director
	:	Shri S.R. Sharma	-	Director
	:	Shri Hari Bansal	-	Director

MANAGER FINANCE & COMPLIANCE OFFICER : Shri Atul Jain

BANKERS : Punjab National Bank

AUDITORS : M/s S.R. Dinodia & Co.
Chartered Accountants
K-39 Connaught Circus
New Delhi-110 001

REGISTERED OFFICE : 23, Eastern Avenue, Maharani Bagh,
New Delhi - 110 065

WORKS & CORP. OFFICE : A-105, 106, Sector IV
Noida – 201 301 (U.P.)

WORKS : B-1,2,3, Hosiery Complex
Phase-II, Noida (U.P.)

Pursuant to circular no. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not required to be attached with the Balance Sheet of the Company. The annual accounts of the subsidiary companies and the related detailed information will be made available upon request by the members of the Company and of its subsidiary companies. These documents will be available for inspection by any member at the Registered Office of the Company and also at the Registered Offices of the Subsidiary Company concerned.

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NOTICE

NOTICE IS HEREBY GIVEN THAT the 30th Annual General Meeting of the Members of Addi Industries Ltd. will be held on **Saturday, the 29th day of September, 2012, at 9.00 A.M. at Community Centre, Nehru Nagar, New Delhi-110065** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012, Statement of Profit & Loss for the year ended on that date & the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Dr. B.K. Behera, who retires by rotation, and being eligible, offers him for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. S.R. Dinodia & Co, the retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Sukh Raj Sharma, who was appointed by the Board of Directors as Additional Director w.e.f. May 26, 2012 and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") read with Articles of Association of the Company, upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a Director pursuant to Section 257 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider, and if thought fit, to pass, with or without modification (s) the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (herein after referred to as Act', which term shall include any statutory modifications or re-enactment thereof for the time being in force) and subject to all the applicable provisions of the other enactments, if any, and in accordance with the provisions of the Articles of Association of the Company and subject to the approval of the Central Government, the consent of the Shareholders of the Company be and is hereby accorded to ratify the appointment of Mr. Chaman Lal Jain, as Chairman & Mg. Director of the Company for a period of 3 years w.e.f. October 1, 2011 on the terms and conditions as set out here in below and in the Explanatory Statement annexed to the Notice with liberty and authority to the Board of Directors (including any Committee thereof) to alter, vary, modify and revise the terms and conditions of the said appointment and/or the remuneration, from time to time within limit laid down in the then subsisting respective provisions of the Act:

Sl. No.	Remuneration	Rs. (Per Month)	Rs. (Per Annum)
(i)	Salary (Basic)	1,50,000	18,00,000
(ii)	Perquisites & Allowances – classified into two categories A & B		
	Category-A Rent Free Furnished Accommodation with Servant, Gas, Electricity and Water	1,50,000	18,00,000
		3,00,000	36,00,000
	Category-B The following perquisites as per the Rules of the Company a) Contribution to Provident Fund. b) Gratuity payable shall not exceed half a month salary for each completed year of service. c) Earned/Privilege Leave. d) Chauffer driven Car for official use. e) Membership of 2 Clubs. f) Personal Accident Insurance g) Communication facilities at home including reimbursement of Mobile Phone expenses for official use.		

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter to be referred to as the 'Board', which term shall include Remuneration Committee thereof) may in its absolute discretion and subject to the requisite approvals, as may be required, increase the remuneration payable to Mr. C.L. Jain not exceeding 20% of the total remuneration payable to him per annum.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits of the Company in any financial year during the tenure of Mr. C.L. Jain as Chairman & Managing Director of the Company, he shall be paid the above Remuneration as minimum remuneration during such financial year in which there is loss or inadequate profit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things including entering into such agreement(s), deed(s) or any such document(s) as the Board may, in its absolute discretion, consider necessary, expedient or desirable including to sub-delegate all or any of the powers herein conferred on it, in order to give effect to this Resolution or as otherwise considered by the Board to be in the best interest of the Company."

For & on behalf of the Board

Regd. Office:

23, Eastern Avenue, Maharani Bagh,
New Delhi-110 065
Dated: August 14, 2012

C.L. Jain
Chairman & Mg. Director

Notes:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- b) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 27th day of September, 2012 to Saturday, the 29th day of September, 2012(both days inclusive).
- c) The Equity Shares of Rs. 10 each of the Company have been sub-divided/ splitted-up into 2 new Equity Shares of Rs. 5 each fully paid-up. All those Shareholders, who are still holding the Shares in physical form and have not yet got their Share Certificates of Rs. 10 each exchanged for new Share Certificates of Rs. 5 each, are requested to send the same to the Regd. Office of the Company at 23, Eastern Avenue, Maharani Bagh, New Delhi-110 065 for exchange thereof.
- d) Dividend @ 10% i.e. Re. 0.50 per Equity Share of Rs.5/- was declared for the financial year 2004-05. Those Shareholders who have not yet got their Dividend warrant/s encashed are requested to send the same to the Regd. Office of the Company for re-validation. **Please note that the dividend for the FY 2004-05, is required to be transferred to Investors Education & Protection Fund established u/s 205C of the Companies Act, 1956, if it remains unpaid or unclaimed upto 03.10.2012.**
- e) The Company's Equity Shares continue to remain listed on the Bombay Stock Exchange Ltd., and the listing fee has been duly paid.
- f) The Equity Shares of the Company are dematerialised and the trading has to be compulsorily in demat mode. Those Shareholders who have not yet got their equity shares dematerialised may approach the Depository Participant with whom they are maintaining account, for getting their Shares dematerialised.
- g) A Statement u/s 212 of the Companies Act, 1956, in respect of the Subsidiary Company, Aum Textfab Pvt. Ltd., is contained hereinafter with the Consolidated Financial Statements. The Company undertakes that the Annual Accounts of the Subsidiary Company and the related detailed information will be made available to the Holding and Subsidiary Company Investors seeking such information at any point of time. The Annual Accounts of the Subsidiary Company has been kept open for inspection by any investor at the Registered Office of the Company and the Registered Office of the Subsidiary Company i.e. Aum Textfab Private Limited on all working days between 10.00 A.M. to 12.00 'O' Clock.
- h) **NOMINATION** : Pursuant to the Section 109A inserted in the Companies Act, 1956, individual Shareholders holding Shares of the Company singly or jointly may nominate an individual to whom all the rights in the Shares of the Company shall vest in the event of death of the sole/all joint Shareholders.
- i) **REGISTRAR & TRANSFER AGENTS** : The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi- 110 062, as its Registrar & Transfer Agents. Shareholders may write to them also directly, or communicate with the Company at its Regd. Office, as they may like.
- J) The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business set out above is annexed hereto and forms part of the notice.
- k) Pursuant to Clause 49 of the Listing Agreement(s) pertaining to Corporate Governance, the particulars of Directors proposed to be re-appointed vide item Nos. 2 of the Notice, are as follows:

S. No.	Particulars	Dr. B. K. Behera	Shri C.L. Jain	Mr. S.R. Sharma
1.	Date of Birth	17.04.1959	08.09.1944	01.01.1938
2.	Date of Appointment	28.06.2004	01.10.1988	26.05.2012
3.	Qualification	Ph.D. M. Tech, B. Tech	B.Com	Grad.(Eco.), FCS, FCMA
4.	Expertise in specific functional area	Please refer Corporate Governance Report 2011-12.	Please refer Corporate Governance Report 2010-11.	Please refer Corporate Governance Report 2011-12.

S. No.	Particulars	Dr. B. K. Behera	Shri C.L. Jain	Mr. S.R. Sharma
5	Directorship held in other Public Companies*	Seasons Textiles Ltd.	Nil	Nil
6.	Membership/Chairmanship of Committees**	Nil	Nil	Nil
7.	No. of Equity Shares held in the Company	Nil	16,89,818	Nil
8.	Relationship with other directors	N.A.	Related to Shri Hari Bansal (Father-Son)	N.A.

*excluding Foreign & Private Limited Companies.

**Includes only Audit and Shareholders/Investor Grievance Committee other than Addi Industries Limited

EXPLANATORY STATEMENT
(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 4 of the Notice

The Board of Directors of your Company had co-opted Mr. Sukh Raj Sharma and appointed him as Additional Director of the Company with effect from May 26, 2012, as per the provisions of Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") read with Articles of Association of the Company, will hold office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from one of the shareholders of the Company proposing his candidature for the office of a Director pursuant to Section 257 of the Act.

The Board of Directors, therefore recommend passing of the resolution as set out at Item No.4.

None of the Directors except Mr. S.R. Sharma is interested or concerned in this resolution.

Item No. 5 of the Notice

The Shareholders had earlier, at their 29th Annual General Meeting held on September 30, 2011 approved the appointment and payment of remuneration to Shri Chaman Lal Jain as Chairman & Managing Director of the Company, then it had moved an Application to the Central Government u/s 269, 198, 309 & 310 read with Schedule XIII of the Companies Act, 1956 for making payment to Mr. Jain, as the Company does not have adequate profit to pay. The Central Govt. vide its letter No. SRN No.B28069946/4/2011-CL-VII, dated May 8, 2012 has rejected this proposal due to the fact that the Remuneration Committee of the Company did not consists of three Non Executive Independent Directors. Thereafter the Board was reconstituted on May 26, 2012 by induction of Mr. S.R. Sharma as independent director and reconstituted the remuneration committee by appointing Mr. Sharma as one of its member. The reconstituted Remuneration Committee in its meeting held on May 26, 2012 has ratified and recommended the appointment of Mr. C.L. Jain with effect from October 1, 2011 for a period of 3 years and it was also decided that the representation to be made to the Central Government to reconsider the matter.

Mr. Chaman Lal Jain, as Chairman cum Managing Director of the Company, being the promoter director has been associated with the Company since 1985 and has been contributing significantly to the growth of the business of the Company. The Company has made rapid strides and upward surge in its business activities, turnover / exports and profitability over the years and his day-to-day monitoring and effective control over the affairs of the Company, helps to achieve its targets.

Mr. Chaman Lal Jain, drawing the same remuneration as last approved by the Members & the Central Govt. & keeping in view the status enjoyed and the standard of living of the Managing Director, the Remuneration Committee in its meeting held on May 26, 2012 thought it expedient, reasonable and quite justified to and, therefore, fixed the same remuneration with a time-scale as set out in the resolution, for the term from 1st October, 2011 to 30th September, 2014 which has been approved by the Board of Directors, subject to your and the Central Govt. approval.

Accordingly, based on the recommendations of the Remuneration Committee, the Board of Directors of the Company vide their resolution dated May 26, 2012 have approved and ratified the appointment and the remuneration payable to Mr. Chaman Lal Jain, as Chairman & Mg. Director for a period of 3 years, w.e.f. October 1, 2011 subject to the approval of the Shareholders and the Central Government under the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956.

Mr. Chaman Lal Jain is a graduate & from commerce stream. He is in the textile industry since 1968 and has in depth knowledge and knows the knitty gritties of the textile industries. He is the overall in charge of the affairs of the Company and has more than 44 years of rich experience in this business. He has been entrusted with the following responsibilities:

- ❖ Overall in-charge of the affairs of the Company.
- ❖ Responsible for delivery of Business Plans, Objectives & Budgets.
- ❖ Ensure smooth operations of the business as per the relevant law, rules and regulations pertaining to Textile business.
- ❖ Ensure quality of goods exported.
- ❖ Responsible for increasing turnover and business operations.
- ❖ Responsible for Customer Satisfaction.

- ❖ Ensure Fire / Safety / Security SOP's are implemented and to ensure all legal & regulatory compliances are met,
- ❖ All statutory compliances with respect to the above.

The contributions made by Mr. Chaman Lal Jain in the day to day operations, decision making and growth initiatives of the Company are remarkable. The proposed remuneration of Mr. Chaman Lal Jain is in line with the trend in the industry benchmarks. The proposed remuneration is on the same terms and conditions as he was drawing earlier and is commensurate with the qualifications, experience, of Mr. Jain.

In compliance of the provisions of Schedule XIII to the Companies Act, 1956 the required information is placed before the Members in the General Meeting for their consideration.

General Information:

1.	Nature of industry			Textile Industry including spinning, knitting and dyeing.		
2.	Date of or expected date of commencement of commercial production			Existing Company.		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus			Not Applicable		
4.	Financial Performance on the given indicators: (Rs. In Lakhs)					
	Year Ended March 31	Turnover & other income	Sales	Operating Profit/(Loss)	Profit/(Loss) Before Tax	Profit/(Loss) After Tax
	2012	1306.81	1177.36	(298.27)	(267.38)	(259.25)
	2011	3422.89	3152.89	39.83	14.22	57.49
	2010	2416.76	2199.07	25.74	11.23	14.08
5.	Export performance based on the given indicators:					(Rs. In Lakhs)
	Particulars		2011-12	2010-11	2009-10	
	Foreign Exchange Earned		931.88	2916.52	2078.29	
	Foreign Exchange Used		76.04	229.20	195.10	
6.	Foreign investments or collaborations, if any			The Company has no foreign investments or foreign collaborations. The Company has not made any foreign investments or has any collaboration overseas.		

Information about the appointee:

1.	Background Details:	<p>Qualifications:</p> <p>Mr. Chaman Lal Jain holds Bachelor degree in commerce.</p> <p>Experience:</p> <p>About 44 years of rich experience in Textile Industry. Work experience inter-alia includes the Setting up of the existing textile business and make it possible for an upward surge in its business activities, turnover / exports and profitability over the years and efficiently manage day-to-day monitoring and exercise effective control over the affairs of the Company, helps to achieve its targets. Shri Jain has taken several initiatives to focus on growth, value addition and cost effectiveness besides overseeing the Company's business. He has successfully and in a sustained way, contributed significantly towards improvement and growth of the Company.</p> <p>Expertise:</p> <p>Due to above indicated experience of 44 years in all facets of textile business, he has gained rich techno-commercial expertise. He being the Chairman & Mg. Director of the Company is a promoter director and has been managing the affairs efficiently and in the best possible manner.</p>
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2.	Past Remuneration:	2009-10 : Rs.19,80,000.00 2010-11 : Rs.19,80,000.00 2011-12 : Rs.19,80,000.00
3.	Recognition or Awards:	During his stewardship the Company got the best exporter Award from Apparel Export Promotion Council of India.
4.	Job Profile & His Suitability:	<p>Having regard to the vast experience and expertise of Mr. Chaman Lal Jain, he is a perfect person to handle the following responsibilities:</p> <ul style="list-style-type: none"> ❖ Overall in-charge of the affairs of the Company. ❖ Responsible for delivery of Business Plans, Objectives & Budgets. ❖ Ensure smooth operations of the business as per the relevant law, rules and regulations pertaining to Textile business. ❖ Ensure quality of goods exported. ❖ Responsible for increasing turnover and business operations. ❖ Responsible for Customer Satisfaction. ❖ Ensure Fire / Safety / Security SOP's are implemented and to ensure all legal & regulatory compliances are met, ❖ All statutory compliances with respect to the above.
5.	Remuneration proposed:	As mentioned in the Resolution.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:	Mr. Chaman Lal Jain having unique experience and back ground, which is not easily available in Indian Industry, has successfully handled various assignments of management and operations of textile business throughout his career. Hence, it is not easy to compare such qualifications, experience and background as they are unique. Mr. Chaman Lal Jain is a well recognised and substantially awarded person which elaborated elsewhere in this statement. There are not many persons of such merits and repute available for employment. Such person commands a gross remuneration of upwards of the proposed remuneration.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:	Mr. Hari Bansal, Director being the son of Mr. Chaman Lal Jain and apart from this no other managerial person is concerned or interested in the appointment of Mr. Jain. Mr. Chaman Lal Jain as an individual holds 16,89,818 Equity Shares of Rs.5/- each which constitute 15.65% of the Equity Share Capital of the Company. The total Shareholding of Promoters along with the person acting in concert is 80,18,175 Equity Shares of Rs.5/- each which constitutes 74.27% of the existing Equity Share Capital of the Company.

