

31<sup>st</sup>  
Annual Report  
2012-13



**ADDI INDUSTRIES LIMITED**

<b>BOARD OF DIRECTORS</b>	:	Shri C.L. Jain	-	Chairman & Managing Director
	:	Dr. B.K. Behera	-	Director
	:	Shri V.B. Aggarwal	-	Director
	:	Shri Hari Bansal	-	Director
	:	Shri S. R. Sharma	-	Director
<b>COMPANY SECRETARY</b>	:	Shri Raj Kumar Arora		
<b>MANAGER FINANCE &amp; COMPLIANCE OFFICER</b>	:	Shri Atul Jain		
<b>BANKERS</b>	:	Punjab National Bank		
<b>AUDITORS</b>	:	M/s S.R. Dinodia & Co. Chartered Accountants K-39 Connaught Circus New Delhi-110 001		
<b>REGISTERED OFFICE</b>	:	23, Eastern Avenue Maharani Bagh, New Delhi - 110065		
<b>WORKS &amp; CORPORATE OFFICE</b>	:	A-105, 106, Sector IV Noida – 201 301 (U.P.)		
<b>WORKS</b>	:	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, Statement of Profit & Loss 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 company and the related detailed information will be made available upon request by the members of the Company and of its subsidiary company. 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

### TO ALL MEMBERS:

**NOTICE IS HEREBY GIVEN THAT** the 31<sup>st</sup> Annual General Meeting of the Members of Addi Industries Ltd. will be held on **Monday, September 30, 2013, at 9.00 A.M. at Community Hall, Block-7, Trilok Puri Near Bal Vikas Vidyalaya Delhi-110091** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2013, 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 Mr. V. B. Aggarwal, who retires by rotation, and being eligible, offers him for re-appointment.
3. To appoint a Director in place of Mr. Hari Bansal, who retires by rotation, and being eligible, offers him for re-appointment.
4. 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.

For & on behalf of the Board

### Regd. Office:

23, Eastern Avenue, Maharani Bagh  
New Delhi-110 065

Dated: May 23, 2013

**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 26th day of September, 2013 to Monday, 30th September, 2013 (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) The Company's Equity Shares continue to remain listed on the Bombay Stock Exchange Ltd., and the listing fee has been duly paid.
- e) 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.
- f) 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.
- g) 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 & 3 of the Notice, are as follows:

S. No.	Particulars	Mr. Hari Bansal	Shri V.B. Aggarwal
1.	Date of Birth	14.09.1975	12.05.1937
2.	Date of Appointment	12.11.2002	28.06.2004
3.	Qualification	B.Chem. Engineering	B.Com(H), FICWA, ACS
4.	Expertise in specific functional area	Please refer Corporate Governance Report 2012-13.	Please refer Corporate Governance Report 2012-13.
5.	Directorship held in other Public Companies*	Nil	Nil
6.	Membership/Chairmanship of Committees**	Nil	Nil
7.	No. of Equity Shares held in the Company	9,96,118	Nil
8.	Relationship with other directors	Related to Shri C.L. Jain (Son-Father)	N.A.

\*excluding Foreign, Private Limited Companies and Limited Liability Partnership Firm.

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

## DIRECTORS' REPORT

### Dear Members

The Directors of your Company present their 31<sup>st</sup> Annual Report & the Audited Statements of Account of the Company for the financial year ended 31<sup>st</sup> March, 2013.

### Financial Results

The performance of your Company for the financial year ended 31<sup>st</sup> March, 2013 is summarized below: (Rs./Lakhs)

	2012-2013	2011-2012
Turnover & other Income (incl. Exports)	263.89 Nil	1306.81 (955.13)
Gross Profit before financial exp. & depreciation	58.26	(190.61)
Less: Financial Expenses	Nil	10.91
Depreciation	68.55	81.41
Exceptional Items	(182.53)	(15.54)
<b>Net Profit/(Loss) before Tax</b>	<b>172.24</b>	<b>(267.39)</b>
Less : Provision for Taxation	15.68	Nil
Income Tax adj. for earlier years	(12.15)	Nil
Less: Adj. for deferred tax	(39.83)	(8.13)
Mat credit entitlement	15.68	0
<b>Net Profit /(Loss) after tax</b>	<b>224.21</b>	<b>(259.25)</b>
Add: Amount b/f from last year	(247.59)	11.66
Balance transferred to Balance Sheet	(23.38)	(247.59)

### Dividend

In view of accumulated losses, the Directors are not in a position to recommend any dividend for the financial year 2012-13.

### 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.

### Future Business Prospects:

- During the year under review, the company surrendered its household rights on the plot of land at Ghaziabad, to UPSIDC. The unit was lying closed since 2004-05 due to, inter alia, pollution, economic non-viability, and other factors.
- In the wake of stiff International competition and abnormal upward surge in costs the Board of Directors have thought it expedient to go into the manufacture of woven garments for better business prospects. The Directors are in the process of scouting for and taking effective steps for the same, and are hopeful of achieving better working results, for augmenting the resources and profitability of the company, in the ensuing period.

### Technology upgradation, modernisation-cum-diversification

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

### Future Prospects

During the first quarter of the financial year 2013-14, the Company has achieved a very low turnover of Rs.0.02 Lacs (upto May 20, 2013) as against Rs. 11.37 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

Mr. Hari Bansal and Mr. V.B. Aggarwal., Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Board of Directors recommends their re-appointment. During the year under review, the Central Government had accorded its consent for the reappointment of Mr. C.L. Jain as Chairman & Mg. Director for a period of 3 years effective from April 1, 2011.

**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 2013-14, 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/ 2012 dated 8th February, 2012 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, 2013 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 : May 23, 2013

**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 31<sup>st</sup> March, 2013, is as per Form 'A' below :



**FORM 'A'**

**A. Power and Fuel Consumption:**

	<b>Current Year 31.3.2013</b>	<b>Previous Year 31.3.2012</b>
<b>1. ELECTRICITY</b>		
<b>(a) Purchased</b>		
Units	<b>132312</b>	500900
Total amount (Rs./Lacs)	<b>10.82</b>	27.80
Rate/unit (Rs.)	<b>8.17</b>	5.55
<b>(b) Own Generation</b>		
i) Through diesel generator Units	<b>Nil</b>	27300
Unit per ltr. of diesel oil	<b>Nil</b>	3.50
Cost/unit (Rs.)	<b>Nil</b>	11.66
ii) Through steam turbine/generator	<b>N.A.</b>	N.A.
<b>2. COAL</b>		
Qty. (Kgs.)	<b>N.A.</b>	N.A.
Value (Rs./Lacs)	<b>N.A.</b>	N.A.
<b>3. FURNACE OIL/ LDO/HSD</b>		
Qty. (Ltrs.)	<b>Nil</b>	43200
Value (Rs./Lacs)	<b>Nil</b>	17.63
Rate/Unit (Rs.)	<b>Nil</b>	38.13
<b>4. OTHERS : INTERNAL GENERATION</b>		

**B. Consumption per unit of production:**

<b>Product</b>	<b>(Unit)</b>	<b>Electricity (Units)</b>		<b>Furnace Oil (KL)</b>		<b>Coal (KG.)</b>	
		<b>Curr.Yr.</b>	<b>Prev.Yr.</b>	<b>Curr.Yr.</b>	<b>Prev.Yr.</b>	<b>Curr.Yr.</b>	<b>Prev.Yr.</b>
Ready made Garments	1,000 Pcs.	N.A.#	1,775	—	—	—	—

#No Production during the year under review.

**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 :

	<b>31.3.2013</b>	<b>31.3.2012</b>
Earnings	<b>Nil</b>	931.88
Outgoings	<b>Nil</b>	76.04

**For and on behalf of the Board of Directors**

Place : New Delhi  
Dated: May 23, 2013

**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 2012-13 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 Nil 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 2012-13 have gone down drastically. The Company has achieved negligible Income from operation of Rs.0.02 Lacs (upto 20.05.2013) in the first quarter of the Current Financial Year as compared to the turnover of Rs.11.37 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 price 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 : May 23, 2013

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 31<sup>st</sup> March 2013, is five, two Promoter Directors (out of which one is executive and other Non-executive) and three Non-executive independent Directors. 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. 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 69 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 45 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 38 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 12 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 76 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 42 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 54 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 27 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 74 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 41 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 4 times on May 26, August 14, November 10, 2012 and February 9, 2013 during the financial year ended March 31, 2013:

Name of the Director & Designation	Executive/ Non-executive/ Independent	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the last AGM on 28.09.2012	Directorship in other Cos. incorporated in India	No. of other Cos. Board Committees, of which Member/ Chairman
Shri C.L. Jain (Chairman & Managing Director)	Executive (Promoter Grp)	4	4	Present	Nil	NIL
Shri V.B. Aggarwal	Non-executive (Independent)	4	4	Present	NIL	NIL
Dr. B.K. Behera	Non-executive (Independent)	4	4	Present	1	NIL
Mr. S.R. Sharma	Non-executive (Independent)	3	3	Present	Nil	Nil
Shri Hari Bansal (Whole-time Dir.)	Executive (Promoter Grp)	4	4	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.

### 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 29, 2012.

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.

Four Meetings of the Audit Committee were held on May 26, August 14, November 10, 2012 and February 9, 2013 during the financial year ended 31<sup>st</sup> March, 2013. 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 May 26, 2012 during 2012-13, 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 2012-13.

**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, 2013.

**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 26, August 14, November 10, 2012 and February 9, 2013 during the financial year ended 31<sup>st</sup> March, 2013. 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 attend 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.B45286614/4/2012-CL-VII, dated December 12, 2012 has accorded its approval for his appointment for a period of 3 years with effect from October 1, 2011 to September 30, 2014.

