

**35th  
ANNUAL REPORT  
2016-17**



**ADDI INDUSTRIES LIMITED**

CIN: L51109DL1980PLC256335

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

<b>BOARD OF DIRECTORS</b>	:	Shri C.L. Jain DIN 00022903	-	Managing Director
	:	Dr. B.K. Behera DIN 01139185	-	Independent Director
	:	Shri V.B. Aggarwal DIN 00022967	-	Independent Director
	:	Shri S.R. Sharma DIN 05288842	-	Independent Director
	:	Smt. Kusum Chopra DIN 07137842	-	Independent Director
	:	Shri Hari Bansal DIN 00022923	-	Director
<b>CHIEF FINANCIAL OFFICER</b>	:	Shri Atul Jain		
<b>COMPANY SECRETARY</b>	:	Smt. Heena Arora		
<b>BANKERS</b>	:	Punjab National Bank		
<b>AUDITORS</b>	:	S.R. Dinodia & Co. LLP Chartered Accountants K-39, Connaught Circus New Delhi-110 001		
<b>REGISTERED OFFICE</b>	:	23, Eastern Avenue, Maharani Bagh, New Delhi-110 065		
<b>WORKS &amp; CORP. OFFICE</b>	:	A-105, 106, Sector IV Noida- – 201 301 (U.P.)		

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**DIRECTORS' REPORT**

**Dear Members**

The Directors of your Company present their 35<sup>th</sup> Annual Report & the Audited Statements of Account of the Company for the financial year ended March 31, 2017.

**Financial Results**

The performance of your Company for the financial year ended March 31, 2017 is summarized below:

	(Rs./Lakhs)	
	2016-17	2015-16
Turnover & other Income	160.24	247.83
(incl. Exports)	NIL	Nil
Gross Profit before	62.34	151.88
financial exp. & depreciation		
Less: Financial Expenses	Nil	Nil
Depreciation	34.31	43.09
Exceptional Items	(1.52)	24.36
<b>Net Profit/(Loss) before Tax</b>	<b>29.55</b>	<b>84.43</b>
Less : Provision for Taxation	9.86	28.30
Income Tax adj. for earlier years	0.15	(0.25)
Less: Adj. for deferred tax	(4.64)	(8.03)
Mat credit entitlement	Nil	Nil
<b>Net Profit /(Loss) after tax</b>	<b>24.18</b>	<b>64.41</b>
Add: Amount b/f from last year	56.46	(7.95)
Impact of carrying amount of asset Where remaining useful life is Nil	Nil	Nil
Balance transferred to Balance Sheet	80.64	56.46

**Dividend**

In view of accumulated losses, the Directors are not in a position to recommend any dividend for the financial year 2016-17.

**Operations**

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

**Future Business Prospects:**

The Board of Directors have 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 not incurred any expenditure on technology upgradation & modernization of machinery and equipment during the year under report and during the preceding year.

**Future Prospects**

During the first quarter of the financial year 2017-18, the Company has achieved turnover of Rs. 11.80 Lakhs as against Rs. NIL 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 on need basis.

**Deposits**

The Company has neither invited nor accepted any deposits from the Public during the year under report.

**Particulars of Loans, Guarantees or Investments**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

The details of the investments made by Company are given in the notes to the financial statements.

**Internal Financial Control Systems and their adequacy**

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the internal audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director.

Rajeev Shagun Gupta & Co were appointed as Internal Auditors in terms of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2015 monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations, if any, along with corrective actions thereon are presented to the Audit Committee of the Board.

**Directors**

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, 2017, subject to the approval of Shareholders in the ensuing Annual General Meeting.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the requirements of the Listing agreement executed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the various Committees. The evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment. The Directors expressed their satisfaction with the evaluation process.

**Remuneration Policy**

The Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**Meetings**

A Calendar of Meetings is prepared and circulated in advance to the Directors.

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**Audit Committee**

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made thereunder and the requirements of the Listing agreement executed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the same are given in Report on Corporate Governance forming part of this Report.