Other Information:

1.	Reasons of loss or inadequate profits	<p>a) Huge input cost of raw material and consequent increase in operational cost.</p> <p>b) High interest cost on the working capital loan.</p> <p>c) High Volatility in foreign exchange market coupled with global recession which lead to lack of demand and drop in consumer sentiments.</p> <p>d) Overall Textile industries is in a bad shape, due to cheaper import from China and other neighbouring countries.</p> <p>All these factors adversely affected the Company's operations to a greater extent.</p>
2.	Steps taken or proposed to be taken for improvement	<p>a) To achieve better effectiveness on operations.</p> <p>b) Better control on both variable & fixed costs.</p> <p>c) Bifurcating the business into different Profit Centres for having better operational effectiveness.</p> <p>d) Hiring best talent available in the industry to run each Profit Centre effectively and proposed to make the Company profitable.</p>
3.	Expected increase in productivity and profits in measurable terms	<p>The current economic scenario across the globe has badly affected the Indian Textile Industry. The Company has taken several initiatives to improve upon the Company's profitability by reducing the cost of production at the best possible level. There is an improvement in financial performance in the Company for the year under review where losses have reduced. Turnover of the Company has been improving marginally.</p>

None of the Directors except Mr. Chaman Lal Jain as the matter pertains to his appointment and Mr. Hari Bansal being relative to Mr. Jain is concerned or interested in this resolution.

The Board recommends the passing of the resolution as a Special Resolution for approval.

The relevant documents referred in the resolution are open for inspection by the Members at the Registered Office of the Company on all working days, and shall be available at the meeting.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : August 14, 2012

C.L. Jain
Chairman & Mg. Director

DIRECTORS' REPORT

Dear Members

The Directors of your Company present their 30th Annual Report & the Audited Statements of Account of the Company for the year ended on 31st March, 2012.

Financial Results

The performance of your Company for the financial year ended on 31st March, 2012 is summarized below: (Rs./Lakhs)

Particulars	2011-2012	2010-2011
Turnover & other Income (incl. Exports)	1306.81 (955.13)	3422.89 (3060.28)
Gross Profit before financial exp. & depreciation	(171.48)	171.88
Less: Financial Expenses	30.03	68.15
Depreciation	81.41	88.43
Exceptional Items	(15.54)	1.08
Net Profit/(Loss) before Tax	(267.39)	14.22
Less : Provision for Taxation		
Income Tax adj. for earlier years	Nil	(35.92)
Less: Adj. for deferred tax	(8.13)	(7.35)
Net Profit /(Loss) after tax	(259.25)	57.49
Add: Amount b/f from last year	11.66	(45.83)
Balance transferred to Balance Sheet	(247.59)	11.66

Dividend

In view of losses incurred during the year, the Directors are not in a position to recommend any dividend for the financial year 2011-12.

Operations

The performance of your Company during the financial year under review has been impacted substantially, due to scale-down of operations, higher input costs, low export orders and subdued cotton & textile markets.

Technology upgradation, modernisation-cum-diversification

The Company has incurred nominal capital expenditure of Rs. 1.55 lakhs on technology upgradation & modernization of machinery and equipment, wherever considered necessary, during the year under report, as against Rs. 15.46 lakhs incurred in the preceding year.

Future Prospects

During the first quarter ended on 30th June, 2012, the Company has achieved a very low turnover of Rs.11.37 Lacs as against Rs. 406.62 Lacs in the corresponding first quarter of the previous year. Strict monitoring is being done to cut down costs and overheads wherever feasible to make the product more price competitive.

Finances

Your Company continues to have the support of its Bankers, Punjab National Bank, for the working capital requirements commensurate with its business activities.

Deposits

The Company has neither invited nor accepted any deposits from the Public within the meaning of the Companies (Acceptance of Deposits), Rules, 1975 during the year under report.

Directors

Dr. B.K. Behera., Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Mr. S. R. Sharma was appointed as Additional Director and whose term of office expires on the ensuing Annual General Meeting. The Company has received a notice u/s 257 of the Companies Act, 1956 from the shareholder, proposing his appointment as Director of the Company. Board of Directors recommends their re-appointment.

Mr. Hari Bansal has resigned from the Whole-time Directorship of the Company, but agreed to continue to act as Director of the Company with effect from August 14, 2012.

Auditors

M/s. S.R. Dinodia & Company, Chartered Accountants, New Delhi, retire and being eligible, offer themselves for re-appointment as Auditors

of the Company for the current financial year 2012-13, to hold office till the conclusion of the next Annual General Meeting. The Company has received the consent and the requisite Certificate u/s 224(1B) of the Companies Act, 1956, from them.

Subsidiary Company

During the year under review, M/s Aum Texfab Pvt. Ltd. continues to be a Subsidiary of the Company and the contribution of the said Subsidiary Company was insignificant. The consolidated financial statements of the Company and its above said subsidiary, form part of the Annual Report. In terms of the Circular no.2/ 2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet,

Profit & Loss Account and other documents of the subsidiary companies are not required to be attached with the Balance Sheet of the Company. The said documents/details shall be made available upon request to any member of the Company and will also be made available for inspection by any member of the Company at the registered office of the Company between 10.00 A.M. to 12 'O' Clock up to the date of the Annual General Meeting.

Corporate Governance

The Management Discussion & Analysis Report and the Report on Corporate Governance, along with the Certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is given in the Annexure, forming part of this Report.

Directors' Responsibility Statement

As required u/s 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors hereby confirm for the financial year ended March 31, 2012 that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the accounting policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made when required so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting any fraud or other irregularities; and
- iv) the annual accounts for the financial year have been prepared on a going concern basis.

Particulars of Employees

There was no employee who was in receipt of remuneration for the financial year under report in the aggregate of not less than Rs. 60 Lacs per annum, if employed throughout the year or Rs. 5 lacs per month, if employed for part of the financial year, within the meaning of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

The relevant information & data required to be disclosed u/s 217 (1)(e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms part of this Report.

Acknowledgements

Industrial relations continue to be cordial during the year under report. The Directors appreciate the effort and contribution made by the Workers, Staff Members and Executives at all levels for the improvement in the Company's performance. The Directors would also like to thank the Shareholders, Bankers, Customers, and Suppliers & Vendors for the continuous support given by them to the Company, and their confidence in its management.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : August 14, 2012

C.L. Jain
Chairman & Mg. Director

ANNEXURE TO & FORMING PART OF DIRECTORS' REPORT
Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo
Conservation of Energy

The Company has been regularly monitoring the process of energy conservation through improved operational and maintenance activities. Various measures namely maximum use of natural day light, arresting leakages of air and steam and proper insulation for preventing loss of heat etc. have been implemented, to minimise losses. These measures have and are resulting in cost savings for the Company. Total energy consumption & consumption per unit during the year ended 31st March, 2012, is as per Form 'A' below :

FORM 'A'
A. Power and Fuel Consumption:

	Current year 31.3.2012	Previous Year 31.3.2011
1. ELECTRICITY		
(a) Purchased		
Units	500900	965867
Total amount (Rs./Lacs)	27.80	56.63
Rate/unit (Rs.)	5.55	5.86
(b) Own Generation		
i) Through diesel generator Units	27300	60900
Unit per ltr. of diesel oil	3.50	3.50
Cost/unit (Rs.)	11.66	10.89
ii) Through steam turbine/generator	N.A.	N.A.
2. COAL		
Qty. (Kgs.)	N.A.	N.A.
Value (Rs./Lacs)	N.A.	N.A.
3. FURNACE OIL/ LDO/HSD		
Qty. (Ltrs.)	43200	140600
Value (Rs./Lacs)	17.63	53.60
Rate/Unit (Rs.)	40.80	38.13
4. OTHERS : INTERNAL GENERATION		

B. Consumption per unit of production:

Product	(Unit)	Electricity (Units)		Furnace Oil(KL)		Coal (KG.)	
		Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.
Ready made Garments	1000 Pcs.	1775	988	—	—	—	—

Technology Absorption

The requisite particulars are given in Form B below:

FORM 'B'

Research and Development (R&D) : R&D has always been a crucial factor, being carried out in manufacturing operations. The Company continues to give due attention and stress on R&D activities to achieve maximum benefit for process and product by adapting all round technological development. This is of utmost important in today's customer-driven market, where both quality and lower cost are dominant factors. Beside development of new designs, high value added specifications/ product and such like measures are imperative in the trade. The cumulative measures taken to update and use the latest technology for improvement in productivity are yielding positive results and are enabling the Company to concentrate upon high value added products. Expenditure on R&D is booked to respective heads as it is not separately identified.

Technology Absorption, Adoption and Innovation : The Company puts proper emphasis on absorption of design and manufacturing technology. Priority is given in using latest technology for improving productivity, product quality and reducing wastage in consumption of raw materials, consumables and fuels. No technology import is required, since the product manufacturing is specific and subjective operation.

Foreign Exchange Earnings and Outgo : Total Foreign exchange earned and used :

(Rs./Lacs)

Particulars	31.3.2012	31.3.2011
Earnings	931.88	2916.52
Outgoings	76.04	229.20

For and on behalf of the Board of Directors

Place : New Delhi
Dated : August 14, 2012

C.L. Jain
Chairman & Mg. Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT**1. INDUSTRY STRUCTURE & DEVELOPMENTS**

It is a recognized fact that the knitwear sector in the textile industry plays an important role in the Indian Economy. This industry, however, is highly competitive and fragmented. During the year 2011-12 the exports of readymade garments have been reduced substantially and the export growth was severely affected due to several internal and external developments. Stiff Global Competition, Changing Technology & Fashion industry and above all the overall recession continue to have an adverse impact on business prospects and profitability.

2. OPPORTUNITIES & THREATS

The opportunities in the Textile Industry and the increasing growth in export of knitted garments augur well for this vital segment. There is a perceptible change in the outlook and shift for diversified and high value added products.

Textile Companies are always experiencing pricing pressures, lately due to stiff international competition. Besides, lack of modern technology and archaic personnel laws are some of the other areas of significant threats.

Addi Industries is seized of all such factors having adverse effect on its exports. It is always eager and endeavouring to constantly update its plant & equipment for producing the best quality products. A capital expenditure of 1.55 Lacs was incurred during the year on technology upgradation and modernization of machinery & equipment, wherever considered necessary.

Sales in Company's domestic retail outlets are gradually improving. Keeping in view the market requirements, new and diversified product lines are continuously being added in the domestic market.

3. SEGMENT-WISE PERFORMANCE

The Company operates in one segment only i.e. manufacturing of garments. Hence, no segment-wise performance reporting is available.

4. OUTLOOK

Exports in the current year 2011-12 have gone down drastically. The Company has achieved negligible Income from operation of Rs.11.37 Lacs in the first quarter ended 30th June, 2012 as compared to the turnover of Rs. 431.77 Lacs in the corresponding first quarter of the previous year. International competition has and is exerting high pressure on selling prices of the export products. Exports also depend a lot on Govt. policies and developments in the international market.

5. RISKS & CONCERNS

The Company places its thrust on product excellence. Judicious risk management policies, strong systems, constant monitoring of various risk factors and a focus on greater market penetration continue to guide the business strategy of the Company. Strict monitoring is done to cut-down costs and overheads, whatever feasible, to make the product more prices competitive.

6. INTERNAL CONTROL SYSTEMS

The Company has instituted a system of internal control and checks, which are supplemented by an on-going programme of internal audits and Management Information System (MIS). An annual planning and budgeting system has been put into practice. The Audit Committee of the Board actively reviews internal control systems as well as financial disclosures normally on every quarterly period.

7. MATERIAL DEVELOPMENTS IN HR

Personal relations during the year under report have been cordial. To conform to international standards, the Company conducts different training programmes in-house. The Company has also identified and included specific programmes on Health, Safety & Environment in every employee/s performance targets. A self assessment system is in vogue amongst the staff, and a code of conduct amongst the senior management personnel, which is reviewed by the top management from time to time.

CAUTIONARY STATEMENT

The Statements in the Report of the Board of Directors and the Management Discussion & Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the company's operations are influenced by many external and internal factors beyond the control of the company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : August 14, 2012

C.L. Jain
Chairman & Mg. Director

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

1. Corporate Philosophy

The Company is committed to good Corporate Governance. It makes best efforts for and monitors, full compliance with the requirements of Corporate Governance under the revised Clause 49 of the Listing Agreement with the Stock Exchange. There is a conscious endeavour to bring about transparency in operations and for maintaining professional approach and accountability so that the return to the shareholders is optimized. Regular meetings of the Board and Committee/s thereof are held for transparency in management, effective leadership and for supervision and control. Risk management and internal control functions are monitored on a regular basis and are geared up to meet the progressive governance standards.

2. Board of Directors

The composition of the Board of Directors, as at 31st March 2012, is four, two Executive Directors and two Non-executive Directors. On the date of this Report, Mr. S.R. Sharma has been inducted as Non-executive independent director with effect from May 26, 2012 and Mr. Hari Bansal has resigned from the position of Whole-time Director and has agreed to act as Director of the Company effective from August 14, 2012. The Agenda and other documents alongwith relevant information on the business to be discussed and decided in the Board/Committee Meeting/s are circulated well in advance. The Chairman & Managing Director is responsible for the conduct of the business as also the day-to-day affairs of the Company. The Executive Whole-time Director is in charge of Marketing, Product development, Quality control, Export & other Commercial functions of the Company. A Certificate of Statutory Compliance of the various rules and regulations, laws & clauses applicable to the Company is placed before the Board at every Meeting on a quarterly basis. The Statutory Auditors are special invitee/s to the Board/ Committee Meeting/s as and when required, and particularly at the time of Annual & Quarterly Financial Statements.

Brief Profile of the Directors:

Shri Chaman Lal Jain, aged 68 years (D.O.B 08.09.1944) is a promoter director and designated as Chairman & Managing Director of the Company since 01.10.1988. He is B.Com and has about 44 years of rich experience in Textile Industry. Work experience inter-alia includes the Setting up of the existing textile business and make it possible for an upward surge in its business activities, turnover / exports and profitability over the years and efficiently manage day-to-day monitoring and exercise effective control over the affairs of the Company, helps to achieve its targets. Shri Jain has taken several initiatives to focus on growth, value addition and cost effectiveness besides overseeing the Company's business. He has successfully and in a sustained way, contributed significantly towards improvement and growth of the Company. He is holding 16,89,818 Equity Shares of Rs.5/- each which constitute 15.65% of the Equity Share Capital of the Company.

Shri Hari Bansal, aged 37 years (D.O.B 14.09.1975) is a promoter director of the Company since 12.11.2002 and presently is holding the position of Director in the Company. He is B.Chem. (Engineering) and has about 11 years of rich experience in Textile Industry. Work experience inter-alia includes the expertise knowledge of domestic and export industry pertaining to textile business. He is holding 996118 Equity Shares of Rs.5/- each which constitute 9.23% of the Equity Share Capital of the Company.

Shri V.B. Aggarwal, aged 75 years (D.O.B 12.05.1937) is an independent non executive director of the Company since 28.06.2004. He is B.Com(H), FICWA, ACS and has about 41 years of rich experience of varied Industries. He has an expertise knowledge in Finance, Cost Accounting and Audit & Management. He does not hold any Equity Share in the Company.

Dr. B. K. Behera, aged 53 years (D.O.B 17.04.1959) is an independent non executive director of the Company since 28.06.2004. He is Ph.D, M. Tech. and has about 26 years of rich experience of Textile Industries and latest textile technology. He does not hold any Equity Share in the Company.

Mr. Sukh Raj Sharma, aged 73 years (D.O.B 01.01.1938) is a Grad.(Econ.), Punjab University, Fellow Member of the Institute of Company Secretaries of India and is also a Fellow Member of the Institute of Cost & Management Accountant. He is having 40 years of vast experience in the field of Finance, Accounts and Secretarial. His last Assignment was as a Director (Finance) with the Central Electricity Authority, Ministry of Power, Government of India before taking VRS in 1995. Presently he is practicing as a Company Secretary in Whole-time Practice.

The Board met 5 times on May 14, August 12, September 2, November 14, 2011 and February 13, 2012 during the financial year ended March 31, 2012:

Name of the Director & Designation	Executive/ Non Executive/ Independent	No. of Board Meetings held during the year	No. of Board Meeting attended	Attendance at the last AGM on 30.09.2011	Directorships In other Cos. incorporated In India	No. of other Cos. Board Committees, of Which Member/ Chairman
Shri C.L. Jain (Chairman & Mg. Dir.)	Executive (Promoter Grp)	5	5	Present	1	NIL
Shri V.B. Aggarwal	Non-executive (Independent)	5	5	Present	NIL	NIL
Dr. B.K. Behera	Non-executive (Independent)	5	3	Present	1	NIL
Shri Hari Bansal	Executive (Promoter Grp)	5	5	Present	1	NIL

None of the Directors on the Board hold the office of Director in more than 10 Companies as Director or as Member of Committee/s

of the Board. Particulars of a Director retiring by rotation and being re-elected are given elsewhere in this Report.

None of the non-executive independent Directors hold any shares in the company, either in their own name or in the name of their relatives/associates, or hold shares in any other company exceeding 2% of the share capital of the company.