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	Mgaging Director	15.00	Nil	Nil	Nil	15.00
Sh. V.B. Agarwal	Director	Nil	Nil	Nil	0.35	0.35
Dr. B.K. Behera	Director	Nil	Nil	Nil	0.35	0.35
Sh. S.R. Sharma	Director	Nil	Nil	Nil	0.23	0.23
Sh. Hari Bansal	Whole-time. Director	Nil	Nil	Nil	Nil	Nil
<b>Total</b>		<b>15.00</b>	<b>Nil</b>	<b>Nil</b>	<b>0.93</b>	<b>15.93</b>

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	No. of Special Resolutions Passed
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.	Ashoka White Farm House, Sector 70-71 Main Road Basai, Noida (U.P.)	1
29.09.2012	9.00 a.m.	Community Center, Nehru Nagar, New Delhi-110065	1

## POSTAL BALLOT

During the financial year 2012-13, no resolution was passed through Postal Ballot.

## 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 31<sup>st</sup> March, 2013 forms part of this Annual Report.

**9. General Shareholder Information:**
**A. Annual General Meeting :**

Date and Time : Monday, September 30, 2013 at 9.00 A.M.  
 Venue : Community Hall, Block-7, Trilok Puri,  
 Near Bal Vikas Vidyalaya Delhi-110091

Financial Calendar\* : a) 1<sup>st</sup> Quarter Results - By the mid of Aug '13.  
 b) 2<sup>nd</sup> Quarter Results - By the mid of Nov., '13.  
 c) 3<sup>rd</sup> Quarter Results - By the mid of Feb., '14.  
 c) 4<sup>th</sup> Quarter Results - By the mid of May., '14.

\*Tentative and subject to change.

Date of Book Closure : 26.09.2013 to 30.09.2013 (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 2012	7.00	6.50	7.00	1,452
May 2012	7.24	6.66	6.90	6,302
June 2012	6.75	6.41	6.41	25,601
July 2012	6.09	4.98	5.98	1,145
August 2012	6.58	5.96	6.27	616
September 2012	6.25	5.37	5.90	2,67,945
October 2012	5.61	4.58	4.80	1,810
November 2012	4.75	4.75	4.75	939
December 2012	4.85	4.40	4.85	3,140
January 2013	5.09	5.09	5.09	500
February 2013	5.34	4.59	5.07	328
March 2013	4.82	4.58	4.58	150

**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 31<sup>st</sup> March, 2013.

**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 31<sup>st</sup> March, 2013

Distribution of Shareholding as on 31<sup>st</sup> March:

No. of equity shares held	2013				2012			
	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	3025	93.19	9,36,147	8.67	3002	93.09	9,35,099	8.66
5001 to 10000	125	3.85	1,88,723	1.75	126	3.91	1,89,377	1.75
10001 to 20000	48	1.48	1,39,500	1.30	50	1.55	1,47,136	1.37
20001 to 30000	14	0.43	68,641	0.64	11	0.34	53,629	0.50
30001 to 40000	7	0.22	46,932	0.43	8	0.25	53,832	0.50
40001 to 50000	6	0.18	54,542	0.50	6	0.19	54,542	0.50
50001 to 100000	8	0.25	1,12,389	1.04	8	0.25	1,12,389	1.04
Above 100001	13	0.40	92,49,700	85.67	14	0.43	92,50,570	85.68
Total	3225	100	10796574	100.00	3225	100	10796574	100.00

Shareholding Pattern as on 31<sup>st</sup> March:

Particulars	2013		2012	
	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	960039	8.89%	964135	8.93%
Indian Public	1700740	15.75%	1696892	15.71%
NRI's	106020	0.98%	105772	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 31.03.2013, as against 93.22 % i.e. 10064818 Equity Shares as on 31.03. 2012.

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:

a. Registered & Corporate Office : 23, Eastern Avenue, Maharani Bagh, New Delhi-110065.

b. Works & Corporate Office : A-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 31<sup>st</sup> March, 2013 is Nil.

## 15. Compliance Officer and Contact Address

Shri Atul Jain

Finance Manager

Addi Industries Limited

Corp. Off.: 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, 2013.
- 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, 2013.

For ADDI INDUSTRIES LIMITED

Place : New Delhi  
Dated : May 23, 2013

**Atul Jain**  
Compliance Officer cum  
Manager (Finance)

**C.L. Jain**  
Chairman & Mg. Director

## 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, 2013, 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 : May 23, 2013

**Sandeep Dinodia**  
Partner  
M. No. 083689

**AUDITOR'S REPORT**

To the Share Holders of

**M/S ADDI INDUSTRIES LIMITED**

1. We have audited the accompanying financial statements of **M/S ADDI INDUSTRIES LIMITED, ("the Company")**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
  - (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For S. R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 01478N

Place : New Delhi  
Date : May 23, 2013

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

## ANNEXURE TO THE AUDITORS' REPORT

- i) (a) In the earlier years, the fixed assets register of the company was misplaced and the company was in the process of retrieval of relevant information. During the year the Company has provided us the fixed assets register. However the same still needs to be updated in line with the prescribed requirements.
- (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 our comments in para (a) above, the discrepancies, if any, between the book records and the physical verification has not been ascertained.
- (c) During the year, the company has disposed off substantial part of its fixed assets. However based on the information and explanation given to us, we are of the opinion that this will not affect the going concern status of the company.
- 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, we are of the opinion that the company does not maintain the cost records as required in accordance with the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (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 31<sup>st</sup> March, 2013 which are less than fifty per cent of its net worth. The company has not incurred cash losses during the financial year, however has incurred 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) According to the information and explanation given to us and on overall examination of the balance sheet, we report that the company had temporarily used certain funds raised on short term basis for long term investment. The company had taken the overdraft against fixed deposits with banks amounting to Rs. 15,000,000 which was utilized for giving a capital advance towards acquisition of property at a future date. However subsequently during the year itself, the said loan was repaid 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 year 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  
Regn. No. 01478N

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

Place : New Delhi  
Date : May 23, 2013



# ADDI INDUSTRIES LIMITED

## BALANCE SHEET AS AT MARCH 31, 2013

(Amount in Rs.)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	54,000,370	54,000,370
Reserves & Surplus	4	135,311,782	112,890,307
		<u>189,312,152</u>	<u>166,890,677</u>
<b>=</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	5	4,435,852	8,418,648
Other Long term liabilities	6	-	661,354
Long-term provisions	7	710,535	1,307,459
		<u>5,146,387</u>	<u>10,387,461</u>
<b>Current liabilities</b>			
Trade payables	8	1,161,651	2,388,271
Other current liabilities	9	3,195,382	1,366,555
Short-term provisions	7	1,512,553	1,248,747
		<u>5,869,585</u>	<u>5,003,573</u>
<b>Total</b>		<u><b>200,328,124</b></u>	<u><b>182,281,711</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		56,523,599	79,307,444
Capital work in progress		456,012	-
Non-current investments	11	32,493,396	17,493,397
Long-term loans and advances	12	77,839,695	11,448,880
Other non-current assets	15	790,003	6,522,788
		<u>168,102,705</u>	<u>114,772,509</u>
<b>Current assets</b>			
Inventories	13	29,211	6,195,932
Trade receivables	14	1,568,473	1,474,926
Cash and other Bank Balance	16	25,759,013	52,877,525
Short-term loans and advances	12	3,163,295	2,364,137
Other current assets	15	1,705,428	4,596,682
		<u>32,225,419</u>	<u>67,509,202</u>
<b>TOTAL</b>		<u><b>200,328,124</b></u>	<u><b>182,281,711</b></u>
<b>Summary of Significant Accounting policies</b>			
<b>The accompanying notes are an integral part of the financial statements.</b>	2		

As per our audit report of even date attached

For **S.R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 01478N

For and on behalf of the Board of Directors

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

**C.L. Jain**  
Chairman & Mg. Director  
DIN No.00022903

**V. B. Aggarwal**  
Director  
DIN No.00022967

**S. R. SHARMA**  
Director  
DIN No.05288842

Place : New Delhi  
Dated : May 23, 2013

**Raj Kumar Arora**  
Company Secretary

**Atul Jain**  
Manager (Finance)

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rs.)

PARTICULARS	NOTE NO.	Current Year	Previous Year
<b>INCOME</b>			
Revenue from operations (Gross)	17	3,141,783	126,143,904
Less : Excise Duty		-	-
Revenue from operations (Net)		3,141,783	126,143,904
Other income	18	23,247,208	4,536,820
<b>Total Revenue</b>		<b>26,388,991</b>	<b>130,680,724</b>
<b>Expenses:</b>			
Cost of materials consumed	19	533,702	28,095,829
(Increase) / Decrease in inventories	20	5,633,019	45,364,031
Employee benefits expense	21	5,314,709	15,313,076
Finance costs	22	-	1,091,301
Depreciation and amortization expense	10	6,855,321	8,140,636
Other expenses	23	9,081,393	60,967,755
<b>Total expenses</b>		<b>27,418,144</b>	<b>158,972,628</b>
<b>Profit before exceptional items and tax</b>		<b>(1,029,154)</b>	<b>(28,291,904)</b>
Exceptional items	24	(18,253,029)	(1,553,840)
<b>Profit Before Tax</b>		<b>17,223,875</b>	<b>(26,738,064)</b>
<b>Tax expense:</b>			
Current Tax		1,567,500	-
Deferred Tax	5	(3,982,795)	(812,966)
Mat Credit Entitlement		(1,567,500)	-
Tax Adjustment for earlier years		(1,214,804)	-
<b>Profit (Loss) of the year</b>		<b>22,421,475</b>	<b>(25,925,098)</b>
<b>Earnings per equity share:</b>			
Basic / diluted earning per share	25	2.08	(2.40)
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. 01478N