**Directors' Responsibility Statement**

In terms of Section 134(5) of the Companies Act, 2013 the directors would like to state that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The directors have selected such accounting policies and have applied them consistently and made judgments and estimates that were reasonable and prudent 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 or loss of the Company for the year under review;
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting any fraud or other irregularities;
- iv) The directors have prepared the annual accounts on a going concern basis;
- v) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**Related party transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the Company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with rules made thereunder.

**Amount carried to Reserve**

The Company has not transferred any amount to the reserves during the current financial year.

**Material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report**

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

**Code of Conduct**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/behaviors of any form.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity at the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**Vigil Mechanism/Whistle Blower Policy**

The Company has a vigil mechanism policy to deal with the instance of fraud and mismanagement, if any.

In staying true to our values of strength, performance and passion and in line with our vision of being one of the Companies, having highest standards of Corporate Governance and stakeholder responsibility. The periodic report for any instance is to be reported before the Audit Committee.

**Prevention of Insider Trading**

The Company has adopted a Code of Conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading window is closed. The Board is responsible for implementation of the Code.

All Board members and the designated employees have confirmed compliance with the Code.

**Details of significant & material orders passed by the Regulators or Courts or Tribunals**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

**Secretarial Auditors**

As required under Section 204(1) of the Companies Act, 2013 read with the Companies (Appointment and Annual Report 2016-17



Remuneration of managerial Personnel) Rules, 2015 the Company had appointed Ms. Jyoti Sharma, Company Secretary in practice of JVS & Associates to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed as **Annexure-A**.

**Auditors**

M/s. S.R. Dinodia & Co. LLP, Chartered Accountants, New Delhi, retire and being eligible, offer themselves for re-appointment as Auditors of the Company for the current financial year 2017-18, 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.

**Auditor's Report/Secretarial Audit Report**

The observation made in the Auditors'/Secretarial Auditors' Report read together with relevant notes thereon are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

**Extract of Annual Return**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure-B**.

**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.

**Consolidated Financial Statements**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and in terms of the Listing Agreement entered with the Stock Exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

The Auditors report to the shareholders does not contain any qualification, observation or adverse comment.

**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 the requirements of the Listing agreement executed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in the Annexure, forming part of this Report. The Corporate Governance Report for the financial year ended March 31, 2017 is annexed as **Annexure-C**.

**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 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The information required pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is annexed to this Report as **Annexure-D**.

**Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo**

The relevant information & data required to be disclosed in terms of the provisions of the Companies Act, 2013 and the rules made thereunder is given in the **Annexure- E** 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. The Directors would also like to thank the Shareholders, Bankers, Customers, and Suppliers & Vendors for the continuous support given by them to the Company, and their confidence in its management.

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

Place : New Delhi  
Dated : August 26, 2017

C.L. Jain  
Mg. Director  
(DIN00022903)

Hari Bansal  
Director  
(DIN00022923)

## Secretarial Audit Report (For the Financial Year ended March 31, 2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015]

To,  
The Board of Directors  
**ADDI INDUSTRIES LIMITED**  
23, EASTERN AVENUE, MAHARANI BAGH  
NEW DELHI – 110065

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ADDI INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **ADDI INDUSTRIES LIMITED** (“**The Company**”) for the period ended on 31<sup>st</sup> March, 2017 according to the provisions of:
  - I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made thereunder;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company :-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    - g. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
    - h. The Memorandum and Articles of Association.
2. I have also examined compliance with the applicable clauses of the following:
  - i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.

3. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act,

1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) closure of the Register of Members
- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) notice of Board meetings and Committee meetings of Directors;
- f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) the 34th Annual General Meeting was held on 30th September 2016;
- h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k) payment of remuneration to Directors including the Managing Director;
- l) appointment and remuneration of Auditors and Cost Auditors;
- m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) borrowings and registration, modification and satisfaction of charges wherever applicable;
- o) investment of the Company's funds including investments and loans to others;
- p) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- q) Directors' report;
- r) contracts, common seal, registered office and publication of name of the Company; and
- s) generally, all other applicable provisions of the Act and the Rules made under the Act.