Shri C.L. Jain, and Shri Hari Bansal are related to each other (as Father-Son relationship), except them none of the other Director of the Company is related with other.

Directors resigned during the year.

There is no change in the Directorship/s of the Company during the year under report except Mr. Hari Bansal who resigned from the position of Whole-time Director but agreed to continue as Director of the Company effective from August 14, 2012.

3. Committee/s of the Board

A. Audit Committee

An Audit Committee is duly constituted in terms of Section 292A of the Companies Act 1956 and in compliance with the requirements of Clause 49 of the Listing Agreement. Shri V.B. Aggarwal, a non-Executive Independent Director, is the Chairman of the Audit Committee. Dr. B.K. Behera, Non-Executive Director and Shri C.L. Jain, Managing Director are the other members of this Committee.

Shri V.B. Aggarwal is a professionally qualified Cost Accountant & Company Secretary, and has the requisite financial acumen and a rich & varied expertise on financial matters. He attended and was present at the Annual General Meeting of the Members held on September 30, 2011.

The Committee relies on the expertise and knowledge of the management, the Statutory Auditors, and the Professionals in carrying out its oversight responsibilities, and for effectively looking after all the financial and other matters specified u/s 292A of the Act *ibid*. The Committee discharges such duties and functions indicated in Clause 49 of the Listing Agreement with the Stock Exchange and such other functions as may be specifically delegated to the Committee by the Board from time to time. The Auditors are permanent invitee/s to the meeting/s of the Committee, especially at the time of consideration of Quarterly and Annual Accounts.

Five Meetings of the Audit Committee were held on May 14, August 12, September 2, November 14, 2011 and February 13, 2012; during the financial year ended 31st March, 2012. All the members of the Audit Committee attended each and every meeting held during the year.

The Company has a "Whistle Blower Policy". Every employee has a right of access to the Audit Committee and its Members, without any information to their Superiors. The Company hereby affirms that it has not denied any personnel access to the Audit Committee of the Company and has provided protection to whistle blowers from any unfair termination and other unfair or prejudicial employment practices.

B. Remuneration Committee

The Remuneration Committee of the Company comprises of three non-executive independent Directors namely Shri V.B. Aggarwal, Shri S.R. Sharma & Dr. B.K. Behera and Shri C.L. Jain, Mg. Director, as its members. The Remuneration Committee is empowered to review the remuneration of the Managing Director and Executive Directors. 1 meeting of the Remuneration Committee was held on November 2, 2011 during 2011-12, which was attended by all the members.

C. Selection Committee

The Selection Committee of the Company also comprises of two non-executive independent Directors namely Shri V.B. Aggarwal and Dr. B.K. Behera, and Shri C.L. Jain, Mg. Director, as its Members. The Selection Committee functions for regulating the selection and appointment of any relative/s of a Director, to hold office or place of profit in the Company. No meeting of the Selection Committee was convened during 2011-12.

D. Committee of Directors (COD)

In terms of the revised clause 41 of the Listing Agreement, a Committee of Directors (COD) has been constituted with Shri V.B. Aggarwal, non- executive independent Director as its Chairman, and Shri C.L. Jain, Mg. Director as its Member, for the purpose of considering the Limited Review Report of the Statutory Auditors, before its submission to the Stock Exchange. No meeting of the Committee of Directors was required to be held during the financial year ended March 31, 2012.

E (i) Investor Grievance cum Share Transfer Committee

The Investor Grievance cum Share Transfer Committee has been constituted under the Chairmanship of Dr. B.K. Behera. The other members of the Committee are S/Shri V.B. Aggarwal, C.L. Jain and Hari Bansal. The terms of reference to the Committee *inter-alia* includes the redressal of Shareholders/Investors grievances, de-materialisation/ re-materialisation of Shares, to consider the status of Quarterly Complaints received and redressed. Apart from these a general authority has been given to Shri C.L. Jain, Chairman & Mg. Director of the Company to approve the Share Transfer, Transmission, Transposition and other related matters.

Four Meetings of the Investor Grievance cum Share Transfer Committee were held on May 14, August 12, November 12, 2011 and February 13, 2012; during the financial year ended 31st March, 2012. All the members of the Committee attended each and every meeting held during the year except Dr. B.K. Behera and Shri V.B. Aggarwal who did not attended even a single meeting.

During the year under review, Shri C.L. Jain in his independent capacity and as per the authority delegated to him has approved the Share Transfer/Transmission/issue of duplicate Share Certificate/s & other related matters, upto 2500 Equity Shares per case, held in physical form. Proceedings of all the Share Transfers/ Transmissions/ other matters approved are placed at the ensuing Board Meeting/s, from time to time.

Shri Atul Jain, Compliance Officer & Manager(Finance) acts as the Compliance Officer of the Committee. The Company attends the Shareholders'/investors' communications/grievances expeditiously. No Demat request was pending at the close of the last Financial Year.

4. Remuneration to Directors

The Mg. Director & the Whole-time Directors are paid remuneration as decided & approved by the Remuneration Committee, the Board and the Shareholders, & thereafter, the approval of the Central Govt. is obtained wherever required. The Company does not have any Stock Option Scheme.

The appointment of the Mg. Director & the Whole-time Directors is generally for a period of 5 years or as approved by the Board, and the Central Govt. if required, which can be terminated by giving one month Notice on either side. No severance fee is payable. There are no retirement benefits, but only provision for Leave Encashment and Gratuity to which the Mg. Director & other Whole-time Director/s are entitled at the end of their tenure or as per the rules of the Company.

During the year under review, the Company had moved an Application to the Central Government u/s 269, 198, 309 & 310 of the Companies Act, 1956 for making payment to Mr. C.L. Jain as Chairman & Managing Director, as the Company did not have adequate profits to pay. The Central Govt. vide its letter No. SRN No.B28069946/4/2011-CL-VII, dated May 8, 2012 has rejected this proposal due to the fact that the Remuneration Committee of the Board did not consist of three Non Executive Independent Directors. Subsequent to the rejection of the Company's application by the Central Government and in terms of Section 309(5A) of the Act, the remuneration paid to Mr. Jain from October 1, 2011 needs to be refunded, but it was decided that the Company, after induction of Mr. S.R. Sharma as independent director and the member of the remuneration committee and further on the recommendation of the reconstituted Remuneration Committee, the said proposal was submitted to the CG for reconsideration.

The details of the remuneration paid to the Mg. Director and the Whole-time Director during the year under report are given below.

Structure of managerial remuneration during the financial year:

(Rs./Lacs)

Name	Designation	Salary	Perquisites	Commission	Sitting Fees	Total
Sh. C.L. Jain	Mg. Dir.	10.80	9.00	Nil	Nil	19.80
Sh. V.B. Aggarwal	Director	Nil	Nil	Nil	0.55	0.55
Dr. B.K. Behera	Director	Nil	Nil	Nil	0.55	0.55
Sh. Hari Bansal	W.T. Dir.	10.50	Nil	Nil	Nil	10.50
Total		21.30	9.00	Nil	1.10	31.40

Perquisites include rent paid. The sitting fees are for attendance of Board/ Committee Meetings.

5. SUBSIDIARY COMPANY:

The Company has a wholly-owned non-listed Subsidiary Company. The Chairman is the ex-officio Chairman of the Subsidiary Company. The Audit Committee reviews the financial statements of the Subsidiary, which are placed before the Audit Committee at its meetings, on quarterly basis. Such Financial Statements are also placed before, and reviewed by the Board of Directors of the Company.

6. General Body Meeting/s

The details of last three Annual General Meeting/s are as under:

Date	Time	Location (U.P.)	No. of Special Resolutions Passed
30.09.2009	9.00 a.m.	Ashoka White Farm House, Sector 70-71 Main Road Basai, Noida (U.P.)	2
30.09.2010	9.00 a.m.	Ashoka White Farm House, Sector 70-71 Main Road Basai, Noida (U.P.)	Nil
30.09.2011	9.00 a.m.	Community Hall, Chaura Raghunath Pur, Sector-22, Noida-201 301(U.P.)	1

POSTAL BALLOT

Pursuant to Section 192A of the Companies Act, 1956, during the year 2011-2012, the shareholders of the Company had overwhelmingly approved (99% of the total votes casted) by means of Postal Ballot, on the Special Resolution under section 16, 17, 146(2), 192A of the Companies Act, 1956 and the rules framed thereunder for shifting of Registered Office of the Company from the State of Uttar Pradesh to the National Capital Territory of Delhi and consequential amendment to Clause II of the Memorandum of Association of the Company:

7. Disclosures

There were no transactions of a materially significant nature with the Promoters, the Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large, other than transactions with related party as disclosed in the Financial Statements.

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to Capital Markets during last three years. There were no penalties imposed nor any strictures passed on the Company by the Stock Exchange, SEBI or any other Statutory Authority relating to the above.

Certificate/s of Compliance signed by the Compliance Officer &/or the Authorised Signatory for the provisions of all applicable laws are regularly being placed before the Board of Directors, which are taken on record in the Board Meeting/s on a quarterly basis.

8. Means of Communication

Financial Results:

The Quarterly, Half Yearly and Annual Financial Results were faxed and sent by speed post to the Bombay Stock Exchange Ltd. on the prescribed format immediately after the conclusion of the Board Meeting at which the results were taken on record. The Results were published in the Pioneer (English) & Hari Bhoomi (Hindi), newspapers.

The Management Discussion and Analysis Report for the year ended 31st March, 2012 forms part of this Annual Report.

9. General Shareholder Information

A. Annual General Meeting

- Date and Time : Saturday, September 29, 2012 at 9.00 A.M.
- Venue : Community Centre, Nehru Nagar, New Delhi-110 065.
- Financial Calendar* :
 - a) 1st Quarter Results – By the mid of Aug '12.
 - b) 2nd Quarter Results – By the mid of Nov., '12.
 - c) 3rd Quarter Results – By the mid of Feb., '13.
 - d) 4th Quarter Results – By the mid of May '13.

*Tentative and subject to change.

Date of Book Closure : 27.09.2012 to 29.09.2012 (both days inclusive)

B. Listing on Stock Exchange : Bombay Stock Exchange Ltd., Dalal Street, Mumbai- 400 001.

C. (i). Stock Price Data:

The trading in the Equity Shares of the Company is confined to the Mumbai Stock Exchange, being on-line connectivity.

Period	High (in Rs.)	Low (in Rs.)	Close (in Rs.)	Volume (in Nos.)
April 2011	7.40	6.00	7.39	48,924
May 2011	7.75	6.50	6.66	26,680
June 2011	6.61	5.70	5.76	89,873
July 2011	6.00	5.27	5.41	12,939
August 2011	7.00	5.00	7.00	25,434
September 2011	7.85	6.77	7.00	26,878
October 2011	7.00	5.46	5.47	15,416
November 2011	5.21	4.26	4.26	6,216
December 2011	4.45	4.10	4.35	2,382
January 2012	4.16	3.85	4.00	4,743
February 2012	4.24	3.50	4.24	15,25,496
March 2012	6.21	4.04	6.20	21,33829

D. Registrar & Transfer Agents

M/s. Beetal Financial & Computer Services (P) Ltd.,
Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre
Near Dada Harsukh Das Mandir, New Delhi-110 062
Phone : 29961281-82 Fax : 29961284

E. Investors' queries/requests

for transfer, transmission, issue of duplicate share certificates, etc. may be sent either to the Regd Office of the Company at 23, Eastern Avenue, Maharani Bagh, New Delhi-110 065, or to the Registrar & Transfer Agents, M/s. Beetal Financial & Computer Services (P) Ltd. at the address given above. No Investor queries/ complaints/ grievance was pending for a period of 30 days or more as at 31st March, 2012.

F. Share Transfer System

The Shares of the Company are in compulsory demat mode. Hence, most of the transfers are executed electronically. However, a few cases of transfer/transmission are received by the company/registrar in physical mode. The Mg. Director as per the authority delegated by the Board approves all share transfers in physical mode upto 2500 shares per transfer. There has been no instance of share transfers beyond 2500 shares in physical mode, however, if there is any case, such transfers are approved by the Share Transfer Committee/ Board of Directors who meet periodically, and as and when required.

10. Distribution of Shareholding as on 31st March, 2012

Distribution of Shareholding as on 31st March:

No. of equity shares held	2012				2011			
	No. of Share holders	% of share holders	No. of shares held	% Share holding	No. of Share holders	% of share holders	No. of shares held	% Share holding
Upto 5000	3002	93.09	9,35099	8.66	2992	93.21	944536	8.75
5001 to 10000	126	3.91	1,89,377	1.75	124	3.86	187198	1.74
10001 to 20000	50	1.55	1,47,136	1.37	45	1.40	132786	1.23
20001 to 30000	11	0.34	53,629	0.50	12	0.37	58732	0.54
30001 to 40000	8	0.25	53,832	0.50	9	0.28	60803	0.56
40001 to 50000	6	0.19	54,542	0.50	9	0.28	81989	0.76
50001 to 100000	8	0.25	1,12,389	1.04	5	0.16	78957	0.73
Above 100001	14	0.43	92,50,570	85.68	14	0.44	9251573	85.69
Total	3225	100	10796574	100.00	3210	100	10796574	100.00

Shareholding Pattern as on 31st March:

Particulars	2012		2011	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters & Associates	8018175	74.27%	8018175	74.27%
Mutual Funds, UTI & Bank	11600	0.11%	11600	0.11%
Private Corporate Bodies	964135	8.93%	973395	9.01%
Indian Public	1696892	15.71%	1687932	15.63%
NRI's	105772	0.98%	105472	0.98%
Total	10796574	100.00%	10796574	100.00%

11. Dematerialisation of Equity Shares

The Equity Shares of the Company are in compulsory demat mode. Out of the total number of 10796574 Equity Shares of Rs. 5 each, 93.38% i.e. 10081698 No. of Equity Shares are held in demat form as on 31.03.2012, as against 93.22 % i.e. 10064818 Equity Shares as on 31.03. 2011.

12. There are no GDRs/ADRs/Warrants or any convertible instruments in the Company.
13. Locations of the Plant, and address of the Regd. Office/ Corporate Office:

- Registered Office : 23, Eastern Avenue, Maharani Bagh, New Delhi-110065.
- Works & Corporate Office : A-106, Sector-IV, Noida – 201 301 (U.P.)
- Plant Location : A-105,106, Sector-IV, Noida- 201 301 (U.P.)

14. The Company has not declared any dividends in the last three financial years and the amounts outstanding as unpaid dividend as on 31st March, 2012 are as mentioned against each:

Fin. Year	Dividend Rate	Paid on	Amount of unpaid dividend
2004-05	10%	05.09.05	Rs.152622.00

Those Shareholders who have not been able to get their dividend warrants encashed have been requested to send the same to the Corporate Office of the Company for re-validation. Please note that the dividend for the FY 2004-05, is required to be transferred to Investors Education & Protection Fund established u/s 205C of the Companies Act, 1956, if it remains unpaid or unclaimed upto 03.10.2012 and if once this amount has been transferred the Shareholders/investors could not claim the same.

15. Compliance Officer and Contact Address

Shri Atul Jain
Finance Manager
Addi Industries Limited
Corporate Office: A-106, Sector-IV, Noida – 201 301 (U.P.)
Tel : 95120-2529336 Fax: 95120-2529334

16. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

The status of compliance in respect of non-mandatory requirements of Clause 49 of the Listing Agreement is as follows:

- i) **The Board:** The Company does not have a Non-Executive Chairman on its Board.
No specific tenure has been specified for the independent Directors.
- ii) **Remuneration Committee:** Details are given under the heading "Remuneration Committee".
- iii) **Shareholders Rights:** The half yearly financial results including any significant events in the last six months were published in the newspapers pursuant to Clause 41 of the listing agreement.
- iv) **Audit Qualifications:** During the year under review, there was no qualification on the Company's financial statements for the period ended March 31, 2012.
- v) **Training of Board Members:** The Directors interact with the management in a very free and open manner on information that may be required by them.
- vi) **Mechanism for evaluation on non-executive Board Members:** The performance evaluation of non-executive member is done by the Board annually based on criteria of attendance and contributions at Board/Committee meetings, as also role played/ contributions other than at meetings.
- vii) **Whistle Blower Mechanism:** The Audit Committee had framed a Whistle-Blower Policy, which provides a formal mechanism for all employees of the Company to approach the Management and/ or Audit Committee, and make protective disclosures to the management about unethical behaviour, actual or suspected fraud. The Whistle-Blower Policy requires every employee to promptly report to the Management any possible violation that could affect the business or reputation of the Company. No employee of the Company has been denied access to the Audit Committee.