For and on behalf of the Board of Directors

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

**C.L. Jain**  
Chairman & Mg. Director  
DIN No.00022903

**V. B. Aggarwal**  
Director  
DIN No.00022967

**S. R. SHARMA**  
Director  
DIN No.05288842

Place : New Delhi  
Dated : May 23, 2013

**Raj Kumar Arora**  
Company Secretary

**Atul Jain**  
Manager (Finance)

**CASH FLOW STATEMENT AS AT 31<sup>ST</sup> MARCH, 2013***(Amount in Rs.)*

<b>PARTICULARS</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & extraordinary items	17,223,875	(26,738,064)
Adjustments For :		
Depreciation	6,855,321	8,140,636
Amount written off	737,623	-
Provision no longer required	(135,013)	-
(Profit) /Loss on sale of Fixed Assets	(18,118,016)	2,637,851
Interest paid	-	3,002,385
Interest Received	(4,522,235)	(2,977,775)
Dividend Received	-	-
<b>Operating profit before working capital Changes</b>	<b>2,041,556</b>	<b>(15,934,967)</b>
Adjustments For :		
(Increase)/ Decrease in Trade Receivables	(93,547)	70,990,344
(Increase)/ Decrease in Other Receivables	7,824,882	-
(Increase)/ Decrease in Inventories	6,166,721	58,739,977
Increase/ (Decrease) in Trade Payables	(1,226,620)	(24,253,857)
Increase/ (Decrease) in Other Liabilities	1,828,827	(23,413,995)
Increase/ (Decrease) in Provisions	(333,118)	(2,454,547)
<b>Cash generated from operations before extraordinary items</b>	<b>16,208,700</b>	<b>63,672,955</b>
Direct Tax Paid	(1,820,949)	(794,392)
<b>Cash generated from operations after extraordinary items</b>	<b>14,387,751</b>	<b>62,878,563</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>14,387,751</b>	<b>62,878,563</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP	(591,972)	(583,268)
Proceeds from sale of fixed assets	34,182,500	1,541,500
(Purchase)/sale of Investment	(15,000,000)	-
Interest Received	4,522,235	2,977,775
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>23,112,763</b>	<b>3,936,007</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans given	-	-
Interest paid	-	(3,002,385)
Loans and advances given	(65,280,380)	(5,383,458)
Bank Borrowings	661,354	(40,781,179)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(64,619,026)</b>	<b>(49,167,022)</b>
<b>D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(27,118,513)</b>	<b>17,647,548</b>
Cash & Cash equivalents as at 01-4-2011 (Op. Balance)	52,877,525	35,229,977
Cash & Cash equivalents as at 31-3-2012 (Cl. Balance)	25,759,013	52,877,525
<b>Cash and Cash Equivalents include:</b>		
-Cash in hand	459,804	993,280
Balances with Scheduled Banks		
-In Current Accounts	217,682	909,581
-In Deposit Account	25,081,527	50,974,664

As per our audit report of even date attached

For **S.R. Dinodia & Co.**

Chartered Accountants

Regn. No. 01478N

**SANDEEP DINODIA**

Partner

M. No. 083689

Place : New Delhi

Dated : May 23, 2013

**C.L. Jain**  
Chairman & Mg. Director  
DIN No.00022903

**V. B. Aggarwal**  
Director  
DIN No.00022967

**S. R. SHARMA**  
Director  
DIN No.05288842

**Raj Kumar Arora**  
Company Secretary

**Atul Jain**  
Manager (Finance)

## Notes to Financial Statements for the Year Ended March 31, 2013

### Note 1: Corporate Information

Addi Industries limited (the company) is a public limited company incorporated in the year 1980 under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The Company is engaged in the manufacturing and marketing of readymade garments.

### Note 2: Summary of Significant Accounting Policies

#### i. Basis of Accounting

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 Securities & Exchange Board of India as adopted consistently by the Company.

#### 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 statement of profit and loss 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. Inventories

##### 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 statement of profit and loss.

#### vii. Employee Benefits

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

##### a) 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 statement of profit and loss 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.

**b) 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 Statement of Profit & Loss 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. Taxes on Income****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 statement of profit & loss.
- 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 statement of profit & loss on accrual basis.

## Note 3 : Share Capital

(Amount in Rupees)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2013	MARCH 31, 2012
<b>Authorised</b>		
15,000,000 (March 31, 2012: 15,000,000) Equity Shares of Rs. 5/- each	<b>75,000,000</b>	75,000,000
	<b>75,000,000</b>	75,000,000
<b>Issued, Subscribed &amp; Paid-up</b>		
10,796,574 (March 31, 2012: 10,796,574) Equity Shares of Rs. 5/- each fully paid up	<b>53,982,870</b>	53,982,870
Add: amount paid up on shares forfeited	<b>17,500</b>	17,500
(3,400 nos (March, 2012: 3,400) of equity shares of Rs. 5 each)	<b>54,000,370</b>	54,000,370

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

	March 31, 2013		March 31, 2012	
	No. of shares	Amount	No. of shares	Amount
<b>Equity Share Capital</b>				
Balances of Shares at the begning of year	<b>10,796,574</b>	<b>53,982,870</b>	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	<b>10,796,574</b>	<b>53,982,870</b>	10,796,574	53,982,870

### (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. The company declares and pays dividend in Indian Ruppes. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribuion will be in proprtion to the number of equity shares held by the shareholders.

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

	March 31, 2013		March 31, 2012	
	No. of shares	% Holding	No. of shares	% Holding
(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) Sewastuti Finance (Pvt) Ltd	844,646	7.82	552,600	5.12
	<b>8,245,741</b>	<b>76.37</b>	<b>7,953,695</b>	<b>73.67</b>

## Note 4 : Reserves And Surplus

(Amount in Rupees)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2013	MARCH 31, 2012
<b>Capital Reserve</b>		
Balances at the beginning of year	<b>5,799,016</b>	5,799,016
Add:- Addition during the year	-	-
Less:- Utilise during the year	-	-
Balances at the close of year	<b>5,799,016</b>	5,799,016

**Note 4 : Reserves And Surplus (Contd.)**

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>Security Premium Reserve</b>		
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	131,850,587	131,850,587
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balances at the begning of year	(24,759,296)	1,165,802
Add:- Addition during the year		
Balance of Statement of Profit & Loss	22,421,475	(25,925,098)
Balances at the end of year	(2,337,821)	(24,759,296)
<b>Total Reserve and Surplus</b>	135,311,782	112,890,307

**Note 5: Deferred tax liabilities (net)**

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>Deferred Tax Liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation amortization charged for the financial reporting	5,898,849	10,035,480
<b>Total A</b>	5,898,849	10,035,480
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	700,735	812,879
Provision for Doubtful advances	762,263	803,953
<b>Total B</b>	1,462,997	1,616,832
<b>Deferred tax liability (net)</b>	4,435,852	8,418,648

**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**

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>Others:</b>		
Advance received from Franchise	-	661,354.00
<b>Total</b>	-	661,354.00



**Note 7 : Provisions**

(Amount in Rupees)

	Long Term		Short Term	
	As At March 31, 2013	As At March 31, 2012	As At March 31, 2013	As At March 31, 2012
<b>Provisions for Employee Benefits (Refer Note 21)</b>				
Provision for Gratuity	444,422	1,173,614	1,491,784	1,245,727
Provision for Leave Encashment	266,113	133,845	20,769	3,020
	<b>710,535</b>	<b>1,307,459</b>	1,512,553	1,248,747

**a) Contingent Liabilities**

- i) Claims against the company, not accepted and not provided for : Rs. 7,742,020 towards Employees State Insurance (March 31, 2012: Rs 7,742,020)
- ii) Bills discounted with Bank outstanding Rs NIL (March 31, 2012: Rs 2,087,796)

**Note 8 : Trade Payables**

PARTICULARS	As At MARCH 31, 2013	As At MARCH 31, 2012
Amount due to others	1,161,651	2,388,271
	<b>1,161,651</b>	2,388,271

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.

**Note 9 : Other Current Liabilities**

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>Other Liabilities</b>		
Book Overdraft	3,001,496	852,475
Unclaimed Dividend *	-	152,622
Security received from customers	51,570	51,570
Statutory Dues	142,316	309,888
	<b>3,195,382</b>	1,366,555

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


**NOTE 10 : Fixed Assets**
**Notes To Financial Statements For The Year Ended March 31, 2013**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At 01.4.12	Additions during the year	Deduction	Total As At 31.03.13	As At 31.03.12	For the year	Adj. (Dep.W/B)	As At 31.03.13	As At 31.03.13	As At 31.03.12
<b>A. Tangible Assets</b>										
Leasehold Land	15,999,304.00	—	1,178,207.00	<b>14,821,097.00</b>	3,384,720.00	184,009.60	461,559.45	<b>3,107,170.15</b>	<b>11,713,926.85</b>	12,614,584.00
Buildings	48,923,261.00	—	7,671,805.00	<b>41,251,456.00</b>	28,939,390.00	1,574,365.63	3,609,356.00	<b>26,904,399.63</b>	<b>14,347,056.37</b>	19,983,871.00
Building (Office)	7,674,212.00	—	—	<b>7,674,212.00</b>	1,222,699.00	125,089.66	—	<b>1,347,788.66</b>	<b>6,326,423.34</b>	6,451,513.00
Plant and Equipment	159,399,161.00	—	109,183,680.00	<b>50,215,481.00</b>	127,125,584.00	3,477,303.39	99,961,576.20	<b>30,641,311.19</b>	<b>19,574,169.81</b>	32,273,577.00
Furniture and fixtures	12,238,231.00	—	—	<b>12,238,231.00</b>	8,952,071.00	774,680.02	—	<b>9,726,751.02</b>	<b>2,511,479.98</b>	3,286,160.00
Vehicles	5,270,011.00	—	2,187,355.00	<b>3,082,656.00</b>	3,148,815.00	408,092.63	975,446.78	<b>2,581,460.85</b>	<b>501,195.15</b>	2,121,196.00
Electric Installation	11,600,131.00	135,960.00	7,885,131.00	<b>3,850,960.00</b>	9,970,249.00	176,955.81	7,490,874.45	<b>2,656,330.36</b>	<b>1,194,629.64</b>	1,629,882.00
Computers	10,049,583.00	—	9,139,542.00	<b>910,041.00</b>	9,102,922.00	134,824.47	8,682,423.00	<b>555,323.47</b>	<b>354,717.53</b>	946,661.00
<b>Total</b>	<b>271,153,894.00</b>	<b>135,960.00</b>	<b>137,245,720.00</b>	<b>134,044,134.00</b>	<b>191,846,450.00</b>	<b>6,855,321.22</b>	<b>121,181,235.88</b>	<b>77,520,535.34</b>	<b>56,523,598.66</b>	<b>79,307,444.00</b>
<b>B. Capital work in progress</b>										
CWIP*	—	456,012.00	—	<b>456,012.00</b>	—	—	—	—	<b>456,012.00</b>	—
<b>Total</b>	<b>—</b>	<b>456,012.00</b>	<b>—</b>	<b>456,012.00</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>456,012.00</b>	<b>—</b>
<b>Grand Total (A+B)</b>	<b>271,153,894.00</b>	<b>591,972.00</b>	<b>137,245,720.00</b>	<b>134,500,146.00</b>	<b>191,846,450.00</b>	<b>6,855,321.22</b>	<b>121,181,235.88</b>	<b>77,520,535.34</b>	<b>56,979,610.66</b>	<b>79,307,444.00</b>

\* The capital work in progress represent the the borrowing cost during the year ended March 31, 2013 Rs.456,012 ( March 31, 2012: Rs. Nil).The same is on account of loan taken amounting to Rs.44,126,644 for the payment to International Recreation Parks P. Ltd.