**4. I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - The Company has obtained all necessary approvals under the various provisions of the Act.
  - There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.



5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
7. I further report that:
  - a) the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited;
  - b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**New Delhi  
August 26, 2017**

**Jyoti Sharma  
ACS No. F8843, CP No. 10196**

## EXTRACT OF ANNUAL RETURN

**As on the financial year ended on 31<sup>st</sup> March, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

I.	CIN:-	L51109DL1980PLC256335
II.	Registration Date:-	26-December-1980
III.	Name of the Company	Addi Industries Ltd.
IV.	Category / Sub-Category of the Company:-	Company Limited by Shares Indian Non- Government Company
V.	Address of the Registered office and Contact details	23, Eastern Avenue, Maharani Bagh, New Delhi-110065.
VI.	Whether Listed Company Yes/No	Yes
VII.	Name, Address and Contact Details of Registrar and Transfer Agent, If any	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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of textiles	Group - 131 Class- 1311 Sub class-13111	

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. NO.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section(s)
1.	Aum Texfab Private Limited Address- B-44, Maharani Bagh, New Delhi-110065.	U17111DL1991PTC043448	Subsidiary	100	2(46) & 2(87) of the Companies Act, 2013

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of share-holders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	7460195	56000	7516195	69.62	7460195	56000	7516195	69.62	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	501980	0	501980	04.65	501980	0	501980	04.65	0
e) Banks/ FI	0	0	0	0	0	0	0	0	0
f) Any Other....	0	0	0	0	0	0	0	0	0
Sub Total (A) (1):-	7962175	56000	8018175	74.27	7962175	56000	8018175	74.27	0
<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
Sub Total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	7962175	56000	8018175	74.27	7962175	56000	8018175	74.27	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	6400	6400	0.06	0	6400	6400	0.06	0
b) Banks /FI	200	5000	5200	0.05	200	5000	5200	0.05	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
Sub Total (B)(1) :-	200	11400	11600	0.11	200	11400	11600	0.11	0
<b>2. Non- Institutions</b>									

a) Bodies Corp.									
i) Indian									
ii) Overseas	890357	4840	895197	8.29	1062044	4840	1066884	9.88	1.59
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	791263	628766	1420029	13.15	762038	620454	619514	12.80	0.35
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	407659	0	407659	3.78	287585	0	287585	2.66	1.12
c) Others									
NRIs	5580	200	5780	0.05	5580	200	5780	0.05	0.00
HUF	38134	0	38134	0.35	23999	0	23999	0.22	0.12
Sub Total (B)(2):-	2132993	633806	2766799	25.63	2141305	625494	2766799	25.63	0.00
Total public shareholding (B)=(B)(1)+(B)(2)	2133193	645206	2778399	25.73	2142445	635954	2778399	25.73	0.00
C. Shares held by Custodian for GDRs & ADRs	0				0				0
Grand Total(A+B+C)	10095368	701206	10796574	100	10103680	692894	10796574	100	

**(ii). Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Urmila Jain	3714493	34.40	Nil	3714493	34.40	Nil	0
2	Chaman Lal Jain	1689818	15.65	Nil	1689818	15.65	Nil	0
3	Anu	56000	0.52	Nil	56000	0.52	Nil	0
4	Anju Kumari	59100	0.55	Nil	59100	0.55	Nil	0
5	Hari B. Bansal	996118	9.23	Nil	996118	9.23	Nil	0
6	Abhishek Bansal	1000666	9.27	Nil	1000666	9.27	Nil	0
7	Ultimate Investment LLP	501980	4.65	Nil	501980	4.65	Nil	0
	<b>Total</b>	<b>8018175</b>	<b>74.27</b>		<b>8018175</b>	<b>74.27</b>		<b>0</b>

**(iii). Change in Promoters' Shareholding ( please specify, if there is no change) :**

There has been no change in the Promoters' holding during the year under review.

