

# NOTICE

## 32<sup>nd</sup> Annual General Meeting 2013-14



### **ADDI INDUSTRIES LIMITED**

CIN: L51109DL1980PLC256335

**Registered Office:**  
23, Eastern Avenue,  
Maharani Bagh, New Delhi - 110065

## NOTICE

### TO ALL MEMBERS:

**NOTICE IS HEREBY GIVEN THAT** the 32<sup>nd</sup> Annual General Meeting of the Members of Addi Industries Ltd. will be held on **Tuesday, September 30, 2014, at 9.00 A.M.** at Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay, Delhi -110091 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2014, together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Hari Bansal (DIN No. 00022923), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint S.R. Dinodia & Co.LLP., Chartered Accountants (Registration No. 001478N/N500005) as Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including the rules made thereunder (herein after referred to as 'Act', which term shall include any statutory modifications or re-enactment thereof for the time being in force) and subject to all the applicable provisions of the other enactments, if any, and in accordance with the provisions of the Articles of Association of the Company, and subject to the approval of the Central Government, if required, consent of the Shareholders of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr. Chaman Lal Jain (attained the age of 70 Years on September 8, 2014), as Mg. Director of the Company for a period of 3 years w.e.f. October 1, 2014 on the following terms and conditions including remuneration with liberty and authority to the Board of Directors (including any committee thereof) to alter, vary, modify and revise the terms and conditions of the said appointment and/or the remuneration, from time to time within limit laid down in the then subsisting respective provisions of the Act:

Sl. No.	Remuneration	Rs (Per Month)	Rs. (Per Annum)
(i)	<b>Salary (Basic)</b>	<b>1,50,000</b>	18,00,000
		<b>1,50,000</b>	18,00,000
(ii)	<b>Perquisites &amp; Allowances</b>		
	<b>Category-A</b>		
	The following perquisites as per the Rules of the Company a) Contribution to Provident Fund. b) Gratuity payable shall not exceed half a month salary for each completed year of service. c) Earned/Privilege Leave. d) Chauffer driven Car for official use. e) Membership of 2 Clubs. f) Personal Accident Insurance g) Communication facilities at home including reimbursement of Mobile Phone expenses for official use.		

**RESOLVED FURTHER THAT** Mr. Chaman Lal Jain will be responsible for day to day management of the Company, subject to the superintendence and control of the Board of Directors and be the Key Managerial Person in terms of Section 203 of the Companies Act, 2013 and shall perform such other responsibilities as may be entrusted to him from time to time.

**RESOLVED FURTHER THAT** the Board (including any committee thereof) may in its absolute discretion and subject to requisite approvals, as may be required, increase the remuneration payable to Mr. Chaman Lal Jain as per policy of the Company not exceeding 20% of the remuneration payable per annum, subject to eligibility and entitlement as per Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits of the Company in any financial year during the tenure of Mr. Chaman Lal Jain as a Mg. Director, he shall be paid the above Remuneration as minimum remuneration during such financial year in which there is loss or inadequate profit.

**RESOLVED FURTHER THAT** Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, as may be required or considered necessary, expedient, incidental or consequential, for giving effect to the above Resolution."



5. To consider, and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Clause 49 of the listing agreement, Mr. V.B. Aggarwal (DIN 00022967), a Non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019."
6. To consider, and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Clause 49 of the listing agreement, Dr. B. K. Behera (DIN 01139185), a Non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31<sup>st</sup> March, 2019."
7. To consider, and if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:  
**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Clause 49 of the listing agreement, Mr. S.R. Sharma (DIN 05288842), a Non-executive Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019."

For & on behalf of the Board

**Regd. Office:**

Addi Industries Limited  
23, Eastern Avenue, Maharani Bagh,  
New Delhi-110 065  
Dated: May 26, 2014

**C.L. Jain**  
Mg. Director  
(DIN00022903)

**Notes:**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND 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 Friday, the 26<sup>th</sup> day of September, 2014 to Tuesday, 30<sup>th</sup> September, 2014 (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) **REGISTRAR & TRANSFER AGENTS** : The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi- 110 062, as its Registrar & Transfer Agents (hereinafter referred to as "Beetal"). Shareholders may write to them also directly, or communicate with the Company at its Regd. Office, as they may like.
- h) A statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business under item no. 4 to 7 set out above to be transacted at the meeting is annexed hereto and form part of this Notice.
- i) In terms of the provisions of the Companies Act, 2013, Notice of the AGM may be served on Members through electronic means. Members who have registered their e-mail IDs with Depositories or with the Company are being sent this Notice by e-mail and the members who have not registered their e-mail IDs will receive Notice through post/courier.

j) Pursuant to Clause 49 of the Listing Agreement(s) pertaining to Corporate Governance, the particulars of Directors seeking appointment/ re-appointed are annexed hereto and form part of this Notice.

**k) Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the listing agreement, the Company is pleased to provide Members, facility to exercise their right to vote at the 32<sup>nd</sup> AGM by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (**CDSL**).

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Tuesday, September 23, 2014 (9.00 A.M.) and ends on Thursday, September 25, 2014 (6.00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, August 29, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Other Instructions:**

- i) The Company has appointed Ms. Jyoti Sharma, Company Secretary in whole-time practice as Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner. The Scrutinizer(s) shall within a period not exceeding 3 (three) days from the conclusion of the e-Voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make Scrutinizers' Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
- ii) The Result on resolutions shall be declared on or after the AGM of the Company.  
The Result declared along with the Scrutinizers' Report shall be pasted on the Notice Board at the Corporate Office of the Company and shall also be communicated to the stock exchange.
- iii) **Members are requested:**
- (a) To bring Attendance Slip duly completed and signed at the meeting and not to carry briefcase or bag inside the meeting venue for security reasons;
- (b) To quote their Folio No./DP Id - Client Id and e-mail ID in all correspondence; and
- (c) To please note that no gift or gift coupons will be distributed at the meeting.

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## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

**Item No. 4 of the Notice**

The Shareholders had earlier, at their 29th Annual General Meeting held on September 30, 2011 and subsequently in 30<sup>th</sup> Annual General Meeting held on September 29, 2012 approved the appointment and payment of remuneration to Shri Chaman Lal Jain as Chairman & Managing Director of the Company and Central Government on the application moved u/s 269, 198, 309 & 310 read with Schedule XIII of the Companies Act, 1956 had accorded its consent. The tenure of the appointment of Mr. Jain is upto September 30, 2014 and he shall attain the age of 70 Years on September 8, 2014. The Remuneration Committee in its meeting held on May 26, 2014 has recommended the appointment of Mr. C.L. Jain with effect from October 1, 2014 for a period of 3 years.

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

Mr. Chaman Lal Jain, drawing the same remuneration as last approved by the Members & the Central Govt. & keeping in view the status enjoyed and the standard of living of the Managing Director, the Remuneration Committee in its meeting held on May 26, 2014 thought it expedient, reasonable and quite justified to and, therefore, fixed the same remuneration with a time-scale as set out in the resolution, for the term from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2017 which has been approved by the Board of Directors, subject to your and the Central Govt. approval, if required.

Accordingly, based on the recommendations of the Remuneration Committee, the Board of Directors of the Company vide their resolution dated May 26, 2014 have approved and ratified the appointment and the remuneration payable to Mr. Chaman Lal Jain, as Mg. Director for a period of 3 years, w.e.f. October 1, 2014 subject to the approval of the Shareholders under the provisions of Section 196,197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013.

# ADDI INDUSTRIES LIMITED

Mr. Chaman Lal Jain is a graduate & from commerce stream. He is in the textile industry since 1968 and has in depth knowledge and knows the knitty gritties of the textile industries. He is the overall in charge of the affairs of the Company and has more than 46 years of rich experience in this business. He has been entrusted with the following responsibilities:

- Overall in-charge of the affairs of the Company.
- Responsible for delivery of Business Plans, Objectives & Budgets.
- Ensure smooth operations of the business as per the relevant law, rules and regulations pertaining to Textile business.
- Ensure quality of goods exported.
- Responsible for increasing turnover and business operations.
- Responsible for Customer Satisfaction.
- Ensure Fire / Safety / Security SOP's are implemented and to ensure all legal & regulatory compliances are met,
- All statutory compliances with respect to the above.

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

In compliance of the provisions of Schedule V to the Companies Act, 2013 the required information is placed before the Members in the General Meeting for their consideration.

## General Information:

1. Nature of industry	Textile Industry including spinning, knitting and dyeing.				
2. Date of or expected date of commencement of commercial production	Existing Company.				
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable				
4. Financial Performance on the given indicators:	(₹ In Lakhs)				
<b>Year Ended March 31</b>	<b>Turnover &amp; other income</b>	<b>Sales</b>	<b>Operating Profit/(Loss)</b>	<b>Profit/(Loss) Before Tax</b>	<b>Profit/(Loss) After Tax</b>
2014	162.83	65.71	(166.58)	(72.01)	(64.97)
2013	263.89	19.54	(242.76)	172.24	224.21
2012	1306.8	1177.36	(298.27)	(267.38)	(259.25)
5. Export performance based on the given indicators:	(₹ In Lakhs)				
<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>		
Foreign Exchange Earned	Nil	Nil	931.88		
Foreign Exchange Used	3.09	Nil	76.04		
6. Foreign investments or collaborations, if any	The Company has no foreign investments or foreign collaborations. The Company has not made any foreign investments or has any collaboration overseas.				

## Information about the appointee:

1. Background Details:	<b>Qualifications:</b>
	Mr. Chaman Lal Jain holds Bachelor degree in commerce.
	<b>Experience:</b>
	About 46 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.