**Note 11: Non-Current Investment**

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>Trade Investments (Valued at cost unless otherwise stated)</b>		
<b>Unquoted Trade Investment</b>		
Investment in Subsidiaries	<b>7,523,831</b>	7,523,831
Equity shares of Aum Textfab Pvt. Ltd. (790,007 (March 31, 2012: 790,007) Equity shares of Rs. 10/ each fully paid-up @ Rs. 9.50 per Equity Share)		
<b>Non Trade</b>		
Quoated Investment		
Investments in Equity instruments*	<b>9,829,403</b>	9,829,403
63,100 (March 31, 2012: 63,100 Equity Shares of Rs. 10/- each fully paid up of PNR Capital Services Ltd.		
<b>Gold Coins</b>		
13 Nos. of 92 Grams (March 31, 2012: 13 Nos. of 92 gms)	<b>140,163</b>	140,163
<b>Investment in Tax Free Bonds</b>		
Investment in infrastructure bonds of HUDCO (15,000 bonds (March 31, 2012: Nil) of Rs. 1,000/- each)	<b>15,000,000</b>	-
	<b>32,493,396</b>	17,493,397

\* Aggregate market value of quoted investment Rs. 97,805 (March 31 2012: Rs.97,805/-).

**Note 12: Loans and Advances**

(Amount in Rupees)

	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>Capital Advances</b>				
Unsecured, considered good	53,754,065	7,827,306	-	-
<b>Security Deposit</b>				
Unsecured, considered good	1,716,072	2,827,182	977,294	-
<b>Other Loans and Advances</b>				
Intercompany deposit	20,000,000	-	-	-
Advance Tax (Including TDS)	802,058	794,392	-	-
[Net of provisions of Rs. 1,567,500 (March 31, 2012: Nil)]				
Advances recoverable in cash or in Kind or for value to be received	-	-	186,673	167,323
Balance with Government authorities	-	-	1,453,053	1,635,002
Prepaid Expenses	-	-	546,275	561,812
Mat Credit Entitlement	1,567,500	-	-	-
	<b>22,369,558</b>	794,392	<b>2,186,001</b>	2,364,137
	<b>77,839,695</b>	11,448,880	<b>3,163,295</b>	2,364,137

Capital Commitment: Estimated amount of contracts remaining to be executed on the capital account and not provided for in the account Rs.3,433,356.

**Note 13: Inventories**

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>(As taken, valued &amp; certified by the management)</b>		
Raw Materials (Refer Note 19)	19,783	90,147
Finished Goods (Refer Note 20)	9,428	5,642,447
Stores and spares	-	463,338
	<b>29,211</b>	6,195,932

**Note 14: Trade Receivables**

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,568,473	1,474,926
Unsecured, considered doubtful	860,161	860,161
	<b>2,428,634</b>	2,335,087
Less Provision for Doubtful Debts	860,161	860,161
	<b>1,568,473</b>	1,474,926
	<b>1,568,473</b>	1,474,926

**Note 15: OTHER ASSETS**

(Amount in Rupees)

	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances* <b>(Refer Note 16)</b>	<b>790,003</b>	5,985,809	-	-
<b>Others</b>				
Interest Accrued but not due	-	536,979	<b>667,514</b>	1,338,994
Export Incentives Receivable	-	-	<b>1,037,914</b>	3,257,688
Considered Good	-	-	<b>1,606,708</b>	1,741,628
Considered Doubtful	-	-		
	-	-	<b>2,644,622</b>	4,999,316
Less Provision for Doubtful Debts	-	-	<b>1,606,708</b>	1,741,628
	-	-	<b>1,037,914</b>	3,257,688
	<b>790,003</b>	6,522,788	<b>1,705,428</b>	4,596,682

\* Fixed Deposits receipts amounting to Rs 710,845 (March 31, 2012 Rs. 337,940) are pledged with appropriate authorities

**Note 16: CASH AND OTHER BANK BALANCE**

(Amount in Rupees)

	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>Cash &amp; Cash Equivalents</b>				
Balances with Scheduled banks :				
on Current Accounts	-	-	<b>217,682</b>	756,959
Deposits accounts with original maturity less than 3 months	-	-	<b>4,037,000</b>	-
Balances with bank held as margin money	-	-	<b>523,392</b>	-
On unpaid dividend accounts	-	-	-	152,622
Cash on hand	-	-	<b>459,804</b>	993,280
<b>Other Bank Balances</b>				
Balances with Scheduled banks :				
Deposit Accounts with original maturity more than 3 months but less than 12 months	-	-	<b>20,521,135</b>	50,974,664
Deposits with original maturity of more than 12 months	<b>790,003</b>	5,985,809	-	-
	<b>790,003</b>	5,985,809	<b>25,759,013</b>	52,877,525
Amount disclosed under non-current assets	<b>790,003</b>	5,985,809	-	-
<b>(Note :15)</b>	-	-	<b>25,759,013</b>	52,877,525

**Note 17: REVENUE FROM OPERATIONS**

(Amount in Rupees)

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
<b>Sale of Product</b>		
Finished Goods	1,768,015	117,256,138
<b>Other Operating Revenues</b>		
Scrap Sale	185,915	479,729
Income from export incentives	1,187,853	8,408,037
<b>Revenue From Operations (Gross)</b>	<b>3,141,783</b>	126,143,904
Less: Excise duty	-	-
<b>Revenue From Operations (Net)</b>	<b>3,141,783</b>	126,143,904
<b>a) Detail of Products sold</b>		
Finished Goods		
Cotton Knitted & Woven Garments	1,768,015	117,256,138
	<b>1,768,015</b>	117,256,138
<b>b) Prior Period Income</b>		
Income from export incentive	1,187,853.00	-
	<b>1,187,853.00</b>	-

**Note 18: OTHER INCOME**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
<b>Interest Income on</b>		
Fixed deposits with banks	3,006,778	2,977,775
Tax free bonds	135,797	-
Inter corporate deposits	1,050,000	-
Income tax refund	312,201	-
Others	17,459	
	<b>4,522,235</b>	2,977,775
<b>Other Non- Operating Income</b>		
Exchange fluctuation	-	1,336,093
Cash Discount	-	85,063
Maturity amount of Key man's Insurance Policy	18,300,000	
Misc Income	424,973	137,889
<b>Total</b>	<b>23,247,208</b>	4,536,820

**Note 19: COST OF MATERIAL CONSUMED**
**(Amount in Rupees)**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
<b>Raw Material</b>		
Inventory at the beginning of the year	90,147	8,137,593
Add : Purchases	-	9,245,390
Less: Inventory at the end of the year	19,783	90,147
<b>Cost of Raw Material Consumed</b>	<b>70,364</b>	<b>17,292,836</b>
<b>Other Material</b>		
Inventory at the beginning of the year	463,338	5,791,838
Add : Purchases	-	5,474,493
Less: Inventory at the end of the year	-	463,338
<b>Cost of Other Material Consumed</b>	<b>463,338</b>	<b>10,802,993</b>
<b>Total</b>	<b>533,702</b>	<b>28,095,829</b>
<b>a) Details of Material Consumed</b>		
<b>Raw Material</b>		
Yarn/Fabric	70,364	17,292,836
	<b>70,364</b>	<b>17,292,836</b>
<b>Other Material</b>		
Dyes & Chemicals	-	428,420
Packing Material	-	866,919
Stores & Spares	463,338	9,507,654
	<b>463,338</b>	<b>10,802,993</b>
<b>b) Details of Inventory</b>		
<b>Raw Material</b>		
Yarn	19,783	90,147
	<b>19,783</b>	<b>90,147</b>
<b>Other Material</b>		
Stores & Spares	-	463,338
	-	463,338

**c) Details of Imported and Indigenous Raw materials Consumed**

	%	Value (Rs.)	%	Value (Rs.)
Imported	-	-	-	-
Indigenous	100.00	70,364	100.00	17,292,836
	100.00	70,364	100.00	17,292,836

**Note 20: (INCREASE) / DECREASE IN INVENTORIES**

(Amount in Rupees)

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Inventory at the beginning of the year		
Finished Goods	5,642,447	40,157,380
Work in progress	-	10,849,098
	5,642,447	51,006,478
Inventory at the end of the year		
Finished Goods	9,428	5,642,447
Work in progress	-	-
	9,428	5,642,447
(Increase) / Decrease in inventories	5,633,019	45,364,031
a) Details of Inventory		
Finished Goods		
Cotton Knitted Garments	9,428	5,642,447
	9,428	5,642,447

**Note 21: EMPLOYEE BENEFITS EXPENSE**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Salaries, Wages & Bonus	4,941,412	14,076,583
Contribution to Provident and Other fund	43,912	1,161,458
Gratuity	301,064	30,146
Staff Welfare Expenses	28,321	44,889
	5,314,709	15,313,076

**a) Employee Benefits**

The Company has classified the various benefits provided to employees as under:-

**(i) Defined Contribution Plans**

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

	MARCH 31, 2013	MARCH 31, 2012
Employer's Contribution to Provident Fund/ Pension Fund	8,592	415,786
Employer's Contribution to Employee State Insurance	35,320	745,672