DECLARATION BY THE CEO/CFO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective codes of conduct, as applicable to them in the company, for the Financial Year ended March 31, 2012.

For ADDI INDUSTRIES LIMITED

Place : New Delhi
Date : August 14, 2012

Atul Jain
Compliance Officer cum

C.L.JAIN
Chairman & Mg. Director
Manager (Finance)

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE.**To the Members of Addi Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by Addi Industries Limited for the year ended on March 31, 2012, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchange.

The compliance of condition of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and 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 further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. R. Dinodia & Co.,
Chartered Accountants

Place : New Delhi
Date : August 14, 2012

Sandeep Dinodia
Partner
M. No. 083689

AUDITOR'S REPORT

To the Share Holders of
M/S ADDI INDUSTRIES LIMITED

We have audited the attached Balance sheet of **M/S ADDI INDUSTRIES LIMITED**, as at 31st March 2012, the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India, in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, 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 purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Company's Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Profit & Loss Account, of the Loss for the year ended on that date; and
 - iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

For S. R. Dinodia & Co.,
Chartered Accountants

Place : New Delhi
Date : August 14, 2012

Sandeep Dinodia
Partner
M. No. 083689

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in paragraph 3 of our audit report of even date)**

- i) (a) The Company is in the process of maintaining fixed asset register showing full particulars including quantitative details and situation of fixed assets. As explained to us, records pertaining to earlier years have been misplaced and work is in progress to retrieve the relevant information.
- (b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the program is reasonable having regard to the size of the Company and the nature of the fixed assets
Further, in view of the above, the discrepancies, if any, between the book records and the physical verification has not been ascertained.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
- ii) (a) On the basis of information and explanation provided by the management, Inventories have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable.
- (b) In our opinion, frequency and the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the company is maintaining the proper records of inventory except in the case of finished goods. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account. Further, in the case of finished goods, in the absence of proper records, the discrepancies, if any, between the book records and the physical verification has not been ascertained.
- iii) According to the information and explanations given to us, the company had not granted unsecured loans to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, paragraphs 4(iii) (a), (b), (c) and (d) of the Companies (Auditor's Report) Order 2003 are not applicable.
According to the information and explanations given to us, the company had not taken unsecured loans from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, paragraphs 4(iii) (e), (f) and (g) of the Companies (Auditor's Report) Order 2003 are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets, sales of goods. According to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of opinion that the particulars of contracts or arrangements that need to be entered into a register maintained under section 301 of the Companies Act, 1956 are being so entered.
- (b) In our opinion and according to explanation given to us, transactions made in pursuance of contracts and arrangements entered in the register maintained under Section 301 in respect of any party during the year have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
- vi) The Company has not accepted any deposits during the year from the public as defined in section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) According to the information and explanations given to us, the central government has not prescribed cost records under clause (d) of sub- section (1) of section 209 of the Companies Act for the product manufactured by the Company.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable to it. There was no undisputed amount outstanding at the year-end for a period more than six months from the date they become payable

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute, are as follows:

S.No.	Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amt. relates	Forum where the dispute is pending
1	ESI Act	ESI	7,742,020	During 1995-1996 to 1998-1999	Civil court Ghaziabad

- x) The Company has accumulated losses as at 31st March, 2012 which are less than fifty per cent of its net worth. The company has incurred cash losses during the financial year, however has not incurred any cash losses in the immediately preceding financial year.
- xi) On the basis of information and explanation provided by the management and test checked by us, the Company has not made any default in the repayment of dues to the banks. The Company has not availed any loan from the debenture holders & financial institution.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
- xiii) In our opinion considering the nature of activities carried on by the company during the year, the provision of any special statute applicable to chit fund /nidhi/mutual benefit fund/societies are not applicable to it.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv) On the basis of information and explanation provided, the Company has not given guarantee for loans taken by other from the bank during the year.
- xvi) The company has not obtained any term loan during the current financial year.
- xvii) On the basis of information and explanation given to us and an overall examination of the balance sheet, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
- xviii) According to information and explanation given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) During the period covered by our audit report, the company has not issued any debentures.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, during the year we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For S. R. Dinodia & Co.,
Chartered Accountants

Place : New Delhi
Date : May 26, 2012

Sandeep Dinodia
Partner
M. No. 083689

BALANCE SHEET AS AT MARCH 31, 2012
(Amount in Rs.)

PARTICULARS	NOTE No.	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	54,000,370	54,000,370
Reserves and surplus	4	112,890,307	138,815,405
		166,890,677	192,815,775
Non-current liabilities			
Deferred tax liabilities (Net)	5	8,418,648	9,231,614
Other Long term liabilities	6	661,354	682,346
Long-term provisions	7	1,307,459	3,035,867
		10,387,461	12,949,827
Current liabilities			
Short-term borrowings	8	—	40,760,187
Trade payables	9	2,388,271	26,642,128
Other current liabilities	9	1,366,555	24,780,550
Short-term provisions	7	1,248,747	1,974,886
		5,003,573	94,157,751
TOTAL		182,281,711	299,923,353
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		79,307,444	91,044,163
Non-current investments	11	17,493,397	17,493,397
Long-term loans and advances	12	10,654,488	5,271,030
Other non-current assets	15	6,522,788	9,381,034
		113,978,117	123,189,624
Current assets			
Inventories	13	6,195,932	64,935,909
Trade receivables	14	1,474,926	67,200,808
Cash and other Bank Balance	16	52,877,525	35,229,977
Short-term loans and advances	12	3,158,529	3,439,978
Other current assets	15	4,596,682	5,927,057
		68,303,594	176,733,729
TOTAL		182,281,711	299,923,353
Summary of Significant Accounting policies	2	—	—
The accompanying notes are an integral part of the financial statements			

As per our Audit Report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 001478N

For and on behalf of the Board of Directors

(SANDEEP DINODIA)
Partner
M. No. 083689

C.L. JAIN
Chairman & Managing Director

V. B. AGGARWAL
Director

Place : New Delhi
Dated : May 26, 2012

DR. B. K. BEHERA
Director

ATUL JAIN
Manager (Finance)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012
(Amount in Rs.)

PARTICULARS	NOTE No.	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
Income			
Revenue from operations (Gross)	17	126,143,904	336,769,673
Less : Excise Duty		—	—
Revenue from operations (Net)		126,143,904	336,769,673
Other income	18	4,536,820	5,519,461
Total Revenue		130,680,724	342,289,134
Expenses:			
Cost of materials consumed	19	28,095,829	117,501,194
Purchase of traded goods	20	—	16,068,337
(Increase) / Decrease in inventories	21	45,364,031	(16,815,544)
Employee benefits expense	22	15,313,076	23,832,193
Finance costs	23	3,002,385	6,815,494
Depreciation and amortization expense	10	8,140,636	8,842,978
Other expenses	24	59,056,671	184,514,133
Total expenses		158,972,628	340,758,785
Profit before exceptional items and tax		(28,291,904)	1,530,348
Exceptional items	25	(1,553,840)	108,362
Profit Before Tax		(26,738,064)	1,421,986
Tax expense:			
Current Tax		—	—
Deferred Tax	5	(812,966)	(735,046)
Tax Adjustment for earlier years		—	(3,592,035)
Profit (Loss) of the year		(25,925,098)	5,749,067
Earnings per equity share:			
Basic / diluted earning per share	26	(2.40)	0.53
Summary of Significant Accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our Audit Report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 001478N

For and on behalf of the Board of Directors

(SANDEEP DINODIA)
Partner
M. No. 083689

C.L. JAIN
Chairman & Managing Director

V. B. AGGARWAL
Director

Place : New Delhi
Dated : May 26, 2012

DR. B. K. BEHERA
Director

ATUL JAIN
Manager (Finance)

CASH FLOW STATEMENT AS AT 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & extraordinary items	(26,738,064.38)	1,421,986.36
Adjustments For :		
Depreciation	8,140,636.00	8,842,978.00
Provision no longer required	--	(185,130.00)
Loss on sale of Fixed Assets	2,637,851.00	293,492.00
Interest paid	3,002,385.15	6,815,494.00
Interest Received	(2,977,775.00)	(2,218,555.00)
Dividend Received	--	--
Operating profit before working capital Changes	(15,934,967.23)	14,970,265.36
Adjustments For :		
Trade and other receivables	70,990,344.00	(38,673,560.00)
Inventories	58,739,977.00	(18,008,296.00)
Trade & other Payable	(50,122,398.98)	16,166,783.00
Cash generated from operations before extraordinary items	63,672,954.79	(25,544,807.64)
Direct Tax Paid	(794,392.00)	3,917,494.00
Cash generated from operations after extraordinary items	62,878,562.79	(21,627,313.64)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	62,878,562.79	(21,627,313.64)
B CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	958,232.00	(1,708,178.00)
(Purchase)/sale of Investment	--	(76,980.00)
Interest Received	2,977,775.00	2,218,555.00
NET CASH USED IN INVESTING ACTIVITIES	3,936,007.00	433,397.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(3,002,385.15)	(6,815,494.00)
Loans and advances given	(5,383,458.00)	--
Bank Borrowings	(40,781,179.00)	7,882,572.00
NET CASH FLOW FROM FINANCING ACTIVITIES	(49,167,022.15)	1,067,078.00
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	17,647,547.64	(20,126,838.64)
Cash & Cash equivalents as at 01-4-2011 (Op. Balance)	35,229,977.00	55,356,816.00
Cash & Cash equivalents as at 31-3-2012 (Cl. Balance)	52,877,525.00	35,229,977.00
Cash and Cash Equivalents include:		
– Cash in hand	993,280.00	128,004.00
Balances with Scheduled Banks		
– In Current Accounts	909,581.00	25,083,583.00
– In Deposit Account	50,974,664.00	10,018,390.00

As per our Audit Report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 001478N

For and on behalf of the Board of Directors

(SANDEEP DINODIA)
Partner
M. No. 083689

C.L. JAIN
Chairman & Managing Director

V. B. AGGARWAL
Director

Place : New Delhi
Dated : May 26, 2012

DR. B. K. BEHERA
Director

ATUL JAIN
Manager (Finance)

Notes to financial statements for the year ended March 31, 2012

NOTE 1 : BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with accounting standards notified under the Companies (Accounting Standard) Rules, 2006 and other relevant provisions of the Companies Act, 1956 and guidelines issued by the Security Exchange Board of India as adopted consistently by the Company.

NOTE 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i Change in Accounting Policy

Presentation and disclosure of financial statements

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. There is a significant impact on presentation and disclosures made in the financial Statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

ii Uses of Estimates

The financial statements are prepared using estimates and assumptions that effect the reported balances of the assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of balance sheet and the profit and loss account during the year. Contingencies are recorded when it is probable that a liability has been incurred and amount can be reasonably estimated. Actual results could differ from these estimates. The actual results are recognized in the year in which the results are known/materialised.

iii Fixed Assets

- Fixed Assets are stated at cost, less accumulated depreciation.
- Leasehold Land is shown at Cost less amortisation.

iv Method of Depreciation & Amortisation

- a) Depreciation is provided at the rates specified in the Schedule XIV of the Companies Act, 1956 by using the Straight Line Method.
- b) Depreciation on additions to Fixed Assets is calculated prorata from the date of such addition.
- c) Assets costing less than Rs. 5,000/- has been depreciated fully in the year of purchase.
- d) Leasehold Improvements have been written off on prorata basis during the period of lease.

v Valuation of Inventories

- a) Raw Material
- b) Finished Goods
- c) Stock-in-Process
- d) Stores & Spares

Method of Valuation

- At Lower of Cost or Net realisable value.*
- *The cost is determined on Weighted Average basis.
- At Lower of Cost or Net realisable value.
- At Cost.
- At Cost

* Cost comprises expenditure incurred in the normal course of business in bringing such inventories to the present location and condition. Finished Goods and Work-in Progress includes cost of conversion.

vi Foreign Currency Transactions

- a) Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing at the time of the transaction.
- b) Monetary Items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

vii Employee Benefits

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employees Benefits (Revised 2005).

(i) Post Employment Benefit Plans

Payments to Defined Contribution Retirements Benefit Schemes are charged as an expense as they fall due.

For Defined Benefit Schemes: the cost of providing benefits is determined using the Projected Unit Credit Method, with

actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

(ii) Short Term Employee Benefits.

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service

viii Revenue Recognition

- a) Export Sales are booked on the basis of date of Foreign Cargo Receipt.
- b) Domestic sales are recognised (net of sales tax, sales returns and trade discount) at the point of despatch of goods.
- c) Duty Drawbacks, DEPB and Other exports benefits are recognised in the Profit & Loss Account on accrual basis.
- d) Interest income is recognized on accrual basis.

ix Purchases

Purchases are booked at the time of receipt of material at Factory Gate.

x Investments

- a) Current Investments are stated at lower of cost and fair value.
- b) Long Term Investments are stated at Cost unless there is a diminution of permanent nature, if any in the opinion of the management.

xi Earnings Per Share

- a) Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.
- b) For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of options outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xii Cash Flow Statement

Cash flow Statement is made as per the indirect method prescribed under Accounting Standard - 3 " Cash Flow Statement notified under Companies (Accounting Standard) Rules, 2006.

xiii Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax

Deferred Tax resulting from timing difference between book and taxable profit is accounted for using the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet Date. Deferred Tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

xiv Provision, Contingent Liabilities and Contingent Assets

Provision 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.

xv Leases

- a) In respect of lease transactions entered into prior to April 1, 2001, lease rentals of assets acquired are charged to profit & loss account.
- b) Lease transactions entered into on or after April 1, 2001:
 - Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the liability for each period.
 - Assets acquired under leases where a significant portion of all risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit & loss Account on accrual basis.

Notes to financial statements for the year ended March 31, 2012
(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
NOTE 3 : SHARE CAPITAL		
Authorised		
15,000,000 (March 31, 2011: 15,000,000) Equity Shares of Rs. 5/- each	75,000,000.00	75,000,000.00
	<u>75,000,000.00</u>	<u>75,000,000.00</u>
Issued, Subscribed & Paid-up		
10,796,574 (March 31, 2011: 10,796,574) Equity Shares of Rs. 5/- each fully paid up	53,982,870.00	53,982,870.00
	<u>53,982,870.00</u>	<u>53,982,870.00</u>

(a) Reconciliation Statement of Share Capital (in Nos. of Shares)

Equity Share Capital	March 31, 2012		March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
Balances of Shares at the begning of year	10,796,574	53,982,870	10,796,574	53,982,870
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	<u>10,796,574</u>	<u>53,982,870</u>	<u>10,796,574</u>	<u>53,982,870</u>

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 5/- per share. Each holder of Equity shares is entitled to one vote per share.

"In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts."

(c) Details of shareholders holding more than 5% shares in the company

	March 31, 2012		March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
(a) Mr. Hari B. Bansal	996,118	9.23	996,118	9.23
(b) Mr. Abhishek Bansal	1,000,666	9.27	1,000,666	9.27
(C) Mr. Chaman Lal Jain	1,689,818	15.65	1,689,818	15.65
(d) Mrs. Urmila Jain	3,714,493	34.40	3,714,493	34.40
(e) Yamunotri Financial Pvt. Ltd	-	-	681,716	6.31
(f) Sewastuti Finance (Pvt) Ltd	552,600	5.12	-	-
	<u>7,953,695</u>	<u>73.67</u>	<u>8,082,811</u>	<u>74.86</u>

(Amount in Rs.)
Details of Forfeited shares

As at March 31, 2012	As at March 31, 2011
17,500.00	17,500.00
<u>17,500.00</u>	<u>17,500.00</u>

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
NOTE 4 : RESERVES AND SURPLUS		
Capital Reserve		
Balances at the beginning of year	5,799,016.00	5,799,016.00
Add:- Addition during the year	-	-
Less:- Utilise during the year	-	-
Balances at the close of year	<u>5,799,016.00</u>	<u>5,799,016.00</u>
Security Premium Reserve		
Balances at the beginning of year	131,850,587.00	131,850,587.00
Add:- Addition during the year	-	-
Less:- Utilise during the year	-	-
Balances at the close of year	<u>131,850,587.00</u>	<u>131,850,587.00</u>
Surplus / Profit & Loss Account		
Balances at the begning of year	1,165,802.36	(4,583,265.00)
Profit for the year	(25,925,098.38)	5,749,067.36
Balances at the end of year	<u>(24,759,296.02)</u>	<u>1,165,802.36</u>
Total Reserve and Surplus	<u>112,890,306.98</u>	<u>138,815,405.36</u>
NOTE 5 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	10,035,480.00	11,736,635.00
Total A	<u>10,035,480.00</u>	<u>11,736,635.00</u>
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	812,879.00	1,895,822.00
Provision for Doubtful advances	803,953.00	609,199.00
Total B	<u>1,616,832.00</u>	<u>2,505,021.00</u>
Deferred tax liability (net)	<u>8,418,648.00</u>	<u>9,231,614.00</u>
Note :		
Keeping in view the principle of prudence as per Accounting Standard – “22 ‘Accounting for Taxes on Income’ read with ASI- 3; since there is no virtual certainty of future profits to absorb the entire business losses, the company has not recognized deferred tax assets on the brought forward losses and unabsorbed depreciation.		
NOTE 6 : OTHER LONG TERM LIABILITIES		
Advance received from Franchise	661,354.00	682,346.00
	<u>661,354.00</u>	<u>682,346.00</u>

NOTE 7 : PROVISIONS
(Amount in Rs.)