	<b>Expertise:</b>
	Due to above indicated experience of 44 years in all facets of textile business, he has gained rich techno-commercial expertise. He being the Chairman & Mg. Director of the Company is a promoter director and has been managing the affairs efficiently and in the best possible manner.
2. Past Remuneration:	2011-12 : Rs.19,80,000.00
	2012-13 : Rs.15,00,000.00
	2013-14 : Rs.15,00,000.00
3. Recognition or Awards:	During his stewardship the Company got the best exporter Award from Apparel Export Promotion Council of India.
4. Job Profile & His Suitability:	Having regard to the vast experience and expertise of Mr. Chaman Lal Jain, he is a perfect person to handle the following responsibilities:
	<ul style="list-style-type: none"> <li>• Overall in-charge of the affairs of the Company.</li> <li>• Responsible for delivery of Business Plans, Objectives &amp; Budgets.</li> <li>• Ensure smooth operations of the business as per the relevant law, rules and regulations pertaining to Textile business.</li> <li>• Ensure quality of goods exported.</li> <li>• Responsible for increasing turnover and business operations.</li> <li>• Responsible for Customer Satisfaction.</li> <li>• Ensure Fire / Safety / Security SOP's are implemented and to ensure all legal &amp; regulatory compliances are met,</li> <li>• All statutory compliances with respect to the above.</li> </ul>
5. Remuneration proposed:	As mentioned in the Resolution.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:	Mr. Chaman Lal Jain having unique experience and back ground, which is not easily available in Indian Industry, has successfully handled various assignments of management and operations of textile business throughout his career. Hence, it is not easy to compare such qualifications, experience and background as they are unique. Mr. Chaman Lal Jain is a well recognised and substantially awarded person which elaborated elsewhere in this statement. There are not many persons of such merits and repute available for employment. Such person commands a gross remuneration of upwards of the proposed remuneration.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:	Mr. Hari Bansal, Director being the son of Mr. Chaman Lal Jain and apart from this no other managerial person is concerned or interested in the appointment of Mr. Jain. Mr. Chaman Lal Jain as an individual holds 16,89,818 Equity Shares of Rs.5/- each which constitute 15.65% of the Equity Share Capital of the Company. The total Shareholding of Promoters along with the person acting in concert is 80,18,175 Equity Shares of Rs.5/- each which constitutes 74.27% of the existing Equity Share Capital of the Company.
<b>Other Information:</b>	
1. Reasons of loss or inadequate profits	<p>a) Huge input cost of raw material and consequent increase in operational cost.</p> <p>b) High interest cost on the working capital loan.</p> <p>c) High Volatility in foreign exchange market coupled with global recession which lead to lack of demand and drop in consumer sentiments.</p> <p>d) Overall Textile industries is in a bad shape, due to cheaper import from China and other neighbouring countries.</p> <p>All these factors adversely affected the Company's operations to a greater extent.</p>



2. Steps taken or proposed to be taken for improvement	a) To achieve better effectiveness on operations.
	b) Better control on both variable & fixed costs.
	c) Bifurcating the business into different Profit Centres for having better operational effectiveness.
	d) Hiring best talent available in the industry to run each Profit Centre effectively and proposed to make the Company profitable.
3. Expected increase in productivity and profits in measurable terms	The current economic scenario across the globe has badly affected the Indian Textile Industry. The Company has taken several initiatives to improve upon the Company's profitability by reducing the cost of production at the best possible level. There is an improvement in financial performance in the Company for the year under review where losses have reduced. Turnover of the Company has been improving marginally.

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

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

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

#### Item No. 5, 6 & 7

Mr. V.B. Aggarwal, Dr. B.K. Behera and Mr. S.R. Sharma are Independent Directors of the Company in compliance with the requirements of Clause 49 of the listing agreement. The Company has received notice(s) in writing under the provisions of Section 160 of the Companies Act, 2013 ('the Act') from member(s) alongwith required deposit proposing the candidatures of Mr. Aggarwal, Dr. Behera and Mr. Sharma for the office of Director(s) of the Company. Mr. Aggarwal, Dr. Behera and Mr. Sharma have given declarations to the Board of Directors that each of them meets the criteria of independence as provided under Section 149(6) of the Act and Clause 49 of the listing agreement.

The above appointees are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

In the opinion of the Board, each of these Directors fulfill the conditions for their appointment as Independent Directors in terms of Section 149 of the Act and Clause 49 of the listing agreement.

Brief resume of the appointees and nature of their expertise in specific functional areas are provided in the Corporate Governance Report forming part of the Annual Report. Further, the details required in terms of Clause 49 of the listing agreement, are attached and form part of this Notice.

Copy of the draft letter(s) for respective appointments of Mr. Aggarwal, Dr. Behera and Mr. Sharma as Independent Director(s) setting out the terms and conditions would be available for inspection free of cost by the members at the Registered Office of the Company.

Keeping in view their vast experience, expertise and knowledge, it will be in the interest of the Company that Mr. Aggarwal, Dr. Behera and Mr. Sharma be appointed as Independent Director(s).

No Director, Key Managerial Personnel or their relatives, except Mr. Aggarwal, Dr. Behera and Mr. Sharma to whom the resolution(s) relate, is concerned or interested, financial or otherwise, in these resolution(s).

The Board commends the resolutions at item nos. 5, 6 & 7 for approval of the Members as Ordinary Resolution(s).

For & on behalf of the Board

#### Regd. Office:

Addi Industries Limited  
23, Eastern Avenue, Maharani Bagh,  
New Delhi-110 065  
Dated: May 26, 2014

**C.L. Jain**  
Mg. Director  
(DIN00022903)



**Details of Directors seeking Re-appointment at the Annual General Meeting  
(In pursuance of Clause 49 of the Listing Agreement)**

S. No.	Particulars	Dr. B. K. Behera	Shri C.L. Jain	Mr. S.R. Sharma
1.	Date of Birth	17.04.1959	08.09.1944	01.01.1938
2.	Date of Appointment	28.06.2004	01.10.1988	26.05.2012
3.	Qualification	Ph.D. M. Tech, B. Tech	B.Com	Grad.(Eco.), FCS, FCMA
4.	Expertise in specific functional area	Please refer Corporate Governance Report 2013-14.	Please refer Corporate Governance Report 2013-14.	Please refer Corporate Governance Report 2013-14.
5.	Directorship held in other Public Companies*	Seasons Textiles Ltd.	Nil	Nil
6.	Membership/ Chairmanship of Committees**	Nil	Nil	Nil
7.	No. of Equity Shares held in the Company	Nil	16,89,818	Nil
8.	Relationship with other directors	N.A.	Related to Shri Hari Bansal (Father-Son)	N.A.

S. No.	Particulars	Mr. Hari Bansal	Mr. 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 2013-14.	Please refer Corporate Governance Report 2013-14.
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



**ADDI INDUSTRIES LIMITED**

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

CIN: L51109DL1980PLC256335

**ATTENDANCE FORM**

**32<sup>nd</sup> Annual General Meeting - Tuesday, September 30, 2014 at 9.00 A.M. at Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay, Delhi-110091**

DP Id*		Name & Address of the Registered Shareholder/ Proxy
Client Id*/Folio No.		
No. of Shares		

I/We certify that I/we am/are registered shareholder/Proxy of the Company.

I/we hereby record my/our presence at the 32<sup>nd</sup> Annual General Meeting of the Company on Tuesday, September 30, 2014 at 9.00 A.M. at Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay, Delhi-110091.

**Note:** Please Complete this and hand it over at the Hall.

.....

**Signature**

\*Applicable for the Share(s) held in dematerialized form.

**Note: No Gift/Gift Coupon/Refreshment Coupon will be distributed at the Meeting.**

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**ADDI INDUSTRIES LIMITED**

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

**CIN:** L51109DL1980PLC256335

**PROXY FORM**

32<sup>nd</sup> Annual General Meeting -Tuesday, September 30, 2014 at 9.00 A.M. at Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay, Delhi-110091

<b>Name of the Member(s):</b> .....	<b>E mail Id:</b> .....
<b>Registered Address</b> .....	<b>Folio No./Client Id*/DP ID*</b> .....

I/We being the member(s) holding \_\_\_\_\_ Shares hereby appoint:

1. Name \_\_\_\_\_ Address \_\_\_\_\_ email Id \_\_\_\_\_ or failing him:
2. Name \_\_\_\_\_ Address \_\_\_\_\_ email Id \_\_\_\_\_ or failing him:
3. Name \_\_\_\_\_ Address \_\_\_\_\_ email Id \_\_\_\_\_ or failing him:

as my/our proxies to attend & vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting to be held on Tuesday, September 30, 2014 at 9.00 A.M. at Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay, Delhi-110091 and at any adjournment thereof in respect of such resolutions as are indicated below:

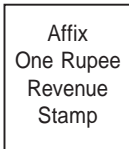
Res No.	Resolution	For#	Against#
1	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2014.		
2.	Re-appointment of Mr. Hari Bansal, who retires by rotation		
3.	Appointment of Statutory Auditors and to fix their remuneration.		
4.	Re-appointment of Mr. C.L. Jain as Managing Director		
5.	Appointment of Mr. V.B. Aggarwal as an Independent Director.		
6.	Appointment of Dr. B. K. Behera as an Independent Director.		
7.	Appointment of Mr. S.R. Sharma as an Independent Director.		

\*Applicable for the Share(s) held in dematerialized form.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014 .....

Signature of Shareholder

Signature of Proxy holder(s).....



**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered/Corporate Office of the Company not later than 48 hours before the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- #(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For/or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

**SPEED/REGISTERED POST/COURIER**

*If undelivered, please return to:*

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



First Impression : 9811224048

32<sup>nd</sup>  
Annual Report  
2013-14



**ADDI INDUSTRIES LIMITED**

CIN: L51109DL1980PLC256335

**Registered Office:**  
23, Eastern Avenue,  
Maharani Bagh, New Delhi - 110065

<b>BOARD OF DIRECTORS</b>	:	Shri C.L. Jain	-	Managing Director
	:	Dr. B.K. Behera	-	Director
	:	Shri V.B. Aggarwal	-	Director
	:	Shri S. R. Sharma	-	Director
	:	Shri Hari Bansal	-	Director
<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.)		

Pursuant to circular no. 2/2012 dated 8th February, 2012 of the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the 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 companies and the related detailed information will be made available upon request by the members of the Company and of its subsidiary companies. These documents will be available for inspection by any member at the Registered Office of the Company and also at the Registered Offices of the Subsidiary Company concerned.

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## DIRECTORS' REPORT

### Dear Members

The Directors of your Company present their 32<sup>nd</sup> Annual Report & the Audited Statements of Account of the Company for the financial year ended 31<sup>st</sup> March, 2014.

### Financial Results

The performance of your Company for the financial year ended 31<sup>st</sup> March, 2014 is summarized below: (₹/Lakhs)

	2013-2014	2012-2013
Turnover & other Income	162.83	263.89
(incl. Exports)	Nil	Nil
Gross Profit before financial exp. & depreciation	(15.02)	58.26
Less: Financial Expenses	2.11	Nil
Depreciation	52.45	68.55
Exceptional Items	2.43	(182.53)
<b>Net Profit/(Loss) before Tax</b>	<b>(72.01)</b>	172.24
Less : Provision for Taxation	NIL	15.68
Income Tax adj. for earlier years	NIL	(12.15)
Less: Adj. for deferred tax	(7.04)	(39.83)
Mat credit entitlement	NIL	15.68
<b>Net Profit /(Loss) after tax</b>	<b>(64.97)</b>	224.21
Add: Amount b/f from last year	(23.38)	(247.59)
Balance transferred to Balance Sheet	(88.35)	(23.38)

### Dividend

In view of accumulated losses, the Directors are not in a position to recommend any dividend for the financial year 2013-14.

### 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:

The Board of Directors has been exploring and assessing various available business propositions for diversification including, inter-alia, the manufacturing of Woven Garments, for better prospects, and for augmenting the resources & the profitability of the Company. The Directors are hopeful of improved working results 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. Nil lakhs incurred in the preceding year.

### Future Prospects

During the first quarter of the financial year 2014-15, the Company has achieved a nil turnover (upto May 20, 2014) as against Rs. 0.02 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

The Company has received requisite notice(s) from the member(s) proposing the candidatures of Mr. V.B. Aggarwal, Dr. B.K. Behera and Mr. S.R. Sharma, as Independent Director(s).

Pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and Clause 49 of the listing agreement, the Independent Director proposed to be





appointed shall hold office for 5 (five) consecutive years for a term upto 31<sup>st</sup> March, 2019. The Company has received declarations from all the Independent Directors conforming that each of them meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the listing agreement.

Mr. Hari Bansal, Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Board of Directors recommends his re-appointment.

The Board of Directors on the recommendation of Remuneration Committee has approved the reappointment of Mr. C.L Jain as Managing Director of the Company for a period of 3 years w.e.f. October 1, 2014, subject to the approval of Shareholders in the ensuing Annual General Meeting.

## 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 2014-15, to hold office till the conclusion of the next Annual General Meeting. The Company has received the consent and the requisite Certificate(s) under the Companies Act, 2013, 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 8<sup>th</sup> 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, 2014 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 26, 2014

**C.L. Jain**  
Managing Director  
(DIN00022903)

## 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, 2014, is as per Form 'A' below :

#### FORM 'A'

##### A. Power and Fuel Consumption:

	Current Year 31.3.2014	Previous Year 31.3.2013
<b>1. ELECTRICITY</b>		
<b>(a) Purchased</b>		
Units	67312	13231
Total amount (Rs./Lacs)	6.45	10.8
Rate/unit (Rs.)	9.58	8.17
<b>(b) Own Generation</b>		
i) Through diesel generator Units	Nil	Nil
Unit per ltr. of diesel oil	Nil	Nil
Cost/unit (₹)	Nil	Nil
ii) Through steam turbine/generator	N.A.	N.A.
<b>2. COAL</b>		
Qty. (Kgs.)	N.A.	N.A.
Value (Rs./Lacs)	N.A.	N.A.
<b>3. FURNACE OIL/ LDO/HSD</b>		
Qty. (Ltrs.)	Nil	Nil
Value (Rs. Lacs)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil
<b>4. OTHERS : INTERNAL GENERATION</b>		

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

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

#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>31.3.2014</b>	<b>31.3.2013</b>
Earnings	Nil	Nil
Outgoings	<b>3.09</b>	Nil

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

Place : New Delhi  
Dated: May 26, 2014

**C.L. JAIN**  
Managing Director  
(DIN NO. 00022903)

**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 2013-14 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 2013-14 have gone down drastically. The Company has achieved negligible Income from operation of Rs.0.02Lacs (upto 20.05.2014) 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 prices competitive. Strict monitoring is done to cut-down costs and overheads, whatever feasible, to make the product more prices competitive.

**6. INTERNAL CONTROL SYSTEMS**

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

**7. MATERIAL DEVELOPMENTS IN HR**

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

**CAUTIONARY STATEMENT**

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

For and on behalf of the Board of Directors

Place : New Delhi  
Dated: May 26, 2014

C.L. JAIN  
Managing Director  
(DIN00022903)

**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 2014, is five, two Promoter Directors (out of which 1 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 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 70 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 46 years of rich experience in Textile Industry. Work experience inter-alia includes the Setting up of the existing textile business and makes it possible for an upward surge in its business activities, turnover / exports and profitability over the years and efficiently manages 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 39 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 13 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 9,96,118 Equity Shares of Rs.5/- each which constitute 9.23% of the Equity Share Capital of the Company.

**Shri V.B. Aggarwal**, aged 77 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 43 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 55 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 28 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 76 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 42 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 23, August 10, October 30, 2013 and February 10, 2014 during the financial year ended March 31, 2014:

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 (Managing Director)	Executive (Promoter Grp)	4	4	Present	Nil	NIL
Shri V.B. Aggarwal (Director)	Non-executive (Independent)	4	4	Present	NIL	NIL
Dr. B.K. Behera (Director)	Non-executive (Independent)	4	3	Present	1	NIL
Mr. S.R. Sharma (Director)	Non-executive (Independent)	4	4	Present	Nil	Nil
Shri Hari Bansal (Director)	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 that 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 30, 2013.

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 23, August 10, October 30, 2013 and February 10, 2014 during the financial year ended 31<sup>st</sup> March, 2014. All the members of the Audit Committee attended each and every meeting held during the year except Dr. B.K. Behera, who did not attend the meeting held on May 23, 2013.

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. No meeting of the Selection Committee was convened during 2013-14.

**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 2013-14.

**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, 2014.

**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 23, August 10, October 30, 2013 and February 10, 2014 during the financial year ended 31<sup>st</sup> March, 2014. 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.

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	0.32	0.32
Dr. B.K. Behera	Director	Nil	Nil	Nil	0.24	0.24
Sh. S.R. Sharma	Director	Nil	Nil	Nil	0.20	0.20
Sh. Hari Bansal	Director	Nil	Nil	Nil	Nil	Nil
<b>Total</b>		<b>15.00</b>	<b>Nil</b>	<b>Nil</b>	<b>0.76</b>	<b>15.76</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
30.09.2011	9.00 a.m.	Community Hall, Chaura Raghunath Pur, Sector 22, Noida(U.P.)	1
29.09.2012	9.00 a.m.	Community Centre, Nehru Nagar, New Delhi-110065	1
30.09.2013	9.00 a.m.	Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay Delhi-110091	Nil

## POSTAL BALLOT

During the financial year 2013-14, 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, 2014 forms part of this Annual Report.

## 9. General Shareholder Information:

### A. Annual General Meeting :

Date and Time : Monday, September 30, 2014 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 '14.  
b) 2<sup>nd</sup> Quarter Results - By the mid of Nov., '14.  
c) 3<sup>rd</sup> Quarter Results - By the mid of Feb., '15.  
c) 4<sup>th</sup> Quarter Results - By the mid of May., '15.

\*Tentative and subject to change.

Date of Book Closure : 26.09.2014 to 30.09.2014 (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 2013	4.80	3.95	3.95	1,243
May 2013	-	-	-	-
June 2013	4.11	3.91	3.91	12,525
July 2013	4.00	3.44	3.44	5,193
August 2013	3.30	3.15	3.15	4,029
September 2013	3.30	2.15	2.15	18,115
October 2013	2.05	1.92	1.92	2,854
November 2013	2.01	1.83	2.01	2,971
December 2013	2.15	2.01	2.15	8,416
January 2014	2.20	2.00	2.20	4,793
February 2014	2.31	2.31	2.31	462
March 2014	2.68	2.20	2.20	3,137

**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, 2014.

**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, 2014**

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

No. of equity shares held	2014				2013			
	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	3010	93.13	9,26,286	8.58	3025	93.19	9,36,147	8.67
5001 to 10000	125	3.87	1,88,692	1.75	125	3.85	1,88,723	1.75
10001 to 20000	51	1.58	1,48,611	1.38	48	1.48	1,39,500	1.30
20001 to 30000	13	0.40	63,529	0.59	14	0.43	68,641	0.64
30001 to 40000	6	0.19	40,822	0.38	7	0.22	46,932	0.43
40001 to 50000	7	0.22	63,433	0.58	6	0.18	54,542	0.50
50001 to 100000	7	0.22	92,400	0.85	8	0.25	1,12,389	1.04
Above 100001	13	0.40	92,72,801	85.89	13	0.40	92,49,700	85.67
<b>Total</b>	<b>3232</b>	<b>100</b>	<b>1,07,96,574</b>	<b>100.00</b>	<b>3,225</b>	<b>100</b>	<b>1,07,96,574</b>	<b>100.00</b>

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

Particulars	2014		2013	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters & Associates	80,18,175	74.27%	80,18,175	74.27%
Mutual Funds, UTI & Bank	11,600	0.11%	11,600	0.11%
Private Corporate Bodies	9,47,754	8.78%	9,60,039	8.89%
Indian Public	17,00,740	15.75%	17,00,740	15.75%
NRI's	1,06,020	0.98%	1,06,020	0.98%
<b>Total</b>	<b>1,07,96,574</b>	<b>100.00%</b>	<b>1,07,96,574</b>	<b>100.00%</b>

## 11. Dematerialisation of Equity Shares

The Equity Shares of the Company are in compulsory demat mode. Out of the total number of 1,07,96,574 Equity Shares of Rs. 5 each, 93.47% i.e. 1,00,91,968 No. of Equity Shares are held in demat form as on 31.03.2014, as against 93.38 % i.e. 1,00,81,698 Equity Shares as on 31.03. 2013.

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 31st March, 2014 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. Independent Directors are proposed to be appointed for a period of 5 Years w.e.f. April 1, 2014, subject to the approval of the Shareholders.
- 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, 2014.
- 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, 2014.

**For ADDI INDUSTRIES LIMITED**

Place : New Delhi  
Dated : May 26, 2014

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

**C.L. Jain**  
Managing Director  
(DIN No. 00022903)

## 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, 2014, 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  
Regn. No. 001478N/N500005

Place : New Delhi  
Date : May 26, 2014

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

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**M/S ADDI INDUSTRIES LIMITED**

**1. Report on Financial Statements**

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, 2014, 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.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act 1956 ("the Act") read with the General Circular No. 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. 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.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

**5. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss 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.

Further, 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 notified under the Companies Act 1956 read with the General Circular No. 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013;



- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2014 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 2014 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. 001478N/N500005

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

Place : New Delhi  
Date : May 26, 2014

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 6 of our audit report of even date)

**RE: M/S ADDI INDUSTRIES LIMITED**

- i)
  - (a) *In the earlier years, the fixed assets register of the company was misplaced and the company is still in the process of retrieval and updating the fixed assets register. 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 not disposed off substantial part of fixed assets. Therefore the provisions of clause 4(i)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to 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. However there is no inventory as at the end of the financial 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. 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.
- 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 is maintaining 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, 2014 which are less than fifty per cent of its net worth. During the financial year 2013-14, the company has incurred cash losses. whereas, in the preceding year the company has not incurred any cash loss.
- 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) On the basis of information and explanation given to us, the company has not raised any term loan during the year, therefore, the provision of clause 4(xvi) of the Companies (Auditor Report) Order, 2003 are not applicable to the company
- xvii) On the basis of information and explanation given to us and an overall examination of the balance sheet, short term funds raised were not utilized for long term investments. The said loans were repaid during the year covered under our audit.
- 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 way of public issue 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. 001478N/N500005

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

Place : New Delhi  
Date : May 26, 2014





# ADDI INDUSTRIES LIMITED

## BALANCE SHEET AS AT MARCH 31, 2014

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	54,000,370	54,000,370
Reserves and surplus	4	128,814,432	135,311,782
		<u>182,814,802</u>	<u>189,312,152</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	5	3,731,851	4,435,852
Long-term provisions	6	774,565	710,535
		<u>4,506,416</u>	<u>5,146,387</u>
<b>Current liabilities</b>			
Trade payables	7	574,370	1,161,650
Other current liabilities	8	2,218,449	3,195,382
Short-term provisions	6	1,508,694	1,512,553
		<u>4,301,513</u>	<u>5,869,585</u>
<b>Total</b>		<u>191,622,731</u>	<u>200,328,124</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	50,259,122	56,523,599
Capital work in progress		456,012	456,012
Non-current investments	10	32,493,396	32,493,396
Long-term loans and advances	11	67,391,948	78,206,483
Other non-current assets	14	439,271	89,370
		<u>151,039,749</u>	<u>167,768,860</u>
<b>Current assets</b>			
Inventories	12	–	29,211
Trade receivables	13	1,562,855	1,568,473
Cash and other Bank Balance	15	12,881,576	26,469,859
Short-term loans and advances	11	22,898,113	2,796,506
Other current assets	14	3,240,438	1,695,215
		<u>40,582,982</u>	<u>32,559,264</u>
<b>TOTAL</b>		<u>191,622,731</u>	<u>200,328,124</u>
<b>Summary of Significant Accounting policies</b>	2		
<b>The accompanying notes are an integral part of the financial statements.</b>			