**(ii) 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.

**Note 21: EMPLOYEE BENEFITS EXPENSE**

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>I. Changes in present value of Defined Benefit obligations:</b>				
Defined Benefit obligation as at the beginning of the year	2,419,341	4,313,739	136,865	697,014
Current Service Cost	111,549	164,838	29,514	21,306
Past Service Cost	-	-	-	-
Interest Cost	205,644	366,668	11,634	59,246
Actuarial (gain) / loss on obligations	(16,129)	(1,683,162)	143,212	702,396
Benefits paid	(784,199)	(742,742)	(34,343)	(1,343,097)
Defined Benefit obligation at the year end	1,936,206	2,419,341	286,882	136,865
<b>II. Expenses/ (Income) recognized in the Statement of Profit &amp; Loss</b>				
Current Service Cost	111,549	164,838	29,514	21,306
Past Service Cost	-	-	-	-
Interest Cost	205,644	366,668	11,634	59,246
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	(16,129)	(1,683,162)	143,212	702,396
Net Cost	301,064	(1,151,656)	184,360	782,948
<b>III. Actuarial Assumptions</b>	<b>1994-96 (Duly Modified)</b>	<b>1994-96 (Duly Modified)</b>	<b>1994-96 (Duly Modified)</b>	<b>1994-96 (Duly Modified)</b>
Mortality Table (LIC)				
Discount rate (per annum)	8.5%	8.5%	8.5%	8.5%
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%	8.5%	8.5%

**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.

**Note 22: FINANCE COST**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Interest Expense	-	1,091,301
	-	1,091,301



## Note 23: OTHER EXPENSES

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Consumption of Stores & Spare Parts	-	282,201
Power and fuel	1,111,590	5,037,161
Fabrication Wages	-	12,727,170
Other Manufacturing Expenses	-	7,979,094
Rent (Refer Note : 38)	956,131	2,162,404
Repairs		
-Building	116,472	1,201,283
-Machinery	4,458	451,283
Insurance	1,991,079	1,996,797
Rates & Taxes	171,570	168,338
Payment to the Auditors (Refer details below)	390,618	350,548
Bad debts written off	471,463	-
Legal and Professional	628,481	941,655
Security Service Charges	1,170,025	1,494,058
Processing Charges	-	2,978,159
Amount written off	208,003	-
Outwards Freight and Cartage	-	4,527,436
Provision for Doubtful Export Incentives	-	630,272
Commission, Claims & Discount	306,000	11,652,517
Miscellaneous expenses	1,555,503	6,387,379
	<b>9,081,393</b>	<b>60,967,755</b>
<b>a) Payment to Auditors</b>		
<b>As Auditor:</b>		
Audit Fees	219,102	245,647
Tax Audit Fees	-	28,090
Limited review	33,708	33,090
<b>In other Capacity:</b>		
Taxation Matters	121,912	19,303
Other Matters	11,236	11,030
For Reimbursement of expenses	4,660	13,388
	<b>390,618</b>	<b>350,548</b>
<b>b) Expenditure in foreign currency</b>		
Commission	-	874,731
Claim & Discount	-	4,910,906
	-	5,785,637

**Note 24: EXCEPTIONAL ITEMS**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Loss/ (Profit) on Sale Of Fixed Assets	(18,118,016)	2,637,851
Provisions Written Back		
Export Commission	(134,920)	(3,009,889)
Gratuity (Refer Note 21)	-	(1,181,802)
Others	(93)	-
	(18,253,029)	(1,553,840)

**Note 25: Earnings Per Share(EPS)**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Profit/(Loss) attributable to the equity shareholders	22,421,475	(25,925,098)
Number/Weighted Average number of equity shares	10,796,574	10,796,574
Nominal value of equity shares	5.00	5.00
<b>Basic/Diluted Earnings per share</b>	<b>2.08</b>	<b>(2.40)</b>

**Note 26: Disclosure of Related parties/ Related parties transactions :**
**A. Name of the Related Parties and description of relationship**

- i) Wholly owned Subsidiary Company
- ii) Key Management Personnel

Aum Texffab Pvt. Ltd.  
Mr. C.L. Jain  
Mrs. Urmila Jain  
Mr. Hari Bansal  
Mr. Abhishek Bansal  
Ultimate Investments LLP.

- iii) Enterprises owned or substantially influenced by key management personnel or their relatives

**B. Disclosure of Related Party Transactions**
**(Amount in Rs.)**

Particulars	Wholly owned Subsidiary Company	Key Management Personnel	Enterprises owned or substantially influenced by key management personnel or their relatives	Total
i) Managerial Remuneration	-	2,100,000	-	2,100,000
	(-)	(4,980,000)	(-)	(4,980,000)
ii) Rent paid	-	895,000	-	895,000
	(-)	(840,000)	(361,273)	(1,201,273)
iii) Loans taken	-	-	-	-
	(-)	(-)	(-)	(-)
iv) Loans Repaid	-	-	-	-
	(-)	(-)	(-)	(-)
v) Interest paid	-	-	-	-
	(-)	(-)	(-)	(-)
<b>C Balance outstanding as at 31<sup>st</sup> March, 2013</b>				
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:**

	FOR THE YEAR ENDED MARCH 31, 2013		FOR THE YEAR ENDED MARCH 31, 2012	
	Amount in Rs.	% age	Amount in Rs.	% age
i) Managerial Remuneration				
Mr. C.L Jain	1,500,000	64%	1,980,000	44%
Mr. Hari Bansal	-	0%	1,050,000	23%
Mrs. Urmila Jain	600,000	26%	900,000	20%
Mr. Abhishek Bansal	250,000	11%	600,000	13%
ii) Rent paid				
Urmila Jain	895,000	100%	840,000	70%
Ultimate Investments Pvt. Ltd.	-	0%	361,273	30%

**Note 27:**

In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31.03.2013.

**Note 28:**

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.

**Note 29 :**

The closing balances of creditors and loans and advances are subject to confirmation.

**Note 30 :**

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

**for & on behalf of Board of Directors**

**(C.L. Jain)**  
Chairman & Managing  
Din No.000229033

**(V.B. Aggarwal)**  
Director  
Din No.000229677

**(S. R. Sharma)**  
Director Director  
Din No.05288842

Place : New Delhi  
Dated: May 23, 2013

**(R.K. Arora)**  
Company Secretary  
Din No. 011391855

**(Atul Jain)**  
Manager (Finance)

**AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To the **Board of Directors**

**M/S ADDI INDUSTRIES LIMITED**

**Report on the Consolidates Financial Statements**

1. We have examined the accompanying consolidated financial statements of M/S ADDI INDUSTRIES LIMITED ("the Company") and its subsidiary (collectively referred to as "the Group") as at 31<sup>st</sup> March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements, notified by the Companies (Accounting Standards) Rules, 2006.

**Management's Responsibility for the Consolidated Financial Statement**

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

5. In our opinion and to the best of our information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Group, we are of the opinion that the said consolidated financial statements, read together with significant accounting policies and notes appearing thereon, give true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31<sup>st</sup> 2013;
  - (b) In case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of the Group for the year ended on that date; and
  - (c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

**Other Matters**

6. We did not audit the financial statements of subsidiary, whose financial statements reflect the total assets (net) of Rs.11, 218,533 as at March 31, 2013, total revenue (net) of Rs 959,137 and net cash flows amounting to Rs.631, 864 for the year ended. These financial statements have been audited by other auditor whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of the other auditor.

**For S. R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 01478N

Place : New Delhi  
Date : May 23, 2013

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

**ANNEXURE TO THE AUDITORS' REPORT**

- i) (a) In the earlier years, the fixed assets register of the company was misplaced and the company was in the process of retrieval of relevant information. During the year the Company has provided us the fixed assets register. However the same still needs to be updated in line with the prescribed requirements.
- (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 our comments in para (a) above, the discrepancies, if any, between the book records and the physical verification has not been ascertained.*
- (c) During the year, the company has disposed off substantial part of its fixed assets. However based on the information and explanation given to us, we are of the opinion that this will not affect the going concern status of the company.
- 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, we are of the opinion that the company does not maintain the cost records as required in accordance with the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (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 31<sup>st</sup> March, 2013 which are less than fifty per cent of its net worth. The company has not incurred cash losses during the financial year, however has incurred cash losses in the immediately preceding financial year.
- xii) 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.
- xiii) 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.
- xiv) 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.
- xv) 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.
- xvi) 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.
- xvii) The company has not obtained any term loan during the current financial year.
- xviii) According to the information and explanation given to us and on overall examination of the balance sheet, we report that the company had temporarily used certain funds raised on short term basis for long term investment. The company had taken the overdraft against fixed deposits with banks amounting to Rs. 15,000,000 which was utilized for giving a capital advance towards acquisition of property at a future date. However subsequently during the year itself, the said loan was repaid by the company.
- xix) 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.
- xx) During the year covered by our audit report, the company has not issued any debentures.
- xxi) The Company has not raised any money by public issues during the year.
- xxii) 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  
Regn. No. 01478N

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

Place : New Delhi  
Date : May 23, 2013

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(Amount in Rs.)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	54,000,370	54,000,370
Reserves & Surplus	4	138,735,861	115,623,067
		<u>192,736,231</u>	<u>169,623,437</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	5	4,435,852	8,418,648
Other Long term liabilities	6	-	661,354
Long-term provisions	7	710,535	1,307,459
		<u>5,146,387</u>	<u>10,387,461</u>
<b>Current liabilities</b>			
Trade payables	8	1,194,078	2,396,698
Other current liabilities	9	3,195,382	1,366,555
Short-term provisions	7	1,512,553	1,248,747
		<u>5,902,012</u>	<u>5,012,000</u>
<b>Total</b>		<u>203,784,630</u>	<u>185,022,898</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		56,523,599	79,307,444
Capital work in progress		456,012	-
Non-current investments	11	27,101,566	12,101,566
Long-term loans and advances	12	77,802,935	11,436,144
Other non-current assets	15	980,003	6,522,788
		<u>162,864,115</u>	<u>109,367,942</u>
<b>Current assets</b>			
Inventories	13	29,211	6,195,932
Trade receivables	14	1,568,473	1,474,926
Cash and other Bank Balance	16	34,233,624	60,910,273
Short-term loans and advances	12	3,383,780	2,477,144
Other current assets	15	1,705,428	4,596,682
		<u>40,920,515</u>	<u>75,654,957</u>
<b>TOTAL</b>		<u>203,784,630</u>	<u>185,022,898</u>
<b>Summary of Significant Accounting policies</b>			
The accompanying notes are an integral part of the financial statements.	2		