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	GLOBAL CREDIT CAPITAL LTD.	796308	7.3756	796308	7.3756
2	PNR Capital Services Limited	176905	1.6385	176905	1.6385
3	SANDEEP SARAF	143997	1.3337	143997	1.3337
4	QUANTUM SECURITIES PVT LTD	74190	0.6872	74190	0.6872
5	SAROJ RANI JUNEJA	71662	0.6637	71662	0.6637
6	Subramanian P.#	12184	0.1123	54896	0.5085
7	SANTOSH GUPTA	23530	0.2179	23530	0.2179
8	Rekha Jain##	0	0	17519	0.1623
9	BRIJ MOHAN RATHI	16328	0.1512	16328	0.1512
10	TARA CHAND JAIN	15965	0.1479	15965	0.1479

# in 2016 on April 22, 29, June 30, July 22,29, Aug., 12, Sept., 2, 16, Oct., 14, 28, Nov., 4, 11, 18, Dec., 2, 9, 2016 and on Jan., 20, 27, Feb., 10, March 10, 31, 2017 he purchased 320, 135, 1651, 2300, 1584, 2416, 4000, 500, 18014, 175, 400, 430, 900, 300, 900, 200, 60, 3531, 4496 and 400 Shares respectively.

## Acquired 2749, 3019 and 11751 Equity Shares on June 24, 30 and August 12, 2016 respectively.

(V) Shareholding of Directors and Key Managerial Personnel:

Apart from the aforesaid Promoter Director, no other director(s) or Key Managerial Personnel holds any Share in the Company.

## V. **INDEBTEDNESS**

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
		Mr. Chaman Lal Jain, Managing Director			
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 15,00,000 p.a.			15,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL			NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL			NIL
2.	Stock Option	NIL			NIL
3.	Sweat Equity	NIL			NIL
4.	Commission  - as % of profit - others, specify...	NIL			NIL
5.	Others, please specify	NIL			NIL
	Total (A)	Rs. 15,00,000 p.a.			15,00,000
	Ceiling as per the Act	Rs. 42,00,000 p.a.			

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. V.B. Aggarwal	Dr. B.K. Behera	Mr. S.R. Sharma	Dr. Kusum Chopra	
	1. Independent Directors Fee for attending board / committee meetings	70,000	70,000	22,500	22,500	1,85,000
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	<b>70,000</b>	<b>70,000</b>	<b>22,500</b>	<b>22,500</b>	<b>1,85,000</b>
	2. Other Non-Executive Directors	Mr. Hari Bansal				
	• Fee for attending board / committee meetings	NIL				NIL
	• Commission	NIL				NIL
	• Others, please specify	NIL				NIL
	Total (2)	NIL				NIL
	Total (B)=(1+2)					1,85,000
	Total Managerial Remuneration					16,85,000
	Overall Ceiling as per the Act	Rs. 1 lac for each Board/ Committee meeting attended by these directors.				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		Mrs. Heena Arora 1,28,000	Mr. Atul Jain 546480	674480
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL	NIL	NIL
2.	Stock Option		NIL	NIL	NIL
3.	Sweat Equity		NIL	NIL	NIL
4.	Commission - as % of profit -others, specify...		NIL	NIL	NIL
5.	Others, please specify		NIL	NIL	NIL
	Total		128000	546480	674480

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

**NIL**

## 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 2016-17 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 failure to resume production 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 endeavoring 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 2016-17 have gone down drastically. The Company has achieved negligible Income from operation of Rs. 11.80 Lakh (upto 30.06.2017) in the first quarter of the Current Financial Year as compared to the turnover of Rs. Nil in the corresponding first quarter of the previous year.

### 5. RISKS & CONCERNS

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

### 6. INTERNAL CONTROL SYSTEMS

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

### 7. MATERIAL DEVELOPMENTS IN HR

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

### CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Place : New Delhi  
Dated : August 26, 2017

C.L. Jain  
Mg. Director  
(DIN00022903)

Hari Bansal  
Director  
(DIN00022923)



## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Chapter IV read with Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### 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 Chapter IV read with Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**Regulations**) and in terms of Regulation 15 (2) of the Regulations, the Company's Net Worth and paid up share capital is less than the prescribed limit and hence Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of regulation 46 and para C,D and E of Schedule V of the Regulations is not applicable to the Company and this is being provided voluntarily.