	Long Term		Short Term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provisions for Employee Benefits				
Gratuity (Refer Note 32)	1,173,614.00	2,380,090.00	1,245,727.00	1,933,649.00
Leave Encashment	133,845.00	655,777.00	3,020.00	41,237.00
Balances of Shares at the end of the year	1,307,459.00	3,035,867.00	1,248,747.00	1,974,886.00

NOTE 8 : SHORT TERM BORROWINGS
Secured Borrowings

Packing Credit & Others (Secured)	—	40,760,187.00
	—	40,760,187.00

Note : Secured by First Charge on the current Assets of the Company, hypothecation of Immovable Properties & personal guarantee of promoter / Mg. Director.

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
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NOTE 9 : OTHER CURRENT LIABILITIES

Trade Payables (Refer note 29 for details of dues to micro and small enterprises)	2,388,271.00	26,642,127.98
	2,388,271.00	26,642,127.98
Other Liabilities		
Book Overdraft	852,475.00	23,217,488.00
Unclaimed Dividend *	152,622.00	265,841.00
Security received from customers	51,570.00	62,236.00
Statutory Dues	309,888.00	1,234,985.00
	1,366,555.00	24,780,550.00
	3,754,826.00	51,422,677.98

* Does not include any sum payable to Investor & Protection Fund

NOTE 10 : FIXED ASSETS
(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTIZATION				NET BLOCK		
	As at April 01, 2011	Addition	Deduction	As at March 31, 2012	As at April 01, 2011	For the year	Deletion/ Written Back	As at March 31, 2012	As at March 31, 2012	As at March 31, 2012
A. Tangible Assets										
Leasehold Land	15,999,304	—	—	15,999,304	3,197,185	187,535	—	3,384,720	12,614,584	12,802,119
Buildings	48,923,261	—	—	48,923,261	27,305,353	1,634,037	—	28,939,390	19,983,871	21,617,908
Building (Office)	7,674,212	—	—	7,674,212	1,097,609	125,090	—	1,222,699	6,451,513	6,576,603
Plant and Equipment	180,061,843	154,565	20,817,247	159,399,161	139,255,088	4,595,234	16,724,738	127,125,584	32,273,577	40,806,755
Furniture and fixtures	12,238,231	—	—	12,238,231	8,177,391	774,680	—	8,952,071	3,286,160	4,060,840
Vehicles	5,285,508	385,503	401,000	5,270,011	2,960,918	502,055	314,158	3,148,815	2,121,196	2,324,590
Electric Installation	11,600,131	—	—	11,600,131	9,793,786	176,463	—	9,970,249	1,629,882	1,806,345
Computers	10,006,383	43,200	—	10,049,583	8,957,380	145,542	—	9,102,922	946,661	1,049,003
Total	291,788,873	583,268	21,218,247	271,153,894	200,744,710	8,140,636	17,038,896	191,846,450	79,307,444	91,044,163

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
NOTE 11 : NON-CURRENT INVESTMENT		
Trade Investments (Valued at cost unless otherwise stated)		
Unquoted Trade Investment		
Investment in Subsidiaries	7,523,831.00	7,523,831.00
Equity shares of Aum Texfab Pvt. Ltd. (790,007 (PY 790,007) Equity shares of Rs. 10/- each fully paid-up @ Rs. 9.50 per Equity Share)		
Non Trade		
Quoted Investment		
Investments in Equity Instruments	9,829,403.00	9,829,403.00
63,100 (PY 63,100 Equity Shares of Rs. 10/- each fully paid up of PNR Capital Services Ltd.		
Gold Coins	140,163.00	140,163.00
13 Nos. of 92 Grams (PY 13 Nos. of 92 gms)	17,493,397.00	17,493,397.00
Aggregate market value of quoted investment Rs. 97,805/- (March 31 2011: Rs.97,805/-)		

NOTE 12 : LOANS AND ADVANCES

(Amount in Rs.)

	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Capital Advances				
Unsecured, considered good	7,827,306.00	2,443,848.00	-	-
Security Deposit				
Unsecured, considered good	2,827,182.00	2,827,182.00	-	-
Other Loans and Advances				
Advance Tax (Including TDS)	-	-	794,392.00	496,661.00
[Net of provisions of Rs. NIL (P.Y- NIL)]	-	-		
Advances recoverable in cash or in Kind	-	-	13,696.00	13,696.00
Advance to Suppliers	-	-	2,000.00	200,710.00
Advance to staff & Imprest	-	-	151,627.00	157,393.00
Balance with Excise Authorities	-	-	1,564,548.00	1,703,925.00
Vat Recoverable	-	-	70,454.00	205,940.00
Prepaid Expenses	-	-	561,812.00	661,653.00
	-	-	3,158,529.00	3,439,978.00
	10,654,488.00	5,271,030.00	3,158,529.00	3,439,978.00

NOTE 13 : INVENTORIES

(As taken, valued & certified by the management)

Raw Materials (Refer Note 19)	90,147.00	8,137,593.00
Work In Progress	-	10,849,098.00
Finished Goods (Refer Note 21)	5,642,447.00	34,831,363.00
Goods in transit- Finished Goods	-	5,326,017.00
Stores and spares	463,338.00	4,924,919.00
Packing Material	-	866,919.00
	6,195,932.00	64,935,909.00

NOTE 14 : TRADE RECEIVABLES
(Amount in Rs.)

	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Outstanding for the period exceeding six months from the date they are due for payment				
Unsecured				
Considered Good	-	-	1,474,926.00	3,049,711.00
Considered Doubtful	-	-	860,161.00	860,161.00
	-	-	2,335,087.00	3,909,872.00
Less Provision for Doubtful Debts	-	-	860,161.00	860,161.00
	-	-	1,474,926.00	3,049,711.00
Other debts - Unsecured				
Considered Good	-	-	-	64,151,097.00
	-	-	1,474,926.00	67,200,808.00

NOTE 15 : OTHER ASSETS
Unsecured, considered good unless stated otherwise

Non-current bank balances*	5,985,809.00	9,239,439.00	-	-
(Refer Note 16)				
Others				
Interest Accrued but not due	536,979.00	141,595.00	1,338,994.00	432,621.00
Export Incentives Receivable				
Considered Good	-	-	3,257,688.00	5,494,439.00
Considered Doubtful	-	-	1,741,628.00	1,111,356.00
	536,979.00	141,595.00	4,999,316.00	6,605,795.00
Less Provision for Doubtful Debts	-	-	1,741,628.00	1,111,356.00
	-	-	3,257,688.00	5,494,439.00
	6,522,788.00	9,381,034.00	4,596,682.00	5,927,057.00

* Fixed Deposits receipts amounting to Rs. 337,940 (P.Y Rs. 537,940) are pledged with appropriate authorities.

NOTE 16 : CASH AND OTHER BANK BALANCE
Cash & Cash Equivalents
Balances with Scheduled banks :

In Current Accounts	-	-	756,959.00	24,817,743.00
In dividend accounts	-	-	152,622.00	265,840.00
Cash on hand	-	-	993,280.00	128,004.00

Other Bank Balances
Balances with Scheduled banks :

In Fixed Deposit Accounts with original maturity more than 3 months maturity but less than 12 months	-	-	50,974,664.00	10,018,390.00
Deposits with original maturity of more than twelve months	5,985,809.00	9,239,439.00	-	-
	5,985,809.00	9,239,439.00	52,877,525.00	35,229,977.00
Amount disclosed under non-current assets (Note :15)	5,985,809.00	9,239,439.00	-	-
	-	-	52,877,525.00	35,229,977.00

Notes to financial statements for the year ended March 31, 2012

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
NOTE 17 : REVENUE FROM OPERATIONS		
Sale of Product		
Finished Goods	117,256,137.55	314,742,192.00
Other Operating Revenues		
Scrap Sale	479,729.00	546,920.00
Income from export incentives	8,408,037.00	21,480,561.00
Revenue From Operations (Gross)	126,143,903.55	336,769,673.00
Less: Excise duty	-	-
Revenue From Operations (Net)	126,143,903.55	336,769,673.00
Detail of Products sold		
Finished Goods		
Cotton Knitted & Woven Garments	117,256,137.55	314,742,192.00
	117,256,137.55	314,742,192.00
NOTE 18 : OTHER INCOME		
Interest Income on		
Fixed Deposits	2,977,775.00	2,218,554.55
Income Tax Refund	-	791,473.00
	2,977,775.00	3,010,027.55
Other Non- Operating Income (net of expenses directly attributable)		
Exchange fluctuation	1,336,093.00	1,449,988.00
Cash Discount	85,063.00	322,372.00
Misc Income	137,889.00	737,073.00
Total	4,536,820.00	5,519,460.55
NOTE 19 : COST OF MATERIAL CONSUMED		
Raw Material		
Inventory at the beginning of the year	8,137,593.00	8,309,757.00
Add : Purchases	9,245,390.00	84,368,253.00
Less: Inventory at the end of the year	90,147.00	8,137,592.86
Cost of Raw Material Consumed	17,292,836.00	84,540,417.14
Other Material		
Inventory at the beginning of the year	5,791,838.00	4,426,921.00
Add : Purchases	5,474,493.00	34,325,693.75
Less: Inventory at the end of the year	463,338.00	5,791,837.83
Cost of Other Material Consumed	10,802,993.00	32,960,776.92
Total	28,095,829.00	117,501,194.06
Details of Material Consumed		
Raw Material		
Yarn/Fabric	17,292,836.00	84,540,417.14
	17,292,836.00	84,540,417.14

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
NOTE 19 : COST OF MATERIAL CONSUMED (Contd...)		
Other Material		
Dyes & Chemicals	428,420.00	992,812.00
Packing Material	866,919.00	2,636,862.15
Stores & Spares	9,507,654.00	29,331,102.77
	<u>10,802,993.00</u>	<u>32,960,776.92</u>
Details of Inventory		
Raw Material		
Yarn	90,147.00	893,910.00
Fabric	-	7,243,683.00
	<u>90,147.00</u>	<u>8,137,593.00</u>
Other Material		
Stores & Spares	463,338.00	4,760,163.00
Dyes & Chemicals	-	164,756.00
Packing Material	-	866,919.00
	<u>463,338.00</u>	<u>5,791,838.00</u>
NOTE 20 : PURCHASES OF STOCK - IN - TRADE		
Readymade Garments	-	16,068,337.00
	-	16,068,337.00
NOTE 21 : (INCREASE) / DECREASE IN INVENTORIES		
Inventory at the beginning of the year		
Finished Goods	40,157,380.00	30,131,575.00
Work in progress	10,849,098.00	4,059,359.00
	<u>51,006,478.00</u>	<u>34,190,934.00</u>
Inventory at the end of the year		
Finished Goods	5,642,447.22	40,157,380.00
Work in progress	-	10,849,098.00
	<u>5,642,447.22</u>	<u>51,006,478.00</u>
(Increase) / Decrease in inventories	<u>45,364,030.78</u>	<u>(16,815,544.00)</u>
Details of Inventory		
Finished Goods		
Cotton Knitted Garments	5,642,447.22	40,157,380.00
	<u>5,642,447.22</u>	<u>40,157,380.00</u>
Work- In- Progress		
Yarn	-	3,353,560.00
Fabric	-	6,939,420.00
Garments	-	556,118.00
	-	10,849,098.00

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
NOTE 22 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Bonus	14,076,583.00	20,725,028.13
Contribution to Provident and Other fund	1,161,458.00	2,822,682.00
Gratuity (Refer Note : 32)	30,146.00	
Staff Welfare Expenses	44,889.00	284,483.00
	15,313,076.00	23,832,193.13
NOTE 23 : FINANCE COST		
Interest Expense	1,091,301.00	3,743,497.00
Bank Charges	1,911,084.15	3,071,997.00
	3,002,385.15	6,815,494.00
NOTE 24 : OTHER EXPENSES		
Consumption of Stores & Spare Parts	282,201.00	425,333.00
Power & Fuel	5,037,161.00	12,059,070.00
Fabrication Wages	12,727,170.00	52,825,513.00
Other Manufacturing Expenses	7,979,094.00	36,971,482.00
Rent (Refer Note : 38)	2,162,404.00	2,195,247.00
Repair : Buildings	1,201,283.00	1,842,176.00
Repair : Machinery	451,283.00	1,006,924.00
Insurance	1,996,797.00	2,278,756.00
Rates & Taxes	168,338.00	208,388.00
Payment to the Auditors (Refer details below)	350,548.00	470,750.00
Legal and Professional	941,655.00	1,712,724.00
Freight and Cartage Inward	113,311.00	1,030,468.00
Processing Charges	2,978,159.00	19,302,903.00
Sampling Expenses	119,869.00	1,302,661.00
Travelling and Conveyance	255,348.00	786,423.00
Vehicle Maintaine	482,531.00	995,581.00
Communication Expenses	553,584.00	866,007.00
Printing and Stationery	142,457.00	599,650.00
Outwards Freight and Cartage	4,527,436.00	23,011,928.00
Advertisement & Publicity	49,422.00	100,963.00
Provision for Doubtful Export Incentives	630,272.00	571,890.00
Commission, Claims & Discount	11,652,517.00	20,923,074.00
Security Expenses	1,494,058.00	1,432,659.00
Miscellaneous expenses	2,759,773.00	1,593,563.00
	59,056,671.00	184,514,133.00

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
NOTE 25 : EXCEPTIONAL ITEMS		
Loss on Sale Of Fixed Assets	2,637,851.00	293,492.00
Provisions Written Back		
Export Commission	(3,009,889.00)	(70,883.00)
Gratuity (Refer Note 32)	(1,181,802.00)	(114,247.00)
	<u>(1,553,840.00)</u>	<u>108,362.00</u>
Payment to Auditors*		
As Auditor:		
Audit Fees	245,647.00	159,935.00
Tax Audit Fees	28,090.00	27,575.00
In other Capacity:		
Taxation Matters	63,423.00	272,150.00
For Reimbursement of expenses	13,388.00	11,090.00
	<u>350,548.00</u>	<u>470,750.00</u>

The other expenditures have been charged under the account head "Legal and Professional Charges"

NOTE 26: EARNINGS PER SHARE(EPS)

Profit/Loss attributable to the equity shareholders	(25,925,098.38)	5,749,067.36
Number/Weighted Average number of equity shares	10,796,574	10,796,574
Nominal value of equity shares	5.00	5.00
Basic/Diluted Earnings per share	(2.40)	0.53

- | | |
|--------------------------------------|--|
| 27 | Estimated amount of contracts remaining to be executed on Capital account (Net of advances) - Rs. Nil (Previous Year Rs Nil) |
|
28 Contingent Liabilities | |
| a) | Claims against the company, not accepted and not provided for :
Rs. 7,742,020 towards Employees State Insurance (Previous Year Rs. 7,742,020) |
| b) | Bills discounted with Bank outstanding Rs NIL (Previous Year Rs 2,087,796) |
| 29 | The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act has not been given. |
| 30 | No provision for current tax has been made in view of brought forward accumulated losses |
| 31 | Disclosure of Related parties/ Related parties transactions : |
| | A. Name of the Related Parties and description of relationship |
| i) | Wholly owned Subsidiary Company
Aum Texffab Pvt. Ltd. |
| ii) | Key Management Personnel
Mr. C.L. Jain
Mrs. Urmila Jain
Mr. Hari Bansal
Mr. Abhishek Bansal |
| iii) | Enterprises owned or substantially influenced by key management personnel or their relatives
Ultimate Investments Pvt. Ltd. |

B. Disclosure of Related Party Transactions

(Amount in Rs.)