As per our audit report of even date attached

For **S.R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 01478N

For and on behalf of the Board of Directors

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

**C.L. Jain**  
Chairman & Mg. Director  
DIN No.00022903

**V. B. Aggarwal**  
Director  
DIN No.00022967

**S. R. SHARMA**  
Director  
DIN No.05288842

Place : New Delhi  
Dated : May 23, 2013

**Raj Kumar Arora**  
Company Secretary

**Atul Jain**  
Manager (Finance)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013***(Amount in Rs.)*

<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>INCOME</b>			
Revenue from operations (Gross)	17	3,141,783	126,143,904
Less : Excise Duty		-	-
Revenue from operations (Net)		3,141,783	126,143,904
Other income	18	24,206,344	5,113,468
<b>Total Revenue</b>		<b>27,348,127</b>	<b>131,257,372</b>
<b>Expenses:</b>			
Cost of materials consumed	19	533,702	28,095,829
(Increase) / Decrease in inventories	20	5,633,019	45,364,031
Employee benefits expense	21	5,314,709	15,313,076
Finance costs	22	-	1,091,301
Depreciation and amortization expense	10	6,855,321	8,140,636
Other expenses	23	9,118,211	60,990,422
<b>Total expenses</b>		<b>27,454,962</b>	<b>158,995,295</b>
<b>Profit before exceptional items and tax</b>		<b>(106,835)</b>	<b>(27,737,923)</b>
Exceptional items	24	(18,253,029)	(1,553,840)
<b>Profit Before Tax</b>		<b>18,146,194</b>	<b>(26,184,083)</b>
<b>Tax expense:</b>			
Current Tax		1,798,500	174,728.00
Deferred Tax	5	(3,982,795)	(812,966.00)
Mat Credit Entitlement			
Tax Adjustment for earlier years		(1,214,804)	-
<b>Profit (Loss) of the year</b>		<b>21,545,293</b>	<b>(25,545,845)</b>
<b>Earnings per equity share:</b>			
Basic / diluted earning per share	25	2.00	(2.37)
Summary of Significant Accounting policies	2		

As per our audit report of even date attached

For **S.R. Dinodia & Co.**

Chartered Accountants

Regn. No. 01478N

For and on behalf of the Board of Directors

**SANDEEP DINODIA**

Partner

M. No. 083689

**C.L. Jain**  
Chairman & Mg. Director  
DIN No.00022903**V. B. Aggarwal**  
Director  
DIN No.00022967**S. R. SHARMA**  
Director  
DIN No.05288842Place : New Delhi  
Dated : May 23, 2013**Raj Kumar Arora**  
Company Secretary**Atul Jain**  
Manager (Finance)



## CONSOLIDATED CASH FLOW STATEMENT AS AT 31<sup>ST</sup> MARCH, 2013

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & extraordinary items	18,146,193	(26,184,083)
Adjustments For :		
Depreciation	6,855,321	8,140,636.00
Amount written off	737,623	-
Provision no longer required	(135,013)	-
Loss on sale of Fixed Assets	(18,118,016)	2,637,851.00
Interest paid	(959,137)	3,002,385.15
Interest Received	(4,522,235)	(3,554,423)
Dividend Received	-	-
<b>Operating profit before working capital Changes</b>	<b>2004,737</b>	<b>(15,957,63)</b>
Adjustments For :		
Trade and other receivables	7,588,111	72,784,273
Inventories	6,166,721	58,739,977
Trade & other Payable	352,858	(50,122,244)
<b>Cash generated from operations before extraordinary items</b>	<b>16,112,427</b>	<b>65,444,372</b>
Direct Tax Paid	(2,051,949)	(781,656)
<b>Cash generated from operations after extraordinary items</b>	<b>14,060,478</b>	<b>64,662,716</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>14,060,478</b>	<b>64,662,716</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP	(591,972)	958,232
Proceeds from sale of fixed assets	34,182,500	-
(Purchase)/sale of Investment	(15,000,000)	(2,132,000)
Interest Received	5,481,372	3,554,423
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>24,071,900</b>	<b>2,380,655</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans given	-	(5,600,170)
Interest paid	-	(3,002,385)
Loans and advances given	(65,280,380)	-
Bank Borrowings	661,354	(40,739,195)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(64,619,026)</b>	<b>(49,341,750)</b>
<b>D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(26,486,649)</b>	<b>17,701,621</b>
Cash & Cash equivalents as at 01-4-2011 (Op. Balance)	60,910,273	35,435,895
Cash & Cash equivalents as at 31-3-2012 (Cl. Balance)	34,423,625	53,137,516
<b>Cash and Cash Equivalents include:</b>		
-Cash in hand	462,929	996,653
Balances with Scheduled Banks		
-In Current Accounts	250,702	1,166,199
-In Deposit Account	33,709,994	50,974,664

As per our audit report of even date attached

For **S.R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 01478N

For and on behalf of the Board of Directors

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

**C.L. Jain**  
Chairman & Mg. Director  
DIN No.00022903

**V. B. Aggarwal**  
Director  
DIN No.00022967

**S. R. SHARMA**  
Director  
DIN No.05288842

Place : New Delhi  
Dated : May 23, 2013

**Raj Kumar Arora**  
Company Secretary

**Atul Jain**  
Manager (Finance)

**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, 2013.

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, 2013	March 31, 2012
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.

<b>v Valuation of Inventories</b>	<b>Method of Valuation</b>
a) Raw Material	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.

**Note 3 : SHARE CAPITAL**
**(Amount in Rupees)**

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>Authorised</b>		
15,000,000 (March 31, 2012: 15,000,000) Equity Shares of Rs. 5/- each	<b>75,000,000</b>	75,000,000
	<b>75,000,000</b>	75,000,000
<b>Issued, Subscribed &amp; Paid-up</b>		
10,796,574 (March 31, 2012: 10,796,574) Equity Shares of Rs. 5/- each fully paid up	<b>53,982,870</b>	53,982,870
Add: amount paid up on shares forfeited	<b>17,500</b>	17,500
(3,400 nos (March, 2012: 3,400) of equity shares of Rs. 5 each)	<b>54,000,370</b>	54,000,370

# ADDI INDUSTRIES LIMITED

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

	March 31, 2013		March 31, 2012	
	No. of shares	Amount	No. of shares	Amount
<b>Equity Share Capital</b>				
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	10,796,574	53,982,870	10,796,574	53,982,870

## (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. The company decalres and pays dividend in Indian Ruppess. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribuion will be in proprtion to the number of equity shares held by the shareholders

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

(Amount in Rupees)

	March 31, 2013		March 31, 2012	
	No. of shares	% Holding	No. of shares	% Holding
(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
(f) Sewastuti Finance (Pvt) Ltd	844,646	7.82	552,600	5.12
	<b>8,245,741</b>	<b>76.37</b>	<b>7,953,695</b>	<b>73.67</b>

## Note 4 : RESERVES AND SURPLUS

(Amount in Rupees)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2013	MARCH 31, 2012
<b>Capital Reserve</b>		
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	6,175,255	6,175,255
<b>Security Premium Reserve</b>		
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	131,850,587	131,850,587
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balances at the begning of year	(22,402,775)	3,143,071
Add:- Addition during the year	-	-
Balance of Statement of Profit & Loss	23,112,793	(25,545,846)
Balances at the end of year	710,019	(22,402,775)
<b>Total Reserve and Surplus</b>	<b>138,735,861</b>	<b>115,623,067</b>

**Note 5 : DEFERRED TAX LIABILITIES (NET)**
**(Amount in Rupees)**

PARTICULARS	AS AT	AS AT
	MARCH 31, 2013	MARCH 31, 2012
<b>Deferred Tax Liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation amortization charged for the financial reporting	<b>5,898,849</b>	10,035,480
<b>Total A</b>	<b>5,898,849</b>	10,035,480
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	<b>700,735</b>	812,879
Provision for Doubtful advances	<b>762,263</b>	803,953
<b>Total B</b>	<b>1,462,997</b>	1,616,832
<b>Deferred tax liability (net)</b>	<b>4,435,852</b>	8,418,648

**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**
**(Amount in Rupees)**

PARTICULARS	AS AT	AS AT
	MARCH 31, 2013	MARCH 31, 2012
<b>Others:</b>		
Advance received from Franchise	-	661,354
<b>Total</b>	-	661,354

**Note 7 : PROVISIONS**
**(Amount in Rupees)**

	Long Term		Short Term	
	As At	As At	As At	As At
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provisions for Employee Benefits (Refer Note 21)				
Provision for Gratuity	<b>444,422</b>	1,173,614	<b>1,491,784</b>	1,245,727
Provision for Leave Encashment	<b>266,113</b>	133,845	<b>20,769</b>	3,020
	<b>710,535</b>	1,307,459	<b>1,512,553</b>	1,248,747

**a) Contingent Liabilities**

- i) Claims against the company, not accepted and not provided for : Rs. 7,742,020 towards Employees State Insurance (March 31, 2012: Rs 7,742,020)
- ii) Bills discounted with Bank outstanding Rs NIL (March 31, 2012: Rs 2,087,796)

**Note 8: TRADE PAYABLES**
**(Amount in Rupees)**

PARTICULARS	AS AT	AS AT
	MARCH 31, 2013	MARCH 31, 2012
Amount due to others	<b>1,194,078</b>	2,396,698
	<b>1,194,078</b>	2,396,698

## Note 9: OTHER CURRENT LIABILITIES

(Amount in Rupees)

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>Other Liabilities</b>		
Book Overdraft	3,001,496	852,475
Unclaimed Dividend*	-	152,622
Security received from customers	51,570	51,570
Statutory Dues	142,316	309,888
	<b>3,195,382</b>	<b>1,366,555</b>