As per our audit report of even date attached

For **S.R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 001478N/N500005

For and on behalf of the Board of Directors

**SANDEEP DINODIA**  
Partner  
M. No. 092332

**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 26, 2014

**R.K. Arora**  
Company Secretary

**Dr. B.K.Behera**  
Director  
DIN No. 01139185

**AtulJain**  
Manager (Finance)

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹)

PARTICULARS	NOTE NO.	Current Year	Previous Year
<b>INCOME</b>			
Revenue from operations (Gross)	16	6,583,333	3,141,783
Less : Excise Duty		-	-
Revenue from operations (Net)		6,583,333	3,141,783
Other income	17	9,699,622	23,247,208
<b>Total Revenue</b>		<b>16,282,955</b>	<b>26,388,991</b>
<b>Expenses:</b>			
Cost of materials consumed	18	5,869,783	533,702
(Increase) / Decrease in inventories	19	9,428	5,633,019
Employee benefits expense	20	4,322,245	5,314,709
Finance costs	21	211,056	-
Depreciation and amortization expense	9	5,244,777	6,855,321
Other expenses	22	7,583,890	9,081,393
<b>Total expenses</b>		<b>23,241,179</b>	<b>27,418,144</b>
<b>Profit before exceptional items and tax</b>		<b>(6,958,224)</b>	<b>(1,029,153)</b>
Exceptional items	24	243,127	(18,253,029)
<b>Profit Before Tax</b>		<b>(7,201,351)</b>	<b>17,223,876</b>
<b>Tax expense:</b>			
Current Tax		-	1,567,500
Deferred Tax	5	(704,001)	(3,982,795)
Mat Credit Entitlement		-	(1,567,500)
Tax Adjustment for earlier years		-	(1,214,804)
<b>Profit (Loss) of the year</b>		<b>(6,497,350)</b>	<b>22,421,475</b>
<b>Earnings per equity share:</b>			
Basic / diluted earning per share	24	(0.60)	2.08
Summary of Significant Accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our audit report of even date attached

For **S.R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 001478N/N500005

For and on behalf of the Board of Directors

**SANDEEP DINODIA**  
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**AtulJain**  
Manager (Finance)

**CASH FLOW STATEMENT AS AT 31<sup>ST</sup> MARCH, 2014**
*(Amount in ₹)*

PARTICULARS	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & extraordinary items	(7,201,351)	17,223,876
Adjustments For :		
Depreciation	5,244,777	6,855,321
Amount written off	1,556	737,623
Provision no longer required	(176,469)	(135,013)
(Profit) /Loss on sale of Fixed Assets	419,595	(18,118,016)
Interest paid	211,056	-
Interest Received	(9,061,295)	(4,522,235)
Dividend Received	-	-
<b>Operating profit before working capital Changes</b>	<b>(10,562,130)</b>	<b>2,041,556</b>
Adjustments For :		
(Increase)/ Decrease in Trade Receivables	4,062	644,076
(Increase)/ Decrease in Inventories	29,211	6,166,721
(Increase)/ Decrease in long term loan and advance	20,061,130	729,662
(Increase)/ Decrease in short term loan and advance	(20,101,609)	(432,369)
(Increase)/ Decrease in other current assets	6,936,647	33,518,771
(Increase)/ Decrease in other non current assets	(349,901)	6,433,418
Increase/ (Decrease) in Trade Payables	(587,280)	(1,226,620)
Increase/ (Decrease) in Other current Liabilities	(976,933)	1,828,827
Increase/ (Decrease) in long term Provisions	64,030	(596,924)
Increase/ (Decrease) in short term Provisions	(3,859)	263,806
<b>Cash generated from operations before extraordinary items</b>	<b>(54,86,632)</b>	<b>49,370,924</b>
Direct Tax Paid	(7,91,160)	(1,820,949)
<b>Cash generated from operations after extraordinary items</b>	<b>(6,277,791)</b>	<b>47,549,975</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>(6,277,792)</b>	<b>47,549,975</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP	(18,500)	(591,972)
Proceeds from sale of fixed assets	618,605	34,182,500
(Purchase)/sale of Investment	-	(15,000,000)
Interest Received	9,061,295	4,522,235
Advance for purchase of property & ICD	(8,455,435)	(65,926,759)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>1,205,965</b>	<b>(42,813,996)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans given	-	-
Interest paid	(211,056)	-
Loans and advances given	-	-
Refund of long term Advance	-	(661,354)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(211,056)</b>	<b>(661,354)</b>



## ADDI INDUSTRIES LIMITED

<b>D</b>	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(5,282,883)</b>	4,074,625
	Cash & Cash equivalents as at 01-4-2013 (Op. Balance)	<b>5,977,486</b>	1,902,861
	Cash & Cash equivalents as at 31-3-2014 (Cl. Balance)	<b>694,604</b>	5,977,486
	<b>Cash and Cash Equivalants include:</b>		
	– Cash in hand	<b>48,840</b>	459,804
	Balances with Schduled Banks		
	– In Current Accounts	<b>195,764</b>	217,682
	– In Deposit Account	<b>450,000</b>	5,300,000

As per our audit report of even date attached

For **S.R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 001478N/N500005

For and on behalf of the Board of Directors

**SANDEEP DINODIA**  
Partner  
M. No. 092332

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

**V. B. Aggarwal**  
Director  
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**S. R. SHARMA**  
Director  
DIN No.05288842

Place : New Delhi  
Dated : May 26, 2014

**R.K. Arora**  
Company Secretary

**Dr. B.K.Behera**  
Director  
DIN No. 01139185

**AtulJain**  
Manager (Finance)

**Notes to Financial Statements for the Year Ended March 31, 2014**
**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 Security & 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 ` 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.



# ADDI INDUSTRIES LIMITED

## Note 3 : Share Capital

(Amount in ₹)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>Authorised</b>		
15,000,000 (March 31, 2013: 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, 2013: 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 (3,400 nos (March, 2013: 3,500) of equity shares of Rs. 5 each)	<b>17,500</b>	17,500
	<b>54,000,370</b>	54,000,370

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

	March 31, 2014		March 31, 2013	
	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 ₹ 5/- per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

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

	March 31, 2014		March 31, 2013	
	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	847,747	7.85	844,646	7.82
	<b>8,248,842</b>	<b>76.40</b>	<b>8,245,741</b>	<b>76.37</b>

## Note 4 : Reserves And Surplus

(Amount in ₹)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<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.)

(Amount in ₹)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
<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	(2,337,821)	(24,759,296)
Add:- Addition during the year		
Balance of Statement of Profit & Loss	(6,497,350)	22,421,475
Balances at the end of year	(8,835,171)	(2,337,821)
<b>Total Reserve and Surplus</b>	<b>128,814,432</b>	<b>135,311,782</b>

## Note 5: Deferred tax liabilities (net)

(Amount in ₹)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
<b>Deferred Tax Liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation amortization charged for the financial reporting	5,154,289	5,898,849
<b>Total A</b>	<b>5,154,289</b>	<b>5,898,849</b>
<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	714,087	700,735
Provision for Doubtful advances	708,351	762,262
<b>Total B</b>	<b>1,422,438</b>	<b>1,462,997</b>
<b>Deferred tax liability (net)</b>	<b>3,731,851</b>	<b>4,435,852</b>

### 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 : Provisions

(Amount in ₹)

	Long Term		Short Term	
	As At March 31, 2014	As At March 31, 2013	As At March 31, 2014	As At March 31, 2013
<b>Provisions for Employee Benefits (Refer Note 21)</b>				
Provision for Gratuity	424,968	444,422	1,498,938	1,491,784
Provision for Leave Encashment	349,597	266,113	9,756	20,769
	<b>774,565</b>	<b>710,535</b>	<b>1,508,694</b>	<b>1,512,553</b>

### a) Contingent Liabilities

- i) Claims against the company, not accepted and not provided for : ₹ 7,742,020 towards Employees State Insurance (March 31, 2013: ₹ 7,742,020).





**Note 7 : Trade Payables**

(Amount in ₹)

PARTICULARS	As At MARCH 31, 2014	As At MARCH 31, 2013
Amount due to others	<b>574,370</b>	1,161,650
	<b>574,370</b>	1,161,650

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 8: Other Current Liabilities**

(Amount in ₹)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>Other Liabilities</b>		
Book Overdraft	<b>1,890,287</b>	3,001,496
Security received from customers	-	51,570
Statutory Dues	<b>328,162</b>	142,316
	<b>2,218,449</b>	3,195,382

**NOTE 9 : Fixed Assets**

**Notes To Financial Statements For The Year Ended March 31, 2014**

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At 01.4.13	Additions during the year	Deduction	Total As At 31.03.14	As At 31.03.13	For the year	Adj. (Dep.W/B)	As At 31.03.14	As At 31.03.14	As At 31.03.13
<b>A. Tangible Assets</b>										
Leasehold Land	14,821,097.00	-	-	14,821,097.00	3,107,170.15	172,032.00		3,279,202.15	11,541,894.85	11,713,926.85
Buildings	41,251,456.00	-	-	41,251,456.00	26,904,399.53	1,377,799.00		28,282,198.53	12,969,257.47	14,347,056.47
Building (Office)	7,674,212.00	-	-	7,674,212.00	1,347,788.00	125,090.00	-	1,472,878.00	6,201,334.00	6,326,424.00
Plant and Equipment	50,215,481.00	18,500.00	2,222,144.00	48,011,837.00	30,641,311.19	2,220,797.00	1,183,944.00	31,678,164.19	16,333,672.81	19,574,169.81
Furniture and fixtures	12,238,231.00	-	-	12,238,231.00	9,726,751.02	774,680.00	-	10,501,431.02	1,736,799.98	2,511,479.98
Vehicles	3,082,656.00	-	-	3,082,656.00	2,581,460.35	292,852.00		2,874,312.35	208,343.65	501,195.65
Electric Installation	3,850,960.00	-	-	3,850,960.00	2,656,330.36	162,808.00		2,819,138.36	1,031,821.64	1,194,629.64
Computers	910,041.00	-	-	910,041.00	555,323.47	118,719.00		674,042.47	235,998.53	354,717.53
<b>Total</b>	<b>134,044,134.00</b>	<b>18,500.00</b>	<b>2,222,144.00</b>	<b>131,840,490.00</b>	<b>77,520,534.07</b>	<b>5,244,777.00</b>	<b>1,183,944.00</b>	<b>81,581,367.07</b>	<b>50,259,122.93</b>	<b>56,523,599.93</b>
<b>B. Capital work in progress</b>										
CWIP*	456,012.00	-	-	456,012.00	-	-	-	-	456,012.00	456,012.00
<b>Total</b>	<b>456,012.00</b>	<b>-</b>	<b>-</b>	<b>456,012.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>456,012.00</b>	<b>456,012.00</b>
<b>Grand Total (A+B)</b>	<b>134,500,146.00</b>	<b>18,500.00</b>	<b>2,222,144.00</b>	<b>132,296,502.00</b>	<b>77,520,534.07</b>	<b>5,244,777.00</b>	<b>1,183,944.00</b>	<b>81,581,367.07</b>	<b>50,715,134.93</b>	<b>56,979,611.93</b>

The capital work in progress represent the the borrowing cost during the year ended March 31, 2014 ₹ 456,012 (March31, 2013: ₹ 456,012.)