S. No.	Particulars	Wholly owned Subsidiary Company	Key Management Personnel	Enterprises owned or substantially influenced by key management personnel or their relatives	Total
i)	Managerial Remuneration	-	4,530,000	-	4,530,000
		(-)	(4,980,000)	(-)	(4,980,000)
ii)	Rent paid	-	840,000	361,273	1,201,273
		(-)	(840,000)	(394,116)	(1,234,116)
iii)	Loans taken	-	-	-	-
		(-)	(-)	(-)	(-)
iv)	Loans Repaid	-	-	-	-
		(-)	(-)	(-)	(-)
v)	Interest paid	-	-	-	-
		(-)	(-)	(-)	(-)

C. Balance outstanding as at 31st March, 2012

i) Investment	7,523,831	-	-	7,523,831
	(7,523,831)	(-)	(-)	(7,523,831)

Note : Figures in brackets represents corresponding amounts of previous years.

D. Details of transactions with related parties, the amount of which is in excess of 10% of the total related party transactions of the same type:

Nature of transaction	For the Year Ended March 31, 2012 Amount in Rs.	% ge	For the Year Ended March 31, 2012 Amount in Rs.	% ge
i) Managerial Remuneration				
Mr. C.L Jain	1,980,000.00	44%	1,980,000.00	40%
Mr. Hari Bansal	1,050,000.00	23%	1,200,000.00	24%
Mrs. Urmila Jain	900,000.00	20%	1,200,000.00	24%
Mr. Abhishek Bansal	600,000.00	13%	600,000.00	12%
ii) Rent paid				
Urmila Jain	840,000.00	70%	840,000.00	68%
Ultimate Investments Pvt. Ltd.	361,273.00	30%	394,116.00	32%

32 Employee Benefits

a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under :

(Amount in Rs.)

	2011-12	2010-11
Employer's Contribution to Provident Fund/ Pension Fund	415,786	953,124
Employer's Contribution to Employee State Insurance	745,672	1,869,558

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined Benefit plans

The employee's gratuity fund scheme defined unfunded benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The obligation for leave encashment is a defined unfunded benefit plan, which is recognized in the same manner as gratuity.

I. Changes in present value of Defined Benefit obligations : (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment	Gratuity Unfunded	Leave Encashment
Defined Benefit obligation as at the beginning of the year	4,313,739	697,014	4,593,358	888,765
Current Service Cost	164,838	21,306	719,409	373,338
Past Service Cost	—	—	—	—
Interest Cost	366,668	59,246	367,469	71,101
Actuarial (gain) / loss on obligations	(1,683,162)	702,396	(1,201,125)	169,741
Benefits paid	(742,742)	(1,343,097)	(165,372)	(805,931)
Defined Benefit obligation at the year end	2,419,341	136,865	4,313,739	697,014

II. Change in the Fair Value of Plan Assets (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity / Leave	Encashment	Gratuity / Leave	Encashment
Fair value of plan assets at the beginning of the year	NIL		NIL	
Expected return on plan assets	NIL		NIL	
Actuarial gain/ (loss)	NIL		NIL	
Employer Contribution	NIL		NIL	
Benefits paid	NIL		NIL	
Fair value of plant assets at the year end	NIL		NIL	

III. Change in the Fair Value of assets and obligation (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment (Unfunded)	Gratuity Unfunded	Leave Encashment (Unfunded)
Fair value of plan assets	NIL	NIL	NIL	NIL
Present value of obligation	2,419,341	136,865	4,313,739	697,014
Amount recognized in balance sheet	(2,419,341)	(136,865)	(4,313,739)	(697,014)

IV. Expenses/ (Income) recognized in the Profit & Loss (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment (Unfunded)	Gratuity Unfunded	Leave Encashment (Unfunded)
Current Service Cost	164,838	21,306	719,409	373,338
Past Service Cost	—	—	—	—
Interest Cost	366,668	59,246	367,469	71,101
Expected Return on plan assets	—	—	—	—
Actuarial (gain)/ loss	(1,683,162)	702,396	(1,201,125)	169,741
Net Cost	(1,151,656)	782,948	(114,247)	614,180

V. Actuarial Assumptions (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment	Gratuity Unfunded	Leave Encashment
Mortality Table (LIC)	1994-96 (Duly Modified)	1994-96 (Duly Modified)	1994-96 (Duly Modified)	1994-96 (Duly Modified)
Discount rate (per annum)	8.5%	8.5%	8.0%	8.0%
Expected rate of return on plan assets (per annum)	N.A	N.A	N.A	N.A
Rate of escalation in salary (per annum)	8.5%	8.5%	5.5%	5.5%

Note : The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the employment market.

33 Value of Imports calculated on CIF Basis (Amount in Rs.)

Particulars	Current Year	Previous Year
Raw Material	—	852,460
Stores & Spares (Consumables)	1,818,648	12,056,483

34 Expenditure in Foreign Currency (Amount in Rs.)

Particulars	Current Year	Previous Year
Commission	874,731	5,466,015
Claim & Discount	4,910,906	4,549,608

35 The value of consumption of directly imported and indigenously obtained raw materials, spare parts and components and percentage of each to total consumption.

Particulars	Raw Material		Components & Spares	
	Amount	%	Amount	%
a) Imported	—	—	1,818,648	16.83
	(852,460)	(1.01)	(12,056,483)	(53.39)
b) Indigenous	17,292,836	100.00	8,984,345	83.17
	(83,687,957)	(98.99)	(10,523,569)	(46.61)
	17,292,836		10,802,993	
	(84,540,417)		(22,580,052)	

36 Earnings in Foreign Exchange : (Amount in Rs.)

Particulars	Current Year	Previous Year
FOB value of Goods Exports	93,188,200	291,652,099

37 The company is in business of single product "ready garments". Therefore, the requirements in context of the Accounting Standard - 17 "Segmental Reporting" are not applicable.

38 Assets Taken on Lease

The company has taken certain assets on non-cancellable operating lease and lease rent amounting to Rs 361,273 (Previous Year : 394,116) has been debited to profit and loss account. The future minimum lease payments is as under :
(Amount in Rs.)

Minimum Lease Payment Payables	Current Year	Previous Year
(i) not later than in 1 years	—	357,312
(ii) later than 1 year but not later than 5 years	—	476,416
(iii) later than 5 years	—	—

General Description of Lease Terms

- Lease rental are charged on the basis of agreed terms.
- Assets are taken/given on lease over a period of 1 to 5 years

39 In view of the management, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31st March, 2012.

40 Previous year figures have been regrouped/rearranged wherever considered necessary.

For and on behalf of the Board of Directors

C.L. JAIN
Chairman & Managing Director

V. B. AGGARWAL
Director

Place : New Delhi
Dated : May 26, 2012

DR. B. K. BEHERA
Director

ATUL JAIN
Manager (Finance)

AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**TO THE BOARD DIRECTORS OF
M/S ADDI INDUSTRIES LIMITED**

We have audited the attached consolidated Balance sheet of **M/S ADDI INDUSTRIES LIMITED** (the Company), and its Subsidiary (the company & its subsidiary constitute 'the Group') as at **31st March 2012** and the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary, whose financial statements reflect total assets (net) of Rs. 10,256,591 as at 31st March, 2012, and total revenues of Rs. 576,648 for the year ended March 31, 2012. These financial statements and other financial information have been audited by other qualified auditors whose reports have been furnished to us by the Management of the Group, and in our opinion, is based solely on the reports of the other auditors.

Subject to our remarks in paragraph 3 above:

- a) We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard "21" Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- b) Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial statements and on the other financial information of the components, and to the best of our information and explanations given to us, we are of opinion that the attached consolidated financial statements given a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Consolidated Profit & Loss Account, of the **Loss** of the group for the year ended on that date; and
 - iii) in the case of Consolidated Cash flow statement, of the cash flow of the group for the year ended on that date.

For S. R. Dinodia & Co.,
Chartered Accountants

Place : New Delhi
Date : May 26, 2012

Sandeep Dinodia
Partner
M. No. 083689

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in paragraph 3 of our audit report of even date)**

- i) (a) The Company is in the process of maintaining fixed asset register showing full particulars including quantitative details and situation of fixed assets. As explained to us, records pertaining to earlier years have been misplaced and work is in progress to retrieve the relevant information.
- (b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the program is reasonable having regard to the size of the Company and the nature of the fixed assets
- Further, in view of the above, the discrepancies, if any, between the book records and the physical verification has not been ascertained.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
- ii) (a) On the basis of information and explanation provided by the management, Inventories have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable.
- (b) In our opinion, frequency and the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the company is maintaining the proper records of inventory except in the case of finished goods. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account. Further, in the case of finished goods, in the absence of proper records, the discrepancies, if any, between the book records and the physical verification has not been ascertained.
- iii) According to the information and explanations given to us, the company had not granted unsecured loans to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, paragraphs 4(iii) (a), (b), (c) and (d) of the Companies (Auditor's Report) Order 2003 are not applicable.
- According to the information and explanations given to us, the company had not taken unsecured loans from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, paragraphs 4(iii) (e), (f) and (g) of the Companies (Auditor's Report) Order 2003 are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets, sales of goods. According to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of opinion that the particulars of contracts or arrangements that need to be entered into a register maintained under section 301 of the Companies Act, 1956 are being so entered.
- (b) In our opinion and according to explanation given to us, transactions made in pursuance of contracts and arrangements entered in the register maintained under Section 301 in respect of any party during the year have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
- vi) The Company has not accepted any deposits during the year from the public as defined in section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) According to the information and explanations given to us, the central government has not prescribed cost records under clause (d) of sub- section (1) of section 209 of the Companies Act for the product manufactured by the Company.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable to it. There was no undisputed amount outstanding at the year-end for a period more than six months from the date they become payable

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute, are as follows:

S.No.	Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amt. relates	Forum where the dispute is pending
1	ESI Act	ESI	7,742,020	During 1995-1996 to 1998-1999	Civil court Ghaziabad

- x) The Company has accumulated losses as at 31st March, 2012 which are less than fifty per cent of its net worth. The company has incurred cash losses during the financial year, however has not incurred any cash losses in the immediately preceding financial year.
- xi) On the basis of information and explanation provided by the management and test checked by us, the Company has not made any default in the repayment of dues to the banks. The Company has not availed any loan from the debenture holders & financial institution.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
- xiii) In our opinion considering the nature of activities carried on by the company during the year, the provision of any special statute applicable to chit fund /nidhi/mutual benefit fund/societies are not applicable to it.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv) On the basis of information and explanation provided, the Company has not given guarantee for loans taken by other from the bank during the year.
- xvi) The company has not obtained any term loan during the current financial year.
- xvii) On the basis of information and explanation given to us and an overall examination of the balance sheet, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
- xviii) According to information and explanation given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) During the period covered by our audit report, the company has not issued any debentures.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, during the year we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For S. R. Dinodia & Co.,
Chartered Accountants

Place : New Delhi
Date : May 26, 2012

Sandeep Dinodia
Partner
M. No. 083689

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012
(Amount in Rs.)

PARTICULARS	NOTE No.	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	54,000,370	54,000,370
Reserves and surplus	4	115,623,067	141,168,913
		169,623,437	195,169,283
Non-current liabilities			
Deferred tax liabilities (Net)	5	8,418,648	9,231,614
Other Long term liabilities	6	661,354	682,346
Long-term provisions	7	1,307,459	3,035,867
		10,387,461	12,949,827
Current liabilities			
Short-term borrowings	8	—	40,760,187
Trade payables	9	2,396,698	26,650,400
Other current liabilities	9	1,366,555	24,780,550
Short-term provisions	7	1,248,747	1,974,886
		5,012,000	94,166,023
TOTAL		185,022,898	302,285,133
ASSETS			
Non-current assets			
Fixed assets	10		
Tangible assets		79,307,444	91,044,163
Non-current investments	11	9,969,566	9,969,566
Long-term loans and advances	12	10,654,488	5,271,030
Other non-current assets	15	14,295,545	17,581,034
		114,227,043	123,865,793
Current assets			
Current Investment		2,132,000	—
Inventories	13	6,195,932	64,935,909
Trade receivables	14	1,474,926	67,200,808
Cash and other Bank Balance	16	53,137,516	35,435,895
Short-term loans and advances	12	3,258,800	4,919,671
Other current assets	15	4,596,682	5,927,057
		70,795,855	178,419,340
TOTAL		185,022,898	302,285,133
Summary of Significant Accounting policies	2	—	—
The accompanying notes are an integral part of the financial statements			

As per our Audit Report of even date attached

 For **S.R. Dinodia & Co.**
 Chartered Accountants
 Regn. No. 001478N

For and on behalf of the Board of Directors

(SANDEEP DINODIA)
 Partner
 M. No. 083689

C.L. JAIN
 Chairman & Managing Director

V. B. AGGARWAL
 Director

 Place : New Delhi
 Dated : May 26, 2012

DR. B. K. BEHERA
 Director

ATUL JAIN
 Manager (Finance)

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012
(Amount in Rs.)

PARTICULARS	NOTE No.	AS AT MARCH 31, 2012	AS AT MARCH 31, 2011
Income			
Revenue from operations (Gross)	17	126,143,904	336,769,673
Less : Excise Duty		—	—
Revenue from operations (Net)		126,143,904	336,769,673
Other income	18	5,113,468	6,171,929
Total Revenue		131,257,372	342,941,602
Expenses:			
Cost of materials consumed	19	28,095,829	117,501,194
Purchase of traded goods	20	—	16,068,337
(Increase) / Decrease in inventories	21	45,364,031	(16,815,544)
Employee benefits expense	22	15,313,076	23,832,193
Finance costs	23	3,002,385	6,815,494
Depreciation and amortization expense	10	8,140,636	8,842,978
Other expenses	24	59,079,338	184,526,471
Total expenses		158,995,295	340,771,123
Profit before exceptional items and tax		(27,737,923)	2,170,478
Exceptional items	25	(1,553,840)	108,362
Profit Before Tax		(26,184,083)	2,062,116
Tax expense:			
Current Tax		174,728	198,032
Deferred Tax	5	(812,966)	(735,046)
Tax Adjustment for earlier years		—	(3,592,035)
Profit (Loss) of the year		(25,545,845)	6,191,165
Earnings per equity share:			
Basic / diluted earning per share	26	(2.37)	0.57
Summary of Significant Accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our Audit Report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 001478N

For and on behalf of the Board of Directors

(SANDEEP DINODIA)
Partner
M. No. 083689

C.L. JAIN
Chairman & Managing Director

V. B. AGGARWAL
Director

Place : New Delhi
Dated : May 26, 2012

DR. B. K. BEHERA
Director

ATUL JAIN
Manager (Finance)

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST MARCH, 2012

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & extraordinary items	(26,184,083.33)	2,062,115.87
Adjustments For :		
Depreciation	8,140,636.00	8,842,978
Excess Depreciation w/back	-	-
Provision no longer required	-	(185,130)
Loss on sale of Fixed Assets	2,637,851.00	293,492
Interest paid	3,002,385.15	6,815,494
Interest Received	(3,554,423.05)	(2,871,023)
Dividend Received	-	-
Operating profit before working capital Changes	(15,957,634.23)	14,957,926
Adjustments For :		
Trade and other receivables	72,784,273.00	(47,317,549)
Inventories	58,739,977.00	(18,008,296)
Trade & other Payable	(50,122,243.98)	(7,092,810)
Cash generated from operations before extraordinary items	65,444,371.79	-
Direct Tax Paid	(781,655.69)	3,716,022
Cash generated from operations after extraordinary items	64,662,716.10	(51,263,194)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	64,662,716.10	(36,305,268)
B CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	958,232.00	(1,708,178)
(Purchase)/sale of Investment	(2,132,000.00)	(76,980)
Interest Received	3,554,423.05	2,871,023
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES	2,380,655.05	1,085,865
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(3,002,385.15)	(6,815,494)
Loans & advances given	(5,600,169.95)	-
Bank Borrowings	(40,739,195.00)	7,882,572
NET CASH FLOW FROM FINANCING ACTIVITIES	(49,341,750.10)	1,067,078.00
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	17,701,621.05	(34,152,325)
Cash & Cash equivalents as at 01-4-2011 (Op. Balance)	35,435,894.71	63,810,171
Cash & Cash equivalents as at 31-3-2012 (Cl. Balance)	53,137,515.76	29,657,846
Cash and Cash Equivalents include:		
- Cash in hand	996,653.00	128,004
Balances with Scheduled Banks		
- In Current Accounts	1,166,198.76	1,866,095
- In Deposit Account	50,974,664.00	19,257,829

As per our Audit Report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 001478N

For and on behalf of the Board of Directors

(**SANDEEP DINODIA**)
Partner
M. No. 083689

C.L. JAIN
Chairman & Managing Director

V. B. AGGARWAL
Director

Place : New Delhi
Dated : May 26, 2012

DR. B. K. BEHERA
Director

ATUL JAIN
Manager (Finance)

Notes to consolidated financial statements for the year ended March 31, 2012

NOTE 1 : BASIS OF CONSOLIDATION

The Consolidated financial statements relate to Addi Industries Limited (the Company) and its subsidiary company. The Company and its subsidiary constitute the Group.