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

## NOTE 10 : Fixed Assets

### Notes To Financial Statements For The Year Ended March 31, 2013

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At 01.4.12	Additions during the year	Deduction	Total As At 31.03.13	As At 31.03.12	For the year	Adj. (Dep.W/B)	As At 31.03.13	As At 31.03.13	As At 31.03.12
<b>A. Tangible Assets</b>										
Leasehold Land	15,999,304.00		1,178,207.00	14,821,097.00	3,384,720.00	184,009.60	461,559.45	3,107,170.15	11,713,926.85	12,614,584.00
Buildings	48,923,261.00		7,671,805.00	41,251,456.00	28,939,390.00	1,574,365.63	3,609,356.00	26,904,399.63	14,347,056.37	19,983,871.00
Building (Office)	7,674,212.00	-	-	7,674,212.00	1,222,699.00	125,089.66	-	1,347,788.66	6,326,423.34	6,451,513.00
Plant and Equipment	159,399,161.00	-	109,183,680.00	50,215,481.00	127,125,584.00	3,477,303.39	99,961,576.20	30,641,311.19	19,574,169.81	32,273,577.00
Furniture and fixtures	12,238,231.00			12,238,231.00	8,952,071.00	774,680.02		9,726,751.02	2,511,479.98	3,286,160.00
Vehicles	5,270,011.00	-	2,187,355.00	3,082,656.00	3,148,815.00	408,092.63	975,446.78	2,581,460.85	501,195.15	2,121,196.00
Electric Installation	11,600,131.00	135,960.00	7,885,131.00	3,850,960.00	9,970,249.00	176,955.81	7,490,874.45	2,656,330.36	1,194,629.64	1,629,882.00
Computers	10,049,583.00	-	9,139,542.00	910,041.00	9,102,922.00	134,824.47	8,682,423.00	555,323.47	354,717.53	946,661.00
<b>Total</b>	271,153,894.00	135,960.00	137,245,720.00	134,044,134.00	191,846,450.00	6,855,321.22	121,181,235.88	77,520,535.34	56,523,598.66	79,307,444.00
<b>B. Capital work in progress</b>										
CWIP*	-	456,012.00	-	456,012.00	-	-	-	-	456,012.00	-
<b>Total</b>	-	456,012.00	-	456,012.00	-	-	-	-	456,012.00	-
<b>Grand Total (A+B)</b>	271,153,894.00	591,972.00	137,245,720.00	134,500,146.00	191,846,450.00	6,855,321.22	121,181,235.88	77,520,535.34	56,979,610.66	79,307,444.00

\*\* The capital work in progress represent the the borrowing cost during the year ended March 31, 2013 Rs.456,012 ( March 31, 2012: Rs. Nil).The same is on account of loan taken amounting to Rs.44,126,644 Taken for payment to International Recreation Parks P. Ltd.

**Note 11 : NON-CURRENT INVESTMENT**
**(Amount in Rupees)**

PARTICULARS	AS AT	AS AT
	MARCH 31, 2013	MARCH 31, 2012
<b>Non Trade</b>		
<b>Quoated Investment</b>		
Investments in Equity instruments* 63,100 (March 31, 2012: 63,100 Equity Shares of Rs. 10/- each fully paid up of PNR Capital Services Ltd.	<b>9,829,403</b>	9,829,403
<b>Gold Coins</b>		
13 Nos. of 92 Grams (March 31, 2012: 13 Nos. of 92 gms)	<b>140,163</b>	140,163
<b>Investment in government securities</b>		
Investment in government securities	<b>2,132,000</b>	2,132,000
<b>Investment in Tax Free Bonds</b>		
Investment in infrastructure bonds of HUDCO (15,000 bonds (March 31, 2012: Nil) of Rs. 1,000 each)	<b>15,000,000</b>	-
	<b>27,101,566</b>	12,101,566

\* Aggregate market value of quoted investment Rs. 97,805 (March 31, 2012: Rs.97,805/-)

**Note 12 : LOANS AND ADVANCES**
**(Amount in Rupees)**

March 31, 2013	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, considered good Security Deposit	<b>53,754,065</b>	7,827,306	-	-
Unsecured, considered good Other Loans and Advances	<b>1,716,072</b>	2,827,182	<b>977,294</b>	-
Intercorporate deposit	<b>20,000,000</b>	-	-	-
Advance Tax (Including TDS) [Net of provisions of Rs. 1,805,696 ( March 31, 2012- Rs. 178,427)]	<b>765,298</b>	781,656	-	-
Advances recoverable in cash or in Kind or for value to be received	-	-	<b>407,158</b>	280,330
Balance with Government authorities	-	-	<b>1,453,053</b>	1,635,002
Prepaid Expenses	-	-	<b>546,275</b>	561,812
Mat Credit Entitlement	<b>1,567,500</b>	-	-	-
	<b>22,332,798</b>	781,656	<b>2,406,486</b>	2,477,144
	<b>77,802,935</b>	11,436,144	<b>3,383,780</b>	2,477,144



## Note 13: Inventories

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>(As taken, valued &amp; certified by the management)</b>		
Raw Materials (Refer Note 19)	19,783	90,147
Finished Goods (Refer Note 20)	9,428	5,642,447
Stores and spares	-	463,338
	<b>29,211</b>	<b>6,195,932</b>

## Note 14 : Trade Receivables

PARTICULARS	AS AT MARCH 31, 2013	AS AT MARCH 31, 2012
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	1,568,473	1,474,926
Unsecured, considered doubtful	860,161	860,161
	<b>2,428,634</b>	<b>2,335,087</b>
Less Provision for Doubtful Debts	860,161	860,161
	<b>1,568,473</b>	<b>1,474,926</b>
	<b>1,568,473</b>	<b>1,474,926</b>

## Note 15 : OTHER ASSETS

(Amount in Rupees)

	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances* (Refer Note 16)	980,003	5,985,809	-	-
<b>Others</b>				
Interest Accrued but not due	-	536,979	667,514	1,338,994
Export Incentives Receivable	-	-	1,037,914	3,257,688
Considered Good	-	-	1,606,708	1,741,628
Considered Doubtful	-	-	-	-
	-	-	<b>2,644,622</b>	<b>4,999,316</b>
Less Provision for Doubtful Debts	-	-	1,606,708	1,741,628
	-	-	<b>1,037,914</b>	<b>3,257,688</b>
	<b>980,003</b>	<b>6,522,788</b>	<b>1,705,428</b>	<b>4,596,682</b>

\*\* Fixed Deposits receipts amounting to Rs. 710,845 (March 31, 2012 Rs. 337,940) are pledged with appropriate Authorities.

**Note 16: CASH AND Other Bank Balance**
**(Amount in Rupees)**

	Non Current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>Cash &amp; Cash Equivalents</b>				
Balances with Scheduled banks :				
on Current Accounts	-	-	250,702	823,577
Deposits accounts with original maturity less than 3 months	-	-	4,037,000	-
Balances with bank held as margin money	-	-	713,392	190,000
On unpaid dividend accounts	-	-	-	152,622
Cash on hand	-	-	462,928	996,653
<b>Other Bank Balances</b>				
Balances with Scheduled banks :				
Deposit Accounts with original maturity more than 3 months but less than 12 months	-	-	28,769,602	58,747,421
Deposits with original maturity of more than 12 months	980,003	5,985,809	-	-
	980,003	5,985,809	34,233,624	60,910,273
Amount disclosed under non-current assets	980,003	5,985,809	-	-
<b>(Note :15)</b>	-	-	34,233,624	60,910,273

**Note 17: REVENUE FROM OPERATIONS**
**(Amount in Rupees)**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
<b>Sale of Product</b>		
Finished Goods	1,768,015	117,256,138
<b>Other Operating Revenues</b>		
Scrap Sale	185,915	479,729
Income from export incentives	1,187,853	8,408,037
<b>Revenue From Operations (Gross)</b>	3,141,783	126,143,904
Less: Excise duty	-	-
<b>Revenue From Operations (Net)</b>	3,141,783	126,143,904
<b>a) Detail of Products sold</b>		
Finished Goods		
Cotton Knitted & Woven Garments	1,768,015	117,256,138
	1,768,015	117,256,138
<b>b) Prior Period Income</b>		
Income from export incentive	1,187,853.00	-
	1,187,853.00	-

## Note 18: OTHER INCOME

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
<b>Interest Income on</b>		
Fixed deposits with banks	3,771,122	3,554,423.05
Tax free bonds	330,589.57	-
Inter corporate deposits	1,050,000.00	-
Income tax refund	312,201.00	-
Others	17,458.51	-
	<b>5,481,371</b>	3,554,423
<b>Other Non- Operating Income</b>		
Exchange fluctuation	-	1,336,093
Cash Discount	-	85,063
Maturity amount of Key man's Insurance Policy	18,300,000	-
Misc Income	424,973	137,889
<b>Total</b>	<b>24,206,344</b>	5,113,468

## Note 19: COST OF MATERIAL CONSUMED

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
<b>Raw Material</b>		
Inventory at the beginning of the year	90,147	8,137,593
Add : Purchases	-	9,245,390
Less: Inventory at the end of the year	19,783	90,147
<b>Cost of Raw Material Consumed</b>	<b>70,364</b>	17,292,836
<b>Other Material</b>		
Inventory at the beginning of the year	463,338	5,791,838
Add : Purchases	-	5,474,493
Less: Inventory at the end of the year	-	463,338
<b>Cost of Other Material Consumed</b>	<b>463,338</b>	10,802,993
<b>Total</b>	<b>533,702</b>	28,095,829
<b>a) Details of Material Consumed</b>		
<b>Raw Material</b>		
Yarn/Fabric	70,364	17,292,836
	<b>70,364</b>	17,292,836
<b>Other Material</b>		
Dyes & Chemicals	-	428,420
Packing Material	-	866,919
Stores & Spares	463,338	9,507,654
	<b>463,338</b>	10,802,993
<b>b) Details of Inventory</b>		
<b>Raw Material</b>		
Yarn	19,783	90,147
	<b>19,783</b>	90,147
<b>Other Material</b>		
Stores & Spares	-	463,338
	-	463,338

**c) Details of Imported and Indigenous Raw materials Consumed**

	%	Value (Rs.)	%	Value (Rs.)
Imported	-	-	-	-
Indigenous	100.00	70,364	100.00	17,292,836
	100.00	70,364	100.00	17,292,836