# ADDI INDUSTRIES LIMITED

## Note 10: Non-Current Investment

(Amount in ₹)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>Trade Investments (Valued at cost unless otherwise stated)</b>		
<b>Unquoted Trade Investment</b>		
Investment in Subsidiaries	7,523,831	7,523,831
Equity shares of Aum Texfab Pvt. Ltd. (790,007 (March 31, 2013: 790,007) Equity shares of Rs. 10/ each fully paid-up @		
<b>Non Trade</b>		
Quoated Investmest Investments in Equity instruments* 63,100 (March 31, 2013: 63,100 Equity Shares of Rs. 10/- each fully paid up of PNR Capital Services Ltd.	9,829,403	9,829,403
<b>Gold Coins</b> 13 Nos. of 92 Grams (March 31, 2013: 13 Nos. of 92 gms)	140,162	140,162
<b>Investment in Tax Free Bonds</b> Investment in infrastructure bonds of HUDCO (15,000 bonds (March 31, 2013: 15,000) of Rs. 1,000/- each)	15,000,000	15,000,000
	<b>32,493,396</b>	<b>32,493,396</b>

\* Aggregate market value of quoted investment ₹ 97,805 (March 31 2013: ₹ 97,805/-)

## Note 11: Loans and Advances

(Amount in ₹)

	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Capital Advanaces</b>				
Unsecured, considered good	62,209,500	53,754,065	-	-
<b>Security Deposit</b>				
Unsecured, considered good	1,716,072	1,716,072	1,216,695	977,294
<b>Other Loans and Advances</b>				
Intercorporate deposit	-	20,000,000	20,000,000	-
Advance Tax (Including TDS) [Net of provisions of Rs. 1,567,500 (March 31, 2013: 1,567,500)]	1,593,218	802,057	-	-
Advances recoverable in cash or in Kind or for value to be received	-	-	174,973	186,673
Balance with Government authorities	-	-	1,423,262	1,453,053
Prepaid Expenses	305,658	3,66,789	83,184	179,486
Mat Credit Entitlement	1,567,500	1,567,500	-	-
	<b>3,466,376</b>	<b>22,736,346</b>	<b>21,681,419</b>	<b>1,819,212</b>
	<b>67,391,948</b>	<b>78,206,483</b>	<b>22,898,113</b>	<b>2,796,506</b>

**Capital commitment:** Estimated amount of contracts remaining to be executed on the capital account and not provided for in the accounts ₹ 10,865,620 (March 31, 2013 ₹ 19,419,080).

**Note 12: Inventories**
**(Amount in ₹)**

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>(As taken, valued &amp; certified by the management)</b>		
Raw Materials (Refer Note 18)	-	19,783
Finished Goods (Refer Note 19)	-	9,428
	-	29,211

**Note 13: Trade Receivables**
**(Amount in ₹)**

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	1,562,855	1,568,473
Unsecured, considered doubtful	860,161	860,161
	2,423,016	2,428,634
Less Provision for Doubtful Debts	860,161	860,161
	1,562,855	1,568,473
	1,562,855	1,568,473

**Note 14: OTHER ASSETS**
**(Amount in ₹)**

	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances* (Refer Note 15)	411,507	79,158	-	-
<b>Others</b>				
Interest Accrued but not due	27,764	10,212	363,023	657,301
Interest Accrued & due			1,843,326	-
Export Incentives Receivable				
Considered Good	-	-	1,034,089	1,037,914
Considered Doubtful	-	-	1,432,238	1,606,708
	-	-	2,466,327	2,644,622
Less Provision for Doubtful Debts	-	-	1,432,238	1,606,708
	-	-	1,034,089	1,037,914
	439,271	89,370	3,240,438	1,695,215

\* Fixed Deposits receipts amounting to ₹ 288,485 (March 31, 2013 ₹ 79,158) are pledged with appropriate authorities.

**Note 15: CASH AND OTHER BANK BALANCE**

(Amount in ₹)

	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Cash &amp; Cash Equivalents</b>				
Balances with Scheduled banks :				
on Current Accounts	-	-	195,764	217,682
Deposits accounts with original maturity less than 3 months	-	-	450,000	5,300,000
Cash on hand	-	-	48,840	459,804
<b>Other Bank Balances</b>				
Balances with Scheduled banks:				
Deposit Accounts with original maturity more than 3 months but less than 12 months	-	-	6,169,630	20,089,866
Deposits with original maturity of more than 12 months	411,507	79,158	6,017,342	402,507
	411,507	79,158	12,881,576	26,469,859
Amount disclosed under non-current assets	411,507	79,158	-	-
<b>(Note :14)</b>	-	-	12,881,576	26,469,859

\* Fixed Deposits receipts amounting to ₹ 80,000 (March 31, 2013 ₹ 444,234) are pledged with appropriate authorities.

**Note 16: REVENUE FROM OPERATIONS**

(Amount in ₹)

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
<b>Sale of Product</b>		
Finished Goods	6,568,806	1,768,015
<b>Other Operating Revenues</b>		
Scrap Sale	1,738	185,915
Income from export incentives	12,789	1,187,853
<b>Revenue From Operations (Gross)</b>	6,583,333	3,141,783
Less: Excise duty	-	-
<b>Revenue From Operations (Net)</b>	6,583,333	3,141,783
<b>a) Detail of Products sold</b>		
<u>Finished Goods</u>		
Cotton Knitted & Woven Garments	23,560	1,768,015
Fabric Sales	6,453,119	-
<u>Raw Material</u>		
Cotton Yarn	92,127	-
	6,568,806	1,768,015
<b>b) Prior Period Income</b>		
Income from export incentive	12,789.00	1,187,853.00
	12,789.00	1,187,853.00

**Note 17: OTHER INCOME**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
<b>Interest Income on</b>		
Fixed deposits with banks	1,686,655	3,006,778
Tax free bonds	1,126,500	135,797
Inter corporate deposits	4,200,000	1,050,000
Income tax refund	-	312,201
Others	2,048,140	17,459
	<b>9,061,295</b>	<b>4,522,235</b>
<b>Other Non- Operating Income</b>		
Exchange fluctuation		
Cash Discount		
Maturity amount of Key man's Insurance Policy	-	18,300,000
Misc Income	638,327	424,973
<b>Total</b>	<b>9,699,622</b>	<b>23,247,208</b>

**Note 18: COST OF MATERIAL CONSUMED**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
<b>Raw Material</b>		
Inventory at the beginning of the year	19,783	90,147
Add : Purchases	5,850,000	-
Less: Inventory at the end of the year	-	19,783
<b>Cost of Raw Material Consumed</b>	<b>5,869,783</b>	<b>70,364</b>
<b>Other Material</b>		
Inventory at the beginning of the year	-	463,338
Add : Purchases	-	-
Less: Inventory at the end of the year	-	-
<b>Cost of Other Material Consumed</b>	<b>-</b>	<b>463,338</b>
<b>Total</b>	<b>5,869,783</b>	<b>533,702</b>
<b>a) Details of Material Consumed</b>		
<b>Raw Material</b>		
Yarn/Fabric	5,869,783	70,364
	<b>5,869,783</b>	<b>70,364</b>
<b>Other Material</b>		
Stores & Spares	-	463,338
	<b>-</b>	<b>463,338</b>
<b>b) Details of Inventory</b>		
<b>Raw Material</b>		
Yarn	-	19,783
	<b>-</b>	<b>19,783</b>

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

	%	Value (Rs.)	%	Value (Rs.)
Imported	-	-	-	-
Indigenous	100.00	5,869,783	100.00	70,364
	100.00	5,869,783	100.00	70,364

**Note 19: (INCREASE) / DECREASE IN INVENTORIES**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
<b>Inventory at the beginning of the year</b>		
Finished Goods	9,428	5,642,447
Work in progress	-	-
	9,428	5,642,447
<b>Inventory at the end of the year</b>		
Finished Goods	-	9,428
Work in progress	-	-
<b>(Increase) / Decrease in inventories</b>	9,428	5,633,019
a) Details of Inventory		
<b>Finished Goods</b>		
Cotton Knitted Garments	-	9,428
	-	9,428

**Note 20: EMPLOYEE BENEFITS EXPENSE**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Salaries, Wages & Bonus	4,179,052	4,941,412
Contribution to Provident and Other fund	37,414	43,912
Gratuity	56,238	301,064
Staff Welfare Expenses	49,541	28,321
	4,322,245	5,314,709

**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 :

**(Amount in ₹)**

	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Employer's Contribution to Provident Fund/ Pension Fund	8,882	8,592
Employer's Contribution to Employee State Insurance	29,202	35,320

**(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.

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>I. Changes in present value of Defined Benefit obligations:</b>				
Defined Benefit obligation as at the beginning of the year	<b>1,936,206</b>	2,419,341	<b>286,882</b>	136,865
Current Service Cost	<b>104,310</b>	111,549	<b>37,115</b>	29,514
Past Service Cost	-	-	-	-
Interest Cost	<b>164,578</b>	205,644	<b>24,385</b>	11,634
Actuarial (gain) / loss on obligations	<b>(212,650)</b>	(16,129)	<b>21,954</b>	143,212
Benefits paid	<b>(68,538)</b>	(784,199)	<b>(10,983)</b>	(34,343)
Defined Benefit obligation at the year end	<b>1,923,906</b>	1,936,206	<b>359,353</b>	286,882
<b>II. Expenses/ (Income) recognized in the Statement of Profit &amp; Loss</b>				
Current Service Cost	<b>104,310</b>	111,549	<b>37,115</b>	29,514
Past Service Cost	-	-	-	-
Interest Cost	<b>164,578</b>	205,644	<b>24,385</b>	11,634
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	<b>(212,650)</b>	(16,129)	<b>21,954</b>	143,212
Net Cost	<b>56,238</b>	301,064	<b>83,454</b>	184,360
<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 21: FINANCE COST**

(Amount in ₹)

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Interest Expense	211,056	-
	211,056	-

**Note 22: OTHER EXPENSES**

(Amount in ₹)