Basis of Accounting:

The Financial Statements of the subsidiary Company used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ending March 31, 2012

The Financial Statements of the Group have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, and other generally accepted accounting principles.

Principles of Consolidation:

The Financial Statement of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated.

The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognized as "goodwill" being as assets in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investment of the Company, it is recognized as "Capital reserve" and shown under the head "Reserves and Surplus" in the consolidated Financial Statements.

The Consolidated Financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The following subsidiary company is considered in the Consolidated financial statements:

Name of the Company	Country of Incorporation	% of holding either directly or through subsidiary	
		March 31, 2012	March 31, 2011
Aum Texfab Pvt. Ltd	India	100%	100%

NOTE 2 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
i Change in Accounting Policy
Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. There is a significant impact on presentation and disclosures made in the financial Statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

ii Uses of Estimates

The financial statements are prepared using estimates and assumptions that effect the reported balances of the assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of balance sheet and the profit and loss account during the year. Contingencies are recorded when it is probable that a liability has been incurred and amount can be reasonably estimated. Actual results could differ from these estimates. The actual results are recognized in the year in which the results are known/materialised.

iii Fixed Assets

- Fixed Assets are stated at cost, less accumulated depreciation.
- Leasehold Land is shown at Cost less amortisation.

iv Method of Depreciation & Amortisation

- a) Depreciation is provided at the rates specified in the Schedule XIV of the Companies Act, 1956 by using the Straight Line Method.
- b) Depreciation on additions to Fixed Assets is calculated prorata from the date of such addition.
- c) Assets costing less than Rs. 5,000/- has been depreciated fully in the year of purchase.
- d) Leasehold Improvements have been written off on prorata basis during the period of lease.

v Valuation of Inventories

- a) Raw Material

Method of Valuation

At Lower of Cost or Net realisable value.*

*The cost is determined on Weighted Average basis.

- b) Finished Goods

At Lower of Cost or Net realisable value.

- c) Stock-in-Process

At Cost.

- d) Stores & Spares

At Cost

* Cost comprises expenditure incurred in the normal course of business in bringing such inventories to the present location and condition. Finished Goods and Work- in Progress includes cost of conversion.

vi Foreign Currency Transactions

- a) Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing at the time of the transaction.
- b) Monetary Items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the

- date of transaction, such difference having been recognised over the life of the contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.
- vii Employee Benefits**
Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employees Benefits (Revised 2005).
- (i) Post Employment Benefit Plans**
Payments to Defined Contribution Retirements Benefit Schemes are charged as an expense as they fall due.
For Defined Benefit Schemes: the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested.
The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.
- (ii) Short Term Employee Benefits.**
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service
- viii Revenue Recognition**
a) Export Sales are booked on the basis of date of Foreign Cargo Receipt.
b) Domestic sales are recognised (net of sales tax, sales returns and trade discount) at the point of despatch of goods.
c) Duty Drawbacks, DEPB and Other exports benefits are recognised in the Profit & Loss Account on accrual basis.
d) Interest income is recognized on accrual basis.
- ix Purchases**
Purchases are booked at the time of receipt of material at Factory Gate.
- x Investments**
a) Current Investments are stated at lower of cost and fair value.
b) Long Term Investments are stated at Cost unless there is a diminution of permanent nature, if any in the opinion of the management.
- xi Earnings Per Share**
a) Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by *weighted average number of equity shares outstanding during the year*.
b) For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of options outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- xii Cash Flow Statement**
Cash flow Statement is made as per the indirect method prescribed under Accounting Standard - 3 " Cash Flow Statement notified under Companies (Accounting Standard) Rules, 2006.
- xiii Current Tax**
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.
- Deferred Tax**
Deferred Tax resulting from timing difference between book and taxable profit is accounted for using the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet Date. Deferred Tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- xiv Provision, Contingent Liabilities and Contingent Assets**
Provision 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.
- xv Leases**
a) In respect of lease transactions entered into prior to April 1, 2001, lease rentals of assets acquired are charged to profit & loss account.
b) Lease transactions entered into on or after April 1, 2001:
 - Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the liability for each period.
 - Assets acquired under leases where a significant portion of all risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit & loss Account on accrual basis.

Notes to Consolidated financial statements for the year ended March 31, 2012
(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
NOTE 3 : SHARE CAPITAL		
Authorised		
15,000,000 (March 31, 2011: 15,000,000) Equity Shares of Rs. 5/- each	75,000,000.00	75,000,000.00
	<u>75,000,000.00</u>	<u>75,000,000.00</u>
Issued, Subscribed & Paid-up		
10,796,574 (March 31, 2011: 10,796,574) Equity Shares of Rs. 5/- each fully paid up	53,982,870.00	53,982,870.00
	<u>53,982,870.00</u>	<u>53,982,870.00</u>

(a) Reconciliation Statement of Share Capital (in Nos. of Shares)

Equity Share Capital	March 31, 2012		March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
Balances of Shares at the begning of year	10,796,574	53,982,870	10,796,574	53,982,870
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	<u>10,796,574</u>	<u>53,982,870</u>	<u>10,796,574</u>	<u>53,982,870</u>

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 5/- per share. Each holder of Equity shares is entitled to one vote per share.

"In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts."

(c) Details of shareholders holding more than 5% shares in the company

	March 31, 2012		March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
(a) Mr. Hari B. Bansal	996,118	9.23	996,118	9.23
(b) Mr. Abhishek Bansal	1,000,666	9.27	1,000,666	9.27
(C) Mr. Chaman Lal Jain	1,689,818	15.65	1,689,818	15.65
(d) Mrs. Urmila Jain	3,714,493	34.40	3,714,493	34.40
(e) Yamunotri Financial Pvt. Ltd	-	-	681,716	6.31
(f) Sewastuti Finance (Pvt) Ltd	552,600	5.12	-	-
	<u>7,953,695</u>	<u>73.67</u>	<u>8,082,811</u>	<u>74.86</u>

(Amount in Rs.)

	As at March 31, 2012	As at March 31, 2011
Details of Forfeited shares	17,500.00	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
NOTE 4 : RESERVES AND SURPLUS		
Capital Reserve		
Balances at the beginning of year	5,799,016	5,799,016
Add:- Addition during the year	376,239	376,239
Less:- Utilise during the year		
Balances at the close of year	<u>6,175,255</u>	<u>6,175,255</u>
Security Premium Reserve		
Balances at the beginning of year	131,850,587	131,850,587
Add:- Addition during the year		
Less:- Utilise during the year		
Balances at the close of year	<u>131,850,587</u>	<u>131,850,587</u>
Surplus / Profit & Loss Account		
Balances at the begining of year	3,143,071	(4,583,265)
Profit for the year	(25,545,846)	6,191,165
Transfer from any Reserves	-	1,538,612
Transfer to any Reserves	-	3,441
Balances at the end of year	<u>(22,402,775)</u>	<u>3,143,071</u>
Total Reserve and Surplus	<u>115,623,067</u>	<u>141,168,913</u>
NOTE 5 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	10,035,480	11,736,635
Total A	<u>10,035,480</u>	<u>11,736,635</u>
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	812,879	1,895,822
Provision for Doubtful advances	803,953	609,199
Total B	<u>1,616,832</u>	<u>2,505,021</u>
Deferred tax liability (net)	<u>8,418,648</u>	<u>9,231,614</u>
Note :		
Keeping in view the principle of prudence as per Accounting Standard – “22 ‘Accounting for Taxes on Income’; read with ASI- 3; since there is no virtual certainty of future profits to absorb the entire business losses, the company has not recognized deferred tax assets on the brought forward losses and unabsorbed depreciation.		
NOTE 6 : OTHER LONG TERM LIABILITIES		
Advance received from Franchise	661,354.00	682,346.00
	<u>661,354.00</u>	<u>682,346.00</u>

NOTE 7 : PROVISIONS
(Amount in Rs.)

	Long Term		Short Term	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Provisions for Employee Benefits				
Gratuity (Refer Note 32)	1,173,614.00	2,380,090.00	1,245,727.00	1,933,649.00
Leave Encashment	133,845.00	655,777.00	3,020.00	41,237.00
Balances of Shares at the end of the year	1,307,459.00	3,035,867.00	1,248,747.00	1,974,886.00

NOTE 8 : SHORT TERM BORROWINGS
Secured Borrowings

Packing Credit & Others (Secured)	-	40,760,187.00
	-	40,760,187.00

Note : Secured by First Charge on the current Assets of the Company, hypothecation of Immovable Properties & personal guarantee of promoter / Mg. Director.

(Amount in Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
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NOTE 9 : OTHER CURRENT LIABILITIES

Trade Payables (Refer note 29 for details of dues to micro and small enterprises)	2,396,698.00	26,650,400.00
	2,396,698.00	26,650,400.00
Other Liabilities		
Book Overdraft	852,475.00	23,217,488.00
Unclaimed Dividend *	152,622.00	265,841.00
Security received from customers	51,570.00	62,236.00
Statutory Dues	309,888.00	1,234,985.00
	1,366,555.00	24,780,550.00
	3,763,253.00	51,430,950.00

* Does not include any sum payable to Investor & Protection Fund

NOTE 10 : FIXED ASSETS
(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK		
	As at April 01, 2011	Addition	Deduction	As at March 31, 2012	As at April 01, 2011	For the year	Deletion/ Written Back	As at March 31, 2012	As at March 31, 2012	As at March 31, 2012	
A. Tangible Assets											
Leasehold Land	15,999,304	-	-	15,999,304	3,197,185	187,535	-	3,384,720	12,614,584	12,802,119	
Buildings	48,923,261	-	-	48,923,261	27,305,353	1,634,037	-	28,939,390	19,983,871	21,617,908	
Building (Office)	7,674,212	-	-	7,674,212	1,097,609	125,090	-	1,222,699	6,451,513	6,576,603	
Plant and Equipment	180,061,843	154,565	20,817,247	159,399,161	139,255,088	4,595,234	16,724,738	127,125,584	32,273,577	40,806,755	
Furniture and fixtures	12,238,231	-	-	12,238,231	8,177,391	774,680	-	8,952,071	3,286,160	4,060,840	
Vehicles	5,285,508	385,503	401,000	5,270,011	2,960,918	502,055	314,158	3,148,815	2,121,196	2,324,590	
Electric Installation	11,600,131	-	-	11,600,131	9,793,786	176,463	-	9,970,249	1,629,882	1,806,345	
Computers	10,006,383	43,200	-	10,049,583	8,957,380	145,542	-	9,102,922	946,661	1,049,003	
Total	291,788,873	583,268	21,218,247	271,153,894	200,744,710	8,140,636	17,038,896	191,846,450	79,307,444	91,044,163	

NOTE 11 : INVESTMENT

(Amount in Rs.)

	Non Current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Non Trade				
Quoted Investment				
Investments in Equity instruments	9,829,403.00	9,829,403.00	-	-
63,100 (PY 63,100 Equity Shares of Rs. 10/- each fully paid up of PNR Capital Services Ltd.				
Investment in Government Securities	-	-	2,132,000.00	-
Gold Coins	140,163.00	140,163.00	-	-
13 Nos. of 92 Grams (PY 13 Nos. of 92 gms)				
	9,969,566.00	9,969,566.00	2,132,000.00	-

Aggregate market value of quoted investment Rs. 97,805/- (March 31 2011: Rs.97,805/-)

NOTE 12 : LOANS AND ADVANCES

Capital Advances				
Unsecured, considered good	7,827,306.00	2,443,848.00	-	-
Security Deposit				
Unsecured, considered good	2,827,182.00	2,827,182.00	-	-
Other Loans and Advances				
Advance Tax (Including TDS)	-	-	781,655.69	484,885.00
[Net of provisions of Rs. 178,426 (P.Y- 201,923)]	-	-	-	-
Advances recoverable in cash or in Kind	-	-	126,703.00	1,505,165.00
Advance to Suppliers	-	-	2,000.00	200,710.00
Advance to staff & Imprest	-	-	151,627.00	157,393.00
Balance with Excise Authorities	-	-	1,564,548.00	1,703,925.00
Vat Recoverable	-	-	70,454.00	205,940.00
Prepaid Expenses	-	-	561,812.00	661,653.00
	-	-	3,258,799.69	4,919,671.00
	10,654,488.00	5,271,030.00	3,258,799.69	4,919,671.00

NOTE 13 : INVENTORIES

(As taken, valued & certified by the management)

Raw Materials (Refer Note 19)	90,147.00	8,137,593.00
Work In Progress	-	10,849,098.00
Finished Goods (Refer Note 21)	5,642,447.00	34,831,363.00
Goods in transit- Finished Goods	-	5,326,017.00
Stores and spares	463,338.00	4,924,919.00
Packing Material	-	866,919.00
	6,195,932.00	64,935,909.00

NOTE 14 : TRADE RECEIVABLES
(Amount in Rs.)

	March 31, 2012	Non Current March 31, 2011	Current March 31, 2012	Current March 31, 2011
Outstanding for the period exceeding six months from the date they are due for payment				
Unsecured				
Considered Good	-	-	1,474,926.00	3,049,711.00
Considered Doubtful	-	-	860,161.00	860,161.00
	-	-	2,335,087.00	3,909,872.00
Less Provision for Doubtful Debts	-	-	860,161.00	860,161.00
	-	-	1,474,926.00	3,049,711.00
Other debts - Unsecured				
Considered Good	-	-	-	64,151,097.00
	-	-	1,474,926.00	67,200,808.00

NOTE 15 : OTHER ASSETS
Unsecured, considered good unless stated otherwise

Non-current bank balances*	13,758,566.00	17,439,439.00	-	-
(Refer Note 16)				
Others				
Interest Accrued but not due	536,979.00	141,595.00	1,338,994.00	432,621.00
Export Incentives Receivable				
Considered Good	-	-	3,257,688.00	5,494,439.00
Considered Doubtful	-	-	1,741,628.00	1,111,356.00
	-	-	4,999,316.00	6,605,795.00
Less Provision for Doubtful Debts	-	-	1,741,628.00	1,111,356.00
	-	-	3,257,688.00	5,494,439.00
	14,295,545.00	17,581,034.00	4,596,682.00	5,927,057.00

* Fixed Deposits receipts amounting to Rs. 337,940 (P.Y Rs. 537,940) are pledged with appropriate authorities

NOTE 16 : CASH AND OTHER BANK BALANCE
Cash & Cash Equivalents

In Current Accounts	-	-	823,576.76	24,830,047.71
Balances with bank held as margin money or security against borrowing, guarantees and other commitments	-	-	190,000.00	190,000.00
In dividend accounts	-	-	152,622.00	265,840.00
Cash on hand	-	-	996,653.00	131,617.00

Other Bank Balances
Balances with Scheduled banks :

In Fixed Deposit Accounts with original maturity more than 3 months maturity but less than 12 months	-	-	50,974,664.00	10,018,390.00
Deposits with original maturity of more than twelve months	13,758,566.00	17,439,439.00	-	-
	13,758,566.00	17,439,439.00	53,137,515.76	35,435,894.71
Amount disclosed under non-current assets	13,758,566.00	17,439,439.00	-	-
(Note :15)				
	-	-	53,137,515.76	35,435,894.71

Notes to Consolidated financial statements for the year ended March 31, 2012

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
NOTE 17 : REVENUE FROM OPERATIONS		
Sale of Product		
Finished Goods	117,256,137.55	314,742,192.00
	-	-
Other Operating Revenues		
Scrap Sale	479,729.00	546,920.00
Income from export incentives	8,408,037.00	21,480,561.00
Revenue From Operations (Gross)	126,143,903.55	336,769,673.00
Less: Excise duty	-	-
Revenue From Operations (Net)	126,143,903.55	336,769,673.00
Detail of Products sold		
Finished Goods	-	-
Cotton Knitted & Woven Garments	117,256,137.55	314,742,192.00
	117,256,137.55	314,742,192.00
NOTE 18 : OTHER INCOME		
Interest Income on		
Fixed Deposits	3,554,423.05	2,871,022.55
Income Tax Refund	-	791,473.00
	3,554,423.05	3,662,495.55
Other Non- Operating Income (net of expenses directly attributable)		
Exchange fluctuation	1,336,093.00	1,449,988.00
Cash Discount	85,063.00	322,372.00
Misc Income	137,889.00	737,073.00
Total	5,113,468.05	6,171,928.55
NOTE 19 : COST OF MATERIAL CONSUMED		
Raw Material		
Inventory at the beginning of the year	8,137,593.00	8,309,757.00
Add : Purchases	9,245,390.00	84,368,253.00
Less: Inventory at the end of the year	90,147.00	8,137,592.86
Cost of Raw Material Consumed	17,292,836.00	84,540,417.14
Other Material		
Inventory at the beginning of the year	5,791,838.00	4,426,921.00
Add : Purchases	5,474,493.00	34,325,693.75
Less: Inventory at the end of the year	463,338.00	5,791,837.83
Cost of Other Material Consumed	10,802,993.00	32,960,776.92
Total	28,095,829.00	117,501,194.06
Details of Material Consumed		