**Note 20: (INCREASE) / DECREASE IN INVENTORIES**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Inventory at the beginning of the year		
Finished Goods	5,642,447	40,157,380
Work in progress	-	10,849,098
	5,642,447	51,006,478
Inventory at the end of the year		
Finished Goods	9,428	5,642,447
Work in progress	-	-
	9,428	5,642,447
(Increase) / Decrease in inventories	5,633,019	45,364,031
a) Details of Inventory		
Finished Goods		
Cotton Knitted Garments	9,428	5,642,447
	9,428	5,642,447

**Note 21: EMPLOYEE BENEFITS EXPENSE**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Salaries, Wages & Bonus	4,941,412	14,076,583
Contribution to Provident and Other fund	43,912	1,161,458
Gratuity	301,064	30,146
Staff Welfare Expenses	28,321	44,889
	5,314,709	15,313,076

**a) Employee Benefits**

The Company has classified the various benefits provided to employees as under:-

**(i) Defined Contribution Plans**

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

	<u>MARCH 31, 2013</u>	<u>MARCH 31, 2012</u>
Employer's Contribution to Provident Fund/ Pension Fund	8,592	415,786
Employer's Contribution to Employee State Insurance	35,320	745,672

**(ii) 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.

**Note 21: EMPLOYEE BENEFITS EXPENSE**

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>I. Changes in present value of Defined Benefit obligations :</b>				
Defined Benefit obligation as at the beginning of the year	2,419,341	4,313,739	136,865	697,014
Current Service Cost	111,549	164,838	29,514	21,306
Past Service Cost	-	-	-	-
Interest Cost	205,644	366,668	11,634	59,246
Actuarial (gain) / loss on obligations	(16,129)	(1,683,162)	143,212	702,396
Benefits paid	(784,199)	(742,742)	(34,343)	(1,343,097)
Defined Benefit obligation at the year end	1,936,206	2,419,341	286,882	136,865
<b>II. Expenses/ (Income) recognized in the Statement of Profit &amp; Loss</b>				
Current Service Cost	111,549	164,838	29,514	21,306
Past Service Cost	-	-	-	-
Interest Cost	205,644	366,668	11,634	59,246
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	(16,129)	(1,683,162)	143,212	702,396
Net Cost	301,064	(1,151,656)	184,360	782,948
<b>III. Actuarial Assumptions</b>	<b>1994-96</b>	<b>1994-96</b>	<b>1994-96</b>	<b>1994-96</b>
	<b>(Duly Modified)</b>	<b>(Duly Modified)</b>	<b>(Duly Modified)</b>	<b>(Duly Modified)</b>
Mortality Table (LIC)				
Discount rate (per annum)	8.5%	8.5%	8.5%	8.5%
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%	8.5%	8.5%

**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.

**Note 22: FINANCE COST**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Interest Expense	-	1,091,301
	-	1,091,301

**Note 23: OTHER EXPENSES**

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Consumption of Stores & Spare Parts	-	282,201
Power and fuel	<b>1,111,590</b>	5,037,161
Fabrication Wages	-	12,727,170
Other Manufacturing Expenses	-	7,979,094
Rent ( <b>Refer Note : 38</b> )	<b>956,131</b>	2,162,404
Repairs		
– Building	<b>116,472</b>	1,201,283
– Machinery	<b>4,458</b>	451,283
Insurance	<b>1,991,079</b>	1,996,797
Rates & Taxes	<b>173,338</b>	170,098
Payment to the Auditors (Refer details below)	<b>399,045</b>	358,975
Bad debts written off	<b>471,463</b>	-
Legal and Professional	<b>629,981</b>	951,928
Security Service Charges	<b>1,170,025</b>	1,494,058
Processing Charges	-	2,978,159
Amount written off	<b>208,003</b>	-
Outwards Freight and Cartage	-	4,527,436
Provision for Doubtful Export Incentives	-	630,272
Commission, Claims & Discount	<b>306,000</b>	11,652,517
Miscellaneous expenses	<b>1,580,626</b>	6,389,586
	<b>9,118,211</b>	60,990,422
<b>a) Payment to Auditors</b>		
<b>As Auditor:</b>		
Audit Fees	<b>227,529</b>	254,074
Tax Audit Fees	-	28,090
Limited Review	<b>33,708</b>	33,090
<b>In other Capacity:</b>		
Taxation Matters	<b>121,912</b>	19,303
Other Matters	<b>11,236</b>	11,030
For Reimbursement of expenses	<b>4,660</b>	13,388
	<b>399,045</b>	358,975
<b>b) Expenditure in foreign currency</b>		
Commission	-	874,731
Claim & Discount	-	4,910,906
	-	5,785,637

## Note 24: EXCEPTIONAL ITEMS

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Loss/ (Profit) on Sale Of Fixed Assets	(18,118,016)	2,637,851
Provisions Written Back		
Export Commission	(135,013)	(3,009,889)
Gratuity (Refer Note 21)	-	(1,181,802)
Others	-	-
	(18,253,029)	(1,553,840)

## Note 25: Earnings Per Share(EPS)

PARTICULARS	For the year ended MARCH 31, 2013	For the year ended MARCH 31, 2012
Profit/Loss attributable to the equity shareholders	21,545,293	(25,545,845)
Number/Weighted Average number of equity shares	10,796,574	10,796,574
Nominal value of equity shares	5	5
Basic/Diluted Earnings per share	2.00	(2.37)

## Note 26: 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  
Ultimate Investments LLP.

#### iii) Enterprises owned or substantially influenced by key management personnel or their relatives

### B. Disclosure of Related Party Transactions

(Amount in Rs.)

Particulars	Wholly owned Subsidiary Company	Key Management Personnel	Enterprises owned or substantially influenced by key management personnel or their relatives	Total
i) Managerial Remuneration	-	2,100,000	-	2,100,000
	(-)	(4,980,000)	(-)	(4,980,000)
ii) Rent paid	-	895,000	-	895,000
	(-)	(840,000)	(361,273)	(1,201,273)
iii) Loans taken	-	-	-	-
	(-)	(-)	(-)	(-)
iv) Loans Repaid	-	-	-	-
	(-)	(-)	(-)	(-)
v) Interest paid	-	-	-	-
	(-)	(-)	(-)	(-)
<b>C Balance outstanding as at 31st March, 2013</b>				
i) Investment	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:**

	FOR THE YEAR ENDED MARCH 31, 2013		FOR THE YEAR ENDED MARCH 31, 2012	
	Amount in Rs.	% age	Amount in Rs.	% age
i) Managerial Remuneration				
Mr. C.L Jain	1,500,000	64%	1,980,000	44%
Mr. Hari Bansal	-	0%	1,050,000	23%
Mrs. Urmila Jain	600,000	26%	900,000	20%
Mr. Abhishek Bansal	250,000	11%	600,000	13%
ii) Rent paid				
Urmila Jain	895,000	100%	840,000	70%
Ultimate Investments Pvt. Ltd.	-	0%	361,273	30%

**Note 27:**

In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31.03.2013.

**Note 28:**

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.

**Note 29:**

The closing balances of creditors and loans and advances are subject to confirmation.

**Note 30:**

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

**for & on behalf of Board of Directors**

**(C.L. Jain)**  
Chairman & Managing  
Din No.000229033

**(V.B. Aggarwal)**  
Director  
Din No.000229677

**(S. R. Sharma)**  
Director  
Din No.05288842

Place : New Delhi  
Dated: May 23, 2013

**(R.K. Arora)**  
Company Secretary  
Din No. 011391855

**(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 2012-13**

**Details of Subsidiary Company**

(Rs./Lacs)

Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.	Sl. No.	Name of Subsidiary	Aum Texfab (P) Ltd. Company
1.	The Financial year of Subsidiary Company ended on	31st March, 2013	1	Capital	79.00
2.	Date from which it become Subsidiary Company	18th April, 2005	2	Reserves	30.47
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	109.47
	b. Extent of interest of Holding Company at the end of the financial lyear of the Subsidiary Company	100%	4	Total Liabilities	109.47
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	9.59
	i) For the financial year ended 31st March, 2013	Rs.6.91 Lacs	7	Profit before Taxation	9.22
	ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs.3.79 Lacs	8	Provision for Tax	2.31
	b. Dealt with in the Holding Company's Accounts:		9	Profit after	6.91
	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  
Din No.000229033

**(V.B. Aggarwal)**  
Director  
Din No.000229677

**(S. R. Sharma)**  
Director  
Din No.05288842

**Place : New Delhi**  
**Dated: May 23, 2013**

**(R.K. Arora)**  
Company Secretary  
Din No. 011391855

**(Atul Jain)**  
Manager (Finance)



## ADDI INDUSTRIES LIMITED

Regd. Office : 23, Eastern Avenue, Maharani Bagh, New Delhi - 110065

### 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 31<sup>th</sup> Annual General Meeting of the Company to be held on **30<sup>th</sup> day of September, 2013 at 9.00 A.M. Community Hall, Block-7, Trilok Puri Near Bal Vikas Vidyalaya Delhi-110091** any adjournment thereof.

Signed this.....day of.....2013.

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 - 110065

### 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 31<sup>th</sup> Annual General Meeting of the Company being held at **30<sup>th</sup> day of September, 2013 at 9.00 A.M. at Community Hall, Block-7, Trilok Puri Near Bal Vikas Vidyalaya Delhi-110091.**

(Signature of Shareholder/Proxy)

---

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

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**ADDI INDUSTRIES LIMITED**

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

First Impression : 9811224048

**ADDI INDUSTRIES LIMITED**

A-106, SECTOR IV, NOIDA - 201301 (U.P.) INDIA

TEL. : 91-120-4092000




: 91-120-2529335-6-7

FAX : 91-120-2529334

E-mail : addiind@gmail.com

## FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange:

1.	Name of the company	Addi Industries Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Frequency of observation Whether appeared first time...../ repetitive...../ since how long period .....
5.	To be signed by-  CEO/Managing Director  Auditor of the company  Audit Committee Chairman	<p>For ADDI INDUSTRIES LTD.</p>  <p>Chairman Cum. Mg. Director</p> <p>For S.R. DINODIA &amp; CO. Chartered Accountants</p>  <p>PARTNER</p> 

Place: New Delhi