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Power and fuel	671,824	1,111,590
Processing Charges	260,971	-
Rent	961,131	956,131
Repairs		
- Building	252,420	116,472
- Machinery	-	4,458
Insurance	1,953,924	1,991,079
Rates & Taxes	164,223	171,570
Payment to the Auditors (Refer details below)	224,218	390,618
Bad debts written off	-	471,463
Legal and Professional	622,157	628,481
Amount Written off	-	208,003
Security Service Charges	916,428	1,170,025
Commission, Claim & Discount	-	306,000
Miscellaneous expenses	1,556,594	1,555,503
	<b>7,583,890</b>	<b>9,081,393</b>
<b>a) Payment to Auditors</b>		
<b>As Auditor:</b>		
Audit Fees	134,832	219,102
Tax Audit Fees	28,090	-
Limited review	33,708	33,708
<b>In other Capacity:</b>		
Taxation Matters	19,663	121,912
Other Matters	-	11,236
For Reimbursement of expenses	7,925	4,660
	<b>224,218</b>	<b>390,618</b>
<b>b) Expenditure in foreign currency</b>		
Travelling Expenses	308,644.00	-
	<b>308,644.00</b>	<b>-</b>



**Note 23: EXCEPTIONAL ITEMS**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Loss/ (Profit) on Sale Of Fixed Assets	419,595	(18,118,016)
Provisions Written Back		
Export Commission	(176,469)	(134,920)
Others	-	(93)
	243,127	(18,253,029)

**Note 24: Earnings Per Share(EPS)**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Profit/(Loss) attributable to the equity shareholders	(6,497,350)	22,421,475
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>(0.60)</b>	2.08

**Note 25: 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

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

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 (2,350,000)	- (-)	2,100,000 (2,350,000)
ii) Rent paid	- (-)	900,000 (895,000)	- (-)	900,000 (895,000)
		(-)	(-)	(-)
<b>C Balance outstanding as at 31<sup>st</sup> March, 2014</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, 2014		FOR THE YEAR ENDED MARCH 31, 2013	
	Amount in Rs.	% age	Amount in Rs.	% age
i) Managerial Remuneration				
Mr. C.L Jain	1,500,000	71%	1,500,000	63%
Mrs. Urmila Jain	600,000	29%	600,000	26%
Mr. Abhishek Bansal	-	0%	250,000	11%
ii) Rent paid				
Urmila Jain	900,000	100%	895,000	100%

**Note 26:**

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 31.03.2014.

**Note 27:**

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 28 :**

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

**Note 29 :**

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

As per our audit report of even date attached

For **S.R. Dinodia & Co.**  
Chartered Accountants  
Regn. No. 001478N/N500005

For and on behalf of the Board of Directors

**SANDEEP DINODIA**  
Partner  
M. No. 092332

**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 26, 2014

**R.K. Arora**  
Company Secretary

**Dr. B.K.Behera**  
Director  
DIN No. 01139185

**AtulJain**  
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 31st March, 2014, 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 31st 2014;
  - (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.11,750,711 as at March 31, 2014, total revenue (net) of Rs 810,795 and net cash flows amounting to Rs.41,950 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. 001478N/N500005

Place : New Delhi  
Date : May 26, 2014

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

**ANNEXURE TO THE AUDITORS' REPORT****(Referred to in Paragraph 6 of our audit report of even date)**

- 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 not disposed off substantial part of its fixed assets. Therefore the provisions of clause 4(i)(c) of the Companies (Audit Report) Order, 2003 are not applicable to 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. However there is no inventory as at the end of the financial 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. 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.
- 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 is maintaining 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 31st March, 2014 which are less than fifty per cent of its net worth. During the financial year 2013-14, the company has incurred cash losses. whereas, in the preceding year the company has not incurred any cash loss.
- 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) On the basis of information and explanation given to us, the company has not raised any term loan during the year, therefore, the provision of clause 4(xvi) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- xvii) On the basis of information and explanation given to us and an overall examination of the balance sheet, short term funds raised were not utilized for long term investments. The said loans were repaid during the year covered under our audit.
- 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. 001478N/N500005

Place : New Delhi  
Date : May 26, 2014

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

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(Amount in ₹)

PARTICULARS	NOTE NO.	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	54,000,370	54,000,370
Reserves and surplus	4	132,899,250	138,735,861
		<u>186,899,620</u>	<u>192,736,231</u>
<b>Non-current liabilities</b>			
<b>Long term Borrowings</b>			
Deferred tax liabilities (Net)	5	3,731,851	4,435,852
Long-term provisions	6	785,805	710,535
		<u>4,517,656</u>	<u>5,146,387</u>
<b>Current liabilities</b>			
Trade payables	7	630,797	1,194,077
Other current liabilities	8	2,292,844	3,195,382
Short-term provisions	6	1,508,694	1,549,313
		<u>4,432,335</u>	<u>5,938,772</u>
<b>Total</b>		<u>195,849,611</u>	<u>203,821,390</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		50,259,122	56,523,599
Capital work in progress		456,012	456,012
Non-current investments	10	35,101,565	27,101,566
Long-term loans and advances	11	67,407,218	78,206,482
Other non-current assets	14	439,271	89,370
		<u>153,663,188</u>	<u>162,377,029</u>
<b>Current assets</b>			
Inventories	12	-	29,211
Trade receivables	13	1,562,855	1,568,473
Cash and other Bank Balance	15	14,138,449	35,134,471
Short-term loans and advances	11	23,244,681	3,016,991
Other current assets	14	3,240,438	1,695,215
		<u>42,186,423</u>	<u>41,444,361</u>
<b>TOTAL</b>		<u>195,849,611</u>	<u>203,821,390</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. 001478N/N500005

For and on behalf of the Board of Directors

**SANDEEP DINODIA**

Partner

M. No. 092332

Place : New Delhi  
Dated : May 26, 2014

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

**R.K. Arora**  
Company Secretary

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

**Dr. B.K.Behera**  
Director  
DIN No. 01139185

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

**AtulJain**  
Manager (Finance)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014***(Amount in ₹)*

<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>INCOME</b>			
Revenue from operations (Gross)	16	<b>6,583,333</b>	3,141,783
Less : Excise Duty		-	-
Revenue from operations (Net)		<b>6,583,333</b>	3,141,783
Other income	18	<b>10,510,417</b>	24,206,345
<b>Total Revenue</b>		<b>17,093,750</b>	27,348,128
<b>Expenses:</b>			
Cost of materials consumed	18	5,869,783	533,702
(Increase) / Decrease in inventories	19	9,428	5,633,019
Employee benefits expense	20	4,322,245	5,314,709
Finance costs	21	215,451	-
Depreciation and amortization expense	9	5,244,777	6,855,321
Other expenses	22	7,619,551	9,118,211
<b>Total expenses</b>		<b>23,281,235</b>	27,454,962
<b>Profit before exceptional items and tax</b>		<b>(6,187,485)</b>	(106,834)
Exceptional items	23	<b>243,127</b>	(18,253,029)
<b>Profit Before Tax</b>		<b>(6,430,612)</b>	18,146,195
<b>Tax expense:</b>			
Current Tax		<b>110,000</b>	1,798,500.00
Deferred Tax	5	<b>(704,001)</b>	(3,982,795.00)
Mat Credit Entitlement		-	(1,567,500.00)
Tax Adjustment for earlier years		-	(1,214,804.00)
<b>Profit (Loss) of the year</b>		<b>(5,836,611)</b>	23,112,794
<b>Earnings per equity share:</b>			
Basic / diluted earning per share	24	<b>(0.54)</b>	2.14
Summary of Significant Accounting policies	2		

As per our audit report of even date attached

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

Chartered Accountants

Regn. No. 001478N/N500005

For and on behalf of the Board of Directors

**SANDEEP DINODIA**

Partner

M. No. 092332

Place : New Delhi

Dated : May 26, 2014

**C.L. Jain**

Chairman &amp; Mg. Director

DIN No.00022903

**R.K. Arora**  
Company Secretary**V. B. Aggarwal**

Director

DIN No.00022967

**Dr. B.K.Behera**  
Director  
DIN No. 01139185**S. R. SHARMA**

Director

DIN No.05288842

**AtulJain**  
Manager (Finance)

## CONSOLIDATED CASH FLOW STATEMENT AS AT 31<sup>ST</sup> MARCH, 2014

(Amount in ₹)

PARTICULARS	Current Year	Previous Year
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & extraordinary items	(6,430,612)	18,146,194
Adjustments For :		
Depreciation	5,244,777	6,855,321
Amount written off	1,556	737,623
Provision no longer required	(176,469)	(135,013)
(Profit) /Loss on sale of Fixed Assets	419,595	(18,118,016)
Interest paid	215,451	-
Interest Received	(9,872,090)	(5,481,372)
Dividend Received	-	-
<b>Operating profit before working capital Changes</b>	<b>(10,597,791)</b>	<b>2,004,737</b>
Adjustments For :		
Trade and other receivables, loans & advances	13,858,666	40,120,370
Inventories	29,211	6,166,721
Trade & other Payables	(1,465,818)	626,207
Long term and short term provisions	60,171	(333,118)
<b>Cash generated from operations before extraordinary items</b>	<b>1,884,439</b>	<b>48,584,917</b>
Direct Tax Paid	(926,680)	(2,027,925)
<b>Cash generated from operations after extraordinary items</b>	<b>957,759</b>	<b>46,556,992</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>957,759</b>	<b>46,556,992</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including CWIP	(18,500)	(591,972)
Proceeds from sale of fixed assets	618,605	34,182,500
(Purchase)/sale of Investment	(8,000,000)	(15,000,000)
Interest Received	9,872,090	5,481,372
Advance for purchase of property & ICD	(8,455,435)	(65,926,759)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,983,240)</b>	<b>(41,854,859)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(215,451)	-
Loans and advances given	-	-
Bank Borrowings	-	(661,354)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(215,451)</b>	<b>(661,354)</b>
<b>D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(5,240,933)</b>	<b>4,040,779</b>
Cash & Cash equivalents as at 01-4-2013 (Op. Balance)	6,013,631	1,972,852
Cash & Cash equivalents as at 31-3-2014 (Cl. Balance)	772,699	6,013,631
<b>Cash and Cash Equivalentants include:</b>		
-Cash in hand	51,808	462,929
Balances with Schduled Banks		
-In Current Accounts	270,891	250,702
-In Deposit Account	450,000	5,300,000

As per our audit report of even date attached

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

Chartered Accountants

Regn. No. 001478N/N500005

**SANDEEP DINODIA**

Partner

M. No. 092332

Place : New Delhi

Dated : May 26, 2014

**C.L. Jain**

Chairman & Mg. Director

DIN No.00022903

**R.K. Arora**

Company Secretary

**V. B. Aggarwal**

Director

DIN No.00022967

**Dr. B.K.Behera**

Director  
DIN No. 01139185

**S. R. SHARMA**

Director

DIN No.05288842

**AtulJain**  
Manager (Finance)

For and on behalf of the Board of Directors



**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, 2011

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, 2014	March 31, 2013
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 ₹)**