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
NOTE 19 : COST OF MATERIAL CONSUMED (Contd....)		
Raw Material		
Yarn/Fabric	17,292,836.00	84,540,417.14
	<u>17,292,836.00</u>	<u>84,540,417.14</u>
Other Material		
Dyes & Chemicals	428,420.00	992,812.00
Packing Material	866,919.00	2,636,862.15
Stores & Spares	9,507,654.00	29,331,102.77
	<u>10,802,993.00</u>	<u>32,960,776.92</u>
Details of Inventory		
Raw Material		
Yarn	90,147.00	893,910.00
Fabric	—	7,243,683.00
	<u>90,147.00</u>	<u>8,137,593.00</u>
Other Material		
Stores & Spares	463,338.00	4,760,163.00
Dyes & Chemicals	—	164,756.00
Packing Material	—	866,919.00
	<u>463,338.00</u>	<u>5,791,838.00</u>
NOTE 20 : PURCHASES OF STOCK - IN - TRADE		
Readymade Garments	—	16,068,337.00
	<u>—</u>	<u>16,068,337.00</u>
NOTE 21 : (INCREASE) / DECREASE IN INVENTORIES		
Inventory at the beginning of the year		
Finished Goods	40,157,380.00	30,131,575.00
Work in progress	10,849,098.00	4,059,359.00
	<u>51,006,478.00</u>	<u>34,190,934.00</u>
Inventory at the end of the year		
Finished Goods	5,642,447.22	40,157,380.00
Work in progress	—	10,849,098.00
	<u>5,642,447.22</u>	<u>51,006,478.00</u>
(Increase) / Decrease in inventories	<u>45,364,030.78</u>	<u>(16,815,544.00)</u>
Details of Inventory		
Finished Goods		
Cotton Knitted Garments	5,642,447.22	40,157,380.00
	<u>5,642,447.22</u>	<u>40,157,380.00</u>

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Work- In- Progress		
Yarn	—	3,353,560.00
Fabric	—	6,939,420.00
Garments	—	556,118.00
	<u>—</u>	<u>10,849,098.00</u>
NOTE 22 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Bonus	14,076,583.00	20,725,028.13
Contribution to Provident and Other fund	1,161,458.00	2,822,682.00
Gratuity (Refer Note : 32)	30,146.00	
Staff Welfare Expenses	44,889.00	284,483.00
	<u>15,313,076.00</u>	<u>23,832,193.13</u>
NOTE 23 : FINANCE COST		
Interest Expense	1,091,301.00	3,743,497.00
Bank Charges	1,911,084.15	3,071,997.00
	<u>3,002,385.15</u>	<u>6,815,494.00</u>
NOTE 24 : OTHER EXPENSES		
Consumption of Stores & Spare Parts	282,201.00	425,333.00
Power & Fuel	5,037,161.00	12,059,070.00
Fabrication Wages	12,727,170.00	52,825,513.00
Other Manufacturing Expenses	7,979,094.00	36,971,482.00
Rent (Refer Note : 38)	2,162,404.00	2,195,247.00
Repair : Buildings	1,201,283.00	1,842,176.00
Repair : Machinery	451,283.00	1,006,924.00
Insurance	1,996,797.00	2,278,756.00
Rates & Taxes	168,338.00	208,388.00
Payment to the Auditors (Refer details below)	350,548.00	470,750.00
Legal and Professional	941,655.00	1,712,724.00
Freight and Cartage Inward	113,311.00	1,030,468.00
Processing Charges	2,978,159.00	19,302,903.00
Sampling Expenses	119,869.00	1,302,661.00
Travelling and Conveyance	255,348.00	786,423.00
Vehicle Maintaine	482,531.00	995,581.00
Communication Expenses	553,584.00	866,007.00
Printing and Stationery	142,457.00	599,650.00
Outwards Freight and Cartage	4,527,436.00	23,011,928.00
Advertisement & Publicity	49,422.00	100,963.00
Provision for Doubtful Export Incentives	630,272.00	571,890.00
Commission, Claims & Discount	11,652,517.00	20,923,074.00
Security Expenses	1,494,058.00	1,432,659.00
Miscellaneous expenses	2,773,773.00	1,597,389.00
	<u>59,079,338.00</u>	<u>184,526,471.00</u>

(Amount in Rs.)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
NOTE 25 : EXCEPTIONAL ITEMS		
Loss on Sale Of Fixed Assets	2,637,851.00	293,492.00
Provisions Written Back		
Export Commission	(3,009,889.00)	(70,883.00)
Gratuity (Refer Note 32)	(1,181,802.00)	(114,247.00)
	<u>(1,553,840.00)</u>	<u>108,362.00</u>
Payment to Auditors*		
As Auditor:		
Audit Fees	254,074.00	168,207.00
Tax Audit Fees	28,090.00	27,575.00
In other Capacity:		
Taxation Matters	63,423.00	272,150.00
For Reimbursement of expenses	13,388.00	11,090.00
	<u>358,975.00</u>	<u>479,022.00</u>

The other expenditures have been charged under the account head "Legal and Professional Charges"

NOTE 26: EARNINGS PER SHARE(EPS)

Profit/Loss attributable to the equity shareholders	(25,545,845.33)	6,191,165.36
Number/Weighted Average number of equity shares	10,796,574	10,796,574
Nominal value of equity shares	5.00	5.00
Basic/Diluted Earnings per share	(2.37)	0.57

27 Estimated amount of contracts remaining to be executed on Capital account (Net of advances) - Rs. Nil (Previous Year Rs Nil)

28 Contingent Liabilities

- a) Claims against the company, not accepted and not provided for :
Rs. 7,742,020 towards Employees State Insurance (Previous Year Rs. 7,742,020)
- b) Bills discounted with Bank outstanding Rs NIL (Previous Year Rs 2,087,796)

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

30 No provision for current tax has been made in view of brought forward accumulated losses

31 Disclosure of Related parties/ Related parties transactions :
A. Name of the Related Parties and description of relationship

- i) Key Management Personnel

Mr. C.L. Jain
Mrs. Urmila Jain
Mr. Hari Bansal
Mr. Abhishek Bansal
- ii) Enterprises owned or substantially influenced by key management personnel or their relatives

Ultimate Investments Pvt. Ltd.

B. Disclosure of Related Party Transactions

(Amount in Rs.)

S. No.	Particulars	Key Management Personnel	Enterprises owned or substantially influenced by key management personnel or their relatives	Total
i)	Managerial Remuneration	4,530,000	–	4,530,000
		(4,980,000)	(–)	(4,980,000)
ii)	Rent paid	840,000	361,273	1,201,273
		(840,000)	(394,116)	(1,234,116)
iii)	Loans taken	–	–	–
		(–)	(–)	(–)
iv)	Loans Repaid	–	–	–
		(–)	(–)	(–)
v)	Interest paid	–	–	–
		(–)	(–)	(–)

Note : Figures in brackets represents corresponding amounts of previous years.

D. Details of transactions with related parties, the amount of which is in excess of 10% of the total related party transactions of the same type:

Nature of transaction	For the Year Ended March 31, 2012		For the Year Ended March 31, 2012	
	Amount in Rs.	% ge	Amount in Rs.	% ge
i) Managerial Remuneration				
Mr. C.L Jain	1,980,000.00	44%	1,980,000.00	40%
Mr. Hari Bansal	1,050,000.00	23%	1,200,000.00	24%
Mrs. Urmila Jain	900,000.00	20%	1,200,000.00	24%
Mr. Abhishek Bansal	600,000.00	13%	600,000.00	12%
ii) Rent paid				
Urmila Jain	840,000.00	70%	840,000.00	68%
Ultimate Investments Pvt. Ltd.	361,273.00	30%	394,116.00	32%

32 Employee Benefits
a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under :

(Amount in Rs.)

	2011-12	2010-11
Employer's Contribution to Provident Fund/ Pension Fund	415,786	953,124
Employer's Contribution to Employee State Insurance	745,672	1,869,558

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined Benefit plans

The employee's gratuity fund scheme defined unfunded benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The obligation for leave encashment is a defined unfunded benefit plan, which is recognized in the same manner as gratuity.

I. Changes in present value of Defined Benefit obligations :

(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment	Gratuity Unfunded	Leave Encashment
Defined Benefit obligation as at the beginning of the year	4,313,739	697,014	4,593,358	888,765
Current Service Cost	164,838	21,306	719,409	373,338
Past Service Cost	–	–	–	–
Interest Cost	366,668	59,246	367,469	71,101
Actuarial (gain) / loss on obligations	(1,683,162)	702,396	(1,201,125)	169,741
Benefits paid	(742,742)	(1,343,097)	(165,372)	(805,931)
Defined Benefit obligation at the year end	2,419,341	136,865	4,313,739	697,014

II. Change in the Fair Value of Plan Assets (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity / Leave Encashment		Gratuity / Leave Encashment	
Fair value of plan assets at the beginning of the year	NIL		NIL	
Expected return on plan assets	NIL		NIL	
Actuarial gain/ (loss)	NIL		NIL	
Employer Contribution	NIL		NIL	
Benefits paid	NIL		NIL	
Fair value of plant assets at the year end	NIL		NIL	

III. Change in the Fair Value of assets and obligation (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment (Unfunded)	Gratuity Unfunded	Leave Encashment (Unfunded)
Fair value of plan assets	NIL	NIL	NIL	NIL
Present value of obligation	2,419,341	136,865	4,313,739	697,014
Amount recognized in balance sheet	(2,419,341)	(136,865)	(4,313,739)	(697,014)

IV. Expenses/ (Income) recognized in the Profit & Loss (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment (Unfunded)	Gratuity Unfunded	Leave Encashment (Unfunded)
Current Service Cost	164,838	21,306	719,409	373,338
Past Service Cost	-	-	-	-
Interest Cost	366,668	59,246	367,469	71,101
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	(1,683,162)	702,396	(1,201,125)	169,741
Net Cost	(1,151,656)	782,948	(114,247)	614,180

V. Actuarial Assumptions (Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment	Gratuity Unfunded	Leave Encashment
Mortality Table (LIC)	1994-96 (Duly Modified)	1994-96 (Duly Modified)	1994-96 (Duly Modified)	1994-96 (Duly Modified)
Discount rate (per annum)	8.5%	8.5%	8.0%	8.0%
Expected rate of return on plan assets (per annum)	N.A	N.A	N.A	N.A
Rate of escalation in salary (per annum)	8.5%	8.5%	5.5%	5.5%

Note : The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the employment market.

33 Value of Imports calculated on CIF Basis (Amount in Rs.)

Particulars	Current Year	Previous Year
Raw Material	-	852,460
Stores & Spares (Consumables)	1,818,648	12,056,483

34 Expenditure in Foreign Currency (Amount in Rs.)

Particulars	Current Year	Previous Year
Commission	874,731	5,466,015
Claim & Discount	4,910,906	4,549,608

- 35 The value of consumption of directly imported and indigenously obtained raw materials, spare parts and components and percentage of each to total consumption.

Particulars	Raw Material		Components & Spares	
	Amount	%	Amount	%
a) Imported	—	—	1,818,648	16.83
	(852,460)	(1.01)	(12,056,483)	(53.39)
b) Indigenous	17,292,836	100.00	8,984,345	83.17
	(83,687,957)	(98.99)	(10,523,569)	(46.61)
	17,292,836		10,802,993	
	(84,540,417)		(22,580,052)	

- 36 Earnings in Foreign Exchange : (Amount in Rs.)

Particulars	Current Year	Previous Year
FOB value of Goods Exports	93,188,200	291,652,099

- 37 The company is in business of single product "ready garments". Therefore, the requirements in context of the Accounting Standard - 17 "Segmental Reporting" are not applicable.

38 Assets Taken on Lease

The company has taken certain assets on non-cancellable operating lease and lease rent amounting to Rs 361,273 (Previous Year : 394,116) has been debited to profit and loss account. The future minimum lease payments is as under :
(Amount in Rs.)

Minimum Lease Payment Payables	Current Year	Previous Year
(i) not later than in 1 years	—	357,312
(ii) later than 1 year but not later than 5 years	—	476,416
(iii) later than 5 years	—	—

General Description of Lease Terms

- Lease rental are charged on the basis of agreed terms.
- Assets are taken/given on lease over a period of 1 to 5 years

- 39 In view of the management, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31st March, 2012.

- 40 Previous year figures have been regrouped/rearranged wherever considered necessary.

For and on behalf of the Board of Directors

C.L. JAIN
Chairman & Managing Director

V. B. AGGARWAL
Director

Place : New Delhi
Dated : May 26, 2012

DR. B. K. BEHERA
Director

ATUL JAIN
Manager (Finance)

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO
COMPANY'S INTEREST IN SUBSIDIARY COMPANY FOR THE FINANCIAL YEAR 2011-12**

Details of Subsidiary Company

(Rs./Lacs)

Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.	Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.
1.	The Financial year of Subsidiary Company ended on	31st March, 2012	1	Capital	79.00
2.	Date from which it become Subsidiary Company	18th April, 2005	2	Reserves	23.57
3.	a. Number of Shares held by Addi Industries Ltd. with its nominees in the Subsidiary at the end of financial year of the Subsidiary Company	790007 Equity Shares of Rs.10 each fully paid up	3	Total Assets	102.57
	b. Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	100%	4	Total Liabilities	102.57
4.	The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the members of the Holding Company		5	Investment	21.32
	a. Not dealt with in the Holding Company's Accounts:		6	Turnover/ Total Income	5.76
	i) For the financial year ended 31st March, 2012	Rs. 3.79 Lacs	7	Profit before Taxation	5.54
	ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs. 4.42 Lacs	8	Provision for Taxation	1.75
	b. Dealt with in the Holding Company's Accounts:		9	Profit after Taxation	3.79
	i) For the financial year ended 31st March, 2012	NIL	10	Proposed Dividend	NIL
	ii) For the previous Financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	NIL			

For and on behalf of the Board of Directors

C.L. JAIN
Chairman & Managing Director

V. B. AGGARWAL
Director

Place : New Delhi
Dated : May 26, 2012

DR. B. K. BEHERA
Director

ATUL JAIN
Manager (Finance)

ADDI INDUSTRIES LIMITED
Regd. Office : 23, Eastern Avenue, Maharani Bagh, New Delhi - 110 065

PROXY FORM
ANNUAL GENERAL MEETING

I/We.....of.....
in the district of.....being Member(s) of the above named Company
hereby appoint Mr./Mrs./Miss.....of
.....in the district of.....or failing him/her, Mr./
Mrs./Miss.....of.....as my/our
Proxy to vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on **29th day of September, 2012, at 9.00 A.M. at the Community Centre, Nehru Nagar, New Delhi-110065** and at any adjournment thereof.

Signed this.....day of.....2012.

Registered Folio No. :

OR DP/Client Id. No.....

No. of Shares held.....

Address.....

Signature.....

Affix
One Rupee
Revenue
Stamp

This Proxy form must be deposited at the Registered office of the Company at least 48 hours before the time fixed for the holding of the meeting.

ADDI INDUSTRIES LIMITED
Regd. Office : 23, Eastern Avenue, Maharani Bagh, New Delhi - 110 065

ATTENDANCE FORM

Full Name of the Shareholder/Proxy (In Block Letters)	Regd. Folio No. OR DP / Client Id. No.
	No. of Shares held

If Proxy, full name of Shareholder.....

(IN BLOCK LETTERS)

I hereby record my presence at the 30th Annual General Meeting of the Company being held at **29th day of September, 2012, at 9.00 A.M. at the Community Centre, Nehru Nagar, New Delhi-110065.**

(Signature of Shareholder/Proxy)

IMPORTANT : This attendance slip duly filled in may please be handed over at the entrance of this Meeting Hall.

If undelivered, please return to:

ADDI INDUSTRIES LIMITED
Regd. & Corp. Office : A-106, Sector-IV,
Noida - 201 301 (U.P.)