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<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)

(Amount in ₹)

	March 31, 2014		March 31, 2013	
	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 ₹ 5/- per share. Each holder of Equity shares is entitled to one vote per share. The company decalres 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

(Amount in ₹)

	March 31, 2014		March 31, 2013	
	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	847,747	7.85	844,646	7.82
	8,248,842	76.40	8,245,741	76.37

## Note 4 : RESERVES AND SURPLUS

(Amount in ₹)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
<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	710,019	(22,402,775)
Add:- Addition during the year	-	-
Balance of Statement of Profit & Loss	(5,836,611)	23,112,794
Balances at the end of year	(5,126,592)	710,019
<b>Total Reserve and Surplus</b>	132,899,250	138,735,861

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

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
<b>Deferred Tax Liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation amortization charged for the financial reporting	<b>5,154,289</b>	5,898,849
<b>Total A</b>	<b>5,154,289</b>	5,898,849
<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>714,087</b>	700,735
Provision for Doubtful advances	<b>708,351</b>	762,262
<b>Total B</b>	<b>1,422,438</b>	1,462,997
<b>Deferred tax liability (net)</b>	<b>3,731,851</b>	4,435,852

**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 : PROVISIONS**
**(Amount in ₹)**

	Long Term		Short Term	
	As At March 31, 2014	As At March 31, 2013	As At March 31, 2014	As At March 31, 2013
Provisions for Employee Benefits (Refer Note 21)				
Provision for Gratuity	<b>424,968</b>	444,422	<b>1,498,938</b>	1,491,784
Provision for Leave Encashment	<b>349,597</b>	266,113	<b>9,756</b>	20,769
Provision for income tax net of advance tax of ₹ 226,956 (March 31, 2013 ₹ 201,436)	<b>11,240</b>	-	-	36,760
	<b>785,805</b>	710,735	<b>1,508,694</b>	1,549,313

**a) Contingent Liabilities**

- i) Claims against the company, not accepted and not provided for : ₹ 7,742,020 towards Employees State Insurance (March 31, 2013: ₹ 12 7,742,020).

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

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
Amount due to others	<b>630,797</b>	1,194,077
	<b>630,797</b>	1,194,077

## Note 8: OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>Other Liabilities</b>		
Book Overdraft	1,964,682	3,001,496
Unclaimed Dividend *	-	-
Security received from customers	-	51,570
Statutory Dues	328,162	142,316
	<b>2,292,844</b>	<b>3,195,382</b>

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

## NOTE 9 : Fixed Assets

### Notes To Financial Statements For The Year Ended March 31, 2014

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At 01.4.13	Additions during the year	Deduction	Total As At 31.03.14	As At 31.03.13	For the year	Adj. (Dep.W/B)	As At 31.03.14	As At 31.03.14	As At 31.03.13
<b>A. Tangible Assets</b>										
Leasehold Land	14,821,097.00		-	14,821,097.00	3,107,170.15	172,032.00	-	3,279,202.15	11,541,894.85	11,713,926.85
Buildings	41,251,456.00		-	41,251,456.00	26,904,399.53	1,377,799.00	-	28,282,198.53	12,969,257.47	14,347,056.47
Building (Office)	7,674,212.00	-	-	7,674,212.00	1,347,788.00	125,090.00	-	1,472,878.00	6,201,334.00	6,326,424.00
Plant and Equipment	50,215,481.00	18,500.00	2,222,144.00	48,011,837.00	30,641,311.19	2,220,797.00	1,183,944.00	31,678,164.19	16,333,672.81	19,574,169.81
Furniture and fixtures	12,238,231.00		-	12,238,231.00	9,726,751.02	774,680.00	-	10,501,431.02	1,736,799.98	2,511,479.98
Vehicles	3,082,656.00	-	-	3,082,656.00	2,581,460.35	292,852.00	-	2,874,312.35	208,343.65	501,195.65
Electric Installation	3,850,960.00	-	-	3,850,960.00	2,656,330.36	162,808.00	-	2,819,138.36	1,031,821.64	1,194,629.64
Computers	910,041.00	-	-	910,041.00	555,323.47	118,719.00	-	674,042.47	235,998.53	354,717.53
<b>B. Capital work in progress</b>										
CWIP*	456,012.00	-	-	456,012.00	-	-	-	-	456,012.00	456,012.00
<b>Total</b>	<b>456,012.00</b>	<b>-</b>	<b>-</b>	<b>456,012.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>456,012.00</b>	<b>456,012.00</b>
<b>Grand Total (A+B)</b>	<b>134,500,146.00</b>	<b>18,500.00</b>	<b>2,222,144.00</b>	<b>132,296,502.00</b>	<b>77,520,534.07</b>	<b>5,244,777.00</b>	<b>1,183,944.00</b>	<b>81,581,367.07</b>	<b>50,715,134.93</b>	<b>56,979,611.93</b>

\*\* The capital work in progress represent the the borrowing cost during the year ended March 31, 2014 ₹ 456,012 (March 31, 2013: ₹ 456,012).



**Note 10 : NON-CURRENT INVESTMENT**

(Amount in ₹)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
(790,007 (March 31, 2013: 790,007) Equity shares of ₹ 10/ each fully paid-up)		
<b>Non Trade</b>		
<b>Quoted Investment</b>		
Investments in Equity instruments*	<b>9,829,403</b>	9,829,403
63,100 (March 31, 2012: 63,100 Equity Shares of ₹ 10/- each fully paid up of PNR Capital Services Ltd.		
<b>Gold Coins</b>		
13 Nos. of 92 Grams (March 31, 2013: 13 Nos. of 92 gms)	<b>140,163</b>	140,163
<b>Investment in government securities</b>		
Investment in government securities	<b>10,132,000</b>	2,132,000
<b>Investment in Tax Free Bonds</b>		
Investment in infrastructure bonds of HUDCO	<b>15,000,000</b>	15,000,000
(15,000 bonds (March 31, 2013: Nil) of Rs. 1,000 each)	<b>35,101,565</b>	27,101,566

\* Aggregate market value of quoted investment ₹ 97,805 (March 31, 2013: ₹ 97,805/-)

**Note 11: LOANS AND ADVANCES**

(Amount in ₹)

	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Capital Advances</b>				
Unsecured, considered good	<b>62,209,500</b>	53,754,063	-	-
<b>Security Deposit</b>				
Unsecured, considered good	<b>1,716,072</b>	1,716,072	<b>1,216,695</b>	977,294
<b>Other Loans and Advances</b>				
Intercompany deposit	-	20,000,000	<b>20,000,000</b>	-
Advance Tax (Including TDS)	<b>3,175,989</b>	802,058	-	-
[Net of provisions of ₹ 1,567,500 (March 31, 2013: 1,567,500)]				
Advances recoverable in cash or in Kind or for value to be received	-	-	<b>521,541</b>	407,158
Balance with Government authorities	-	-	<b>1,423,262</b>	1,453,053
Prepaid Expenses	<b>305,657</b>	366,789	<b>83,184</b>	179,486
Mat Credit Entitlement	-	1,567,500	-	-
	<b>67,407,218</b>	78,206,482	<b>23,244,681</b>	3,016,991

Capital commitment: Estimated amount of contracts remaining to be executed on the capital account and not provided for in the accounts ₹ 10,865,620 (March 31, 2013 ₹ 19,419,080).

**Note 12: Inventories**

(Amount in ₹)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
<b>(As taken, valued &amp; certified by the management)</b>		
Raw Materials (Refer Note 19)	-	19,783
Finished Goods (Refer Note 20)	-	9,428
Stores and spares	-	-
	-	<b>29,211</b>

**Note 13 : Trade Receivables**

(Amount in ₹)

PARTICULARS	AS AT	AS AT
	MARCH 31, 2014	MARCH 31, 2013
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	1,562,855	1,568,473
Unsecured, considered doubtful	860,161	860,161
	<b>2,423,016</b>	<b>2,428,634</b>
Less Provision for Doubtful Debts	860,161	860,161
	<b>1,562,855</b>	<b>1,568,473</b>
	<b>1,562,855</b>	<b>1,568,473</b>

**Note 14: OTHER ASSETS**

(Amount in ₹)

	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances* (Refer Note 15)	411,507	79,158	-	-
<b>Others</b>				
Interest Accrued but not due	27,764	10,212	363,023	657,301
Interest Accrued and due	-	-	1,843,326	-
Export Incentives Receivable	-	-	-	-
Considered Good	-	-	1,034,089	1,037,914
Considered Doubtful	-	-	1,432,238	1,606,708
	-	-	<b>2,466,327</b>	<b>2,644,622</b>
Less Provision for Doubtful Debts	-	-	1,432,238	1,606,708
	-	-	<b>1,034,089</b>	<b>1,037,914</b>
	<b>439,271</b>	<b>89,370</b>	<b>3,240,438</b>	<b>1,695,215</b>

\* Fixed Deposits receipts amounting to Rs. 288,485 (March 31, 2013 Rs. 79,158) are pledged with appropriate authorities

**Note 15: CASH AND Other Bank Balance**

(Amount in ₹)

	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Cash &amp; Cash Equivalents</b>				
Balances with Scheduled banks :				
on Current Accounts	-	-	270,891	250,702
Deposits accounts with original maturity less than 3 months	-	-	450,000	5,300,000
Cash on hand	-	-	51,808	462,929



**Note 15: CASH AND OTHER BANK BALANCE (Contd.)**
**(Amount in ₹)**

	Non Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>Other Bank Balances</b>				
Balances with Scheduled banks :				
Deposit Accounts with original maturity more than 3 months but less than 12 months	-	-	<b>6,169,630</b>	20,089,866
Deposits with original maturity of more than 12 months	<b>411,507</b>	79,158	<b>7,196,120</b>	9,030,974
	<b>411,507</b>	79,158	<b>14,138,449</b>	35,134,471
Amount disclosed under non-current assets	<b>411,507</b>	79,158	-	-
<b>(Note :14)</b>	-	-	<b>14,138,449</b>	35,134,471

**Note 16: REVENUE FROM OPERATIONS**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
<b>Sale of Product</b>		
Finished Goods	<b>6,568,806</b>	1,768,015
<b>Other Operating Revenues</b>		
Scrap Sale	<b>1,738</b>	185,915
Income from export incentives	<b>12,789</b>	<b>1,187,853</b>
<b>Revenue From Operations (Gross)</b>	<b>6,583,333</b>	3,141,783
Less: Excise duty	-	-
<b>Revenue From Operations (Net)</b>	<b>6,583,333</b>	3,141,783
<b>a) Detail of Products sold</b>		
<b>Finished Goods</b>		
Cotton Knitted & Woven Garments	<b>23,560</b>	1,768,015
Fabric Sales	<b>6,453,119</b>	-
<b>Raw Material</b>		
Cotton Yarn	92,127	-
	<b>6,568,806</b>	1,768,015
<b>b) Prior Period Income</b>		
Income from export incentive	<b>12,789.00</b>	1,187,853.00
	<b>12,789.00</b>	1,187,853.00

**Note 17: OTHER INCOME**

(Amount in ₹)

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
<b>Interest Income on</b>		
Fixed deposits with banks	2,065,602	3,771,122
Tax free bonds	1,558,348	330,590
Inter corporate deposits	4,200,000	1,050,000
Income tax refund	-	312,201
Others	2,048,140	17,459
	<b>9,872,090</b>	5,481,372
<b>Other Non- Operating Income</b>		
Exchange fluctuation	-	-
Cash Discount	-	-
Maturity amount of Key man's Insurance Policy	-	18,300,000.00
Misc Income	638,327.00	424,973.00
<b>Total</b>	<b>10,510,417</b>	24,206,345

**Note 18: COST OF MATERIAL CONSUMED**

(Amount in ₹)

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
<b>Raw Material</b>		
Inventory at the beginning of the year	19,783	90,147
Add : Purchases	5,850,000	-
Less: Inventory at the end of the year	-	19,783
<b>Cost of Raw Material Consumed</b>	<b>5,869,783</b>	70,364
<b>Other Material</b>		
Inventory at the beginning of the year	-	463,338
Add : Purchases	-	-
Less: Inventory at the end of the year	-	-
<b>Cost of Other Material Consumed</b>	-	463,338
<b>Total</b>	<b>5,869,783</b>	533,702
<b>a) Details of Material Consumed</b>		
<b>Raw Material</b>		
Yarn/Fabric	5,869,783	70,364
	<b>5,869,783</b>	70,364
<b>Other Material</b>		
Dyes & Chemicals	-	-
Packing Material	-	-
Stores & Spares	-	463,338
	-	463,338
<b>b) Details of Inventory</b>		
<b>Raw Material</b>		
Yarn	-	19,783
	-	19,783
<b>Other Material</b>		
Stores & Spares	-	-
	-	-

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

	%	Value (Rs.)	%	Value (Rs.)
Imported	-	-	-	-
Indigenous	100.00	5,869,783	100.00	70,364
	100.00	5,869,783	100.00	70,364

**Note 19: (INCREASE) / DECREASE IN INVENTORIES**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
<b>Inventory at the beginning of the year</b>		
Finished Goods	9,428	5,642,447
Work in progress	-	-
	9,428	5,642,447
<b>Inventory at the end of the year</b>		
Finished Goods	-	9,428
Work in progress	-	-
	9,428	9,428
(Increase) / Decrease in inventories	9,428	5,633,019
<b>Details of Inventory</b>		
<b>Finished Goods</b>		
Cotton Knitted Garments	-	9,428
	-	-

**Note 20: EMPLOYEE BENEFITS EXPENSE**
**(Amount in ₹)**

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Salaries, Wages & Bonus	4,179,052	4,941,412
Contribution to Provident and Other fund	37,414	43,912
Gratuity	56,238	301,064
Staff Welfare Expenses	49,541	28,321
	4,322,245	5,314,709

**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:

**(Amount in ₹)**

	<b>MARCH 31, 2014</b>	<b>MARCH 31, 2013</b>
Employer's Contribution to Provident Fund/ Pension Fund	8,592	8,592
Employer's Contribution to Employee State Insurance	29,202	35,320

**(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**

(Amount in ₹)

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
<b>I. Changes in present value of Defined Benefit obligations :</b>				
Defined Benefit obligation as at the beginning of the year	<b>1,936,206</b>	2,419,341	<b>286,882</b>	136,865
Current Service Cost	<b>104,310</b>	111,549	<b>37,115</b>	29,514
Past Service Cost	-	-	-	-
Interest Cost	<b>164,578</b>	205,644	<b>24,385</b>	11,634
Actuarial (gain) / loss on obligations	<b>(212,650)</b>	(16,129)	<b>21,954</b>	143,212
Benefits paid	<b>(68,538)</b>	(784,199)	<b>(10,983)</b>	(34,343)
Defined Benefit obligation at the year end	<b>1,923,906</b>	2,419,341	<b>359,353</b>	286,882
<b>II. Expenses/ (Income) recognized in the Statement of Profit &amp; Loss</b>				
Current Service Cost	<b>104,310</b>	111,549	<b>37,115</b>	29,514
Past Service Cost	-	-	-	-
Interest Cost	<b>164,578</b>	205,644	<b>24,385</b>	11,634
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	<b>(212,650)</b>	(16,129)	<b>21,954</b>	143,212
Net Cost	<b>56,238</b>	301,064	<b>83,454</b>	184,360
<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**

(Amount in ₹)

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Interest Expense	<b>215,451</b>	-
	<b>215,451</b>	-

**Note 23: OTHER EXPENSES**
**(Amount in ₹)**

<b>PARTICULARS</b>	<b>For the year ended MARCH 31, 2014</b>	<b>For the year ended MARCH 31, 2013</b>
Consumption of Stores & Spare Parts	-	-
Power and fuel	<b>671,824</b>	1,111,590
Fabrication Wages	-	-
Other Manufacturing Expenses	-	-
Rent (Refer Note : 38)	<b>961,131</b>	956,131
Repairs		
- Building	<b>252,420</b>	116,472
- Machinery	-	4,458
Insurance	<b>1,953,924</b>	1,991,079
Rates & Taxes	<b>165,373</b>	173,338
Payment to the Auditors (Refer details below)	<b>232,645</b>	399,045
Bad debts written off	-	471,463
Legal and Professional	<b>624,157</b>	629,981
Security Service Charges	<b>916,428</b>	1,170,025
Processing Charges	<b>260,971</b>	-
Amount written off	-	208,003
Outwards Freight and Cartage	-	-
Provision for Doubtful Export Incentives	-	-
Commission, Claims & Discount	-	306,000
Miscellaneous expenses	<b>1,580,678</b>	1,580,626
	<b>7,619,551</b>	9,118,211
<b>a) Payment to Auditors</b>		
<b>As Auditor:</b>		
Audit Fees	<b>143,259.00</b>	227,529.00
Tax Audit Fees	<b>28,090.00</b>	-
Limited review	<b>33,708.00</b>	33,708.00
<b>In other Capacity:</b>		
Taxation Matters	<b>19,663.00</b>	121,912.00
Other Matters	-	11,236.00
For Reimbursement of expenses	<b>7,925.00</b>	4,660.00
	<b>232,645</b>	399,045
<b>b) Expenditure in foreign currency</b>		
Travelling & Conveyance	<b>308,644</b>	-
	<b>308,644.00</b>	-

**Note 23: EXCEPTIONAL ITEMS**

(Amount in ₹)

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Loss/ (Profit) on Sale Of Fixed Assets	419,595	(18,118,016)
Provisions Written Back		
Export Commission	(176,469)	(134,920)
Gratuity (Refer Note 21)	-	(93)
	243,127	(18,253,029)

**Note 24: Earnings Per Share(EPS)**

(Amount in ₹)

PARTICULARS	For the year ended MARCH 31, 2014	For the year ended MARCH 31, 2013
Profit/Loss attributable to the equity shareholders	(5,836,611)	23,112,794
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	(0.54)	2.14

**Note 25: 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  
Aum TexFab Pvt. Ltd.

iii) Wholly owned Subsidiary Company

**B. Disclosure of Related Party Transactions**

(Amount in ₹)

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
	(-)	(2,350,000)	(-)	(2,350,000)
ii) Rent paid	-	900,000	-	900,000
	(-)	(895,000)	-	(895,000)
	(-)	(-)	(-)	(-)
<b>C Balance outstanding as at 31st March, 2014</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, 2014		FOR THE YEAR ENDED MARCH 31, 2013	
	Amount in Rs.	% age	Amount in Rs.	% age
i) Managerial Remuneration				
Mr. C.L Jain	<b>1,500,000</b>	71%	1,500,000	63%
Mrs. Urmila Jain	<b>600,000</b>	29%	600,000	26%
Mr. Abhishek Bansal	-	0%	250,000	11%
ii) Rent paid				
Urmila Jain	<b>900,000</b>	100%	895,000	100%

**Note 26:**

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 31.03.2014

**Note 27:**

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 28:**

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

**Note 29:**

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

As per our audit report of even date attached

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

Chartered Accountants

Regn. No. 001478N/N500005

**SANDEEP DINODIA**

Partner

M. No. 092332

Place : New Delhi

Dated : May 26, 2014

For and on behalf of the Board of Directors

**C.L. Jain**

Chairman & Mg. Director

DIN No.00022903

**R.K. Arora**

Company Secretary

**V. B. Aggarwal**

Director

DIN No.00022967

**Dr. B.K.Behera**

Director

DIN No. 01139185

**S. R. SHARMA**

Director

DIN No.05288842

**AtulJain**

Manager (Finance)

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO  
COMPANY'S INTEREST IN SUBSIDIARY COMPANY FOR THE FINANCIAL YEAR 2013-14**

**Details of Subsidiary Company**

(₹/Lacs)

Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.	Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.
1.	The Financial year of Subsidiary Company ended on	31st March, 2014	1	Capital	79.00
2.	Date from which it become Subsidiary Company	18th April, 2005	2	Reserves	37.09
3.	a. Number of Shares held by Addi Industries Ltd. with its nominees in the Subsidiary at the end of financial financial year of the Subsidiary Company	790007 Equity Shares of Rs.10 each fully paid up	3.	Total Assets	118.61
	b. Extent of interest of Holding Company at the end of the financial lyear of the Subsidiary Company	100%	4	Total Liabilities	118.61
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	101.32
	a. Not dealt with in the Holding Company's Accounts:		6	Turnover/ Total Income	8.11
	i) For the financial year ended 31st March, 2014	Rs. 6.61 Lacs	7	Profit before Taxation	7.71
	ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs. 6.91 Lacs	8	Provision for Taxation	1.10
	b. Dealt with in the Holding Company's Accounts:		9	Profit after Taxation	6.61
	i) For the financial year ended 31st March, 2014	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 & Mg. Director  
DIN No.00022903

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

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

Place : New Delhi  
Dated : May 26, 2014

**R.K. Arora**  
Company Secretary

**Dr. B.K.Behera**  
Director  
DIN No. 01139185

**AtulJain**  
Manager (Finance)







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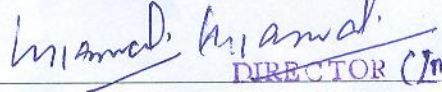
**ADDI INDUSTRIES LTD.**

23, Eastern Avenue, Maharani Bagh, New Delhi-110065

CIN NO : L51109DL 1980 PLC 256335

**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, 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Frequency of observation Whether appeared first time. <i>NIL</i> repetitive. <i>NIL</i> / since how long period <i>NIL</i>
5.	To be signed by-  CEO/Managing Director  Auditor of the company  Audit Committee Chairman	For ADDI INDUSTRIES LTD.  Chairman Cum. Mg. Director  For S.R. DINODIA & CO. LLP. Chartered Accountants  PARTNER Sandeep Dinodia. ADDI INDUSTRIES LTD.  DIRECTOR (Independent)

Place: New Delhi

Date : September 2, 2014