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 2017, is six, two Promoter Directors (out of which 1 is executive and other non-executive) and four Non-executive independent Directors. The Agenda and other documents along with 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 73 years (D.O.B 08.09.1944)(DIN 00022903) is a promoter director and designated as Managing Director of the Company since 01.10.1988. He is B.Com and has about 49 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 42 years (D.O.B 14.09.1975) (DIN 00022923) 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 16 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 80 years (D.O.B 12.05.1937) (DIN 00022967) is an independent non-executive director of the Company since 28.06.2004. He is B.Com (H), FICWA, ACS and has about 46 years of rich experience of varied Industries. He has expertise knowledge in Finance, Cost Accounting and Audit & Management. He does not hold any Equity Share in the Company.

**Dr. B. K. Behera**, aged 58 years (D.O.B 17.04.1959) (DIN 01139185) is an independent non-executive director of the Company since 28.06.2004. He is Ph.D, M. Tech. and has about 31 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 79 years (D.O.B 01.01.1938) (DIN 05288842) 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 45 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.

**Smt. Kusum Chopra** aged 70 years (D.O.B 02.03.1947) (DIN 07137842) is an independent non-executive women director of the Company since 30.03.2017. She is Ph.D. (Textile Technology) from I.I.T. Delhi and M.Sc.(Clothing & Textiles) from M.S. University, Prof. Chopra has around 42 years of teaching, research and professional experience. She joined National Institute of Fashion Technology (NIFT), New Delhi in 1992 after working in Universities of Delhi and Punjab for several years. During her tenure at NIFT she has held the positions of Chairperson – Fashion Design and co-ordinated the setting up of NIFT Centres at Mumbai, Chennai & Kolkatta.

The Board met 4 times on May 28, August 14, November 13, 2016, and February 14, 2017 during the financial year ended March 31, 2017:

Name of the Director & Designation	Executive/ Non Executive/ Independent	No. of Board Meetings held during the year	No. of Board Meeting attended	Attendance at the last AGM on 30.09.2016	Directorships in other Cos. incorporated In India	No. of other Cos. Board Committees, of Which Member /Chairman
Shri C.L. Jain (Mg. Dir.)	Executive (Promoter Grp)	4	4	Present	Nil	NIL
Shri V.B. Aggarwal	Non-executive (Independent)	4	4	Present	NIL	NIL
Smt. Kusum Chopra	Non-executive (Independent)	4	3	Present	1	NIL
Dr. B.K. Behera	Non-executive (Independent)	4	4	Present	1	NIL
Sh. S.R. Sharma	Non-executive (Independent)	4	3	Present	Nil	NIL
Shri Hari Bansal	Non-Executive (Promoter Grp)	4	4	Present	Nil	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 177 of the Companies Act 2013 and the rules made thereunder and in compliance with the requirements 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, 2016.

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 finan-

cial and other matters specified in the Act *ibid*. The Committee discharges such duties and functions indicated in 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 28, August 14, November 13, 2016 and February 14, 2017 during the financial year ended 31<sup>st</sup> March, 2017. All the members of the Audit Committee attended each and every meeting held during the year.

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

#### **B. Nomination & Remuneration Committee**

The Nomination & 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 one executive director 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 Nomination & Remuneration Committee was held during the Financial Year 2016-17.

#### **C. Stakeholders Relationship Committee**

The Stakeholders Relationship 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, 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 28, August 14, November 13, 2016 and February 14, 2017 during the financial year ended 31<sup>st</sup> March, 2017. All the members of the Committee attended each and every meeting held during the year.

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.

Smt. Heena Arora, Company Secretary 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.

#### **D Committee of Independent Directors**

During the year 2016-17, the Committee of independent Director was held on May 28, 2016.

### **4. Remuneration to Directors**

The Mg. Director & the Whole-time Directors are paid remuneration as decided & approved by the Nomination & 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	Mg. Dir.	15.000	Nil	Nil	Nil	15.000
Sh. V.B. Aggarwal	Director	Nil	Nil	Nil	0.700	0.700
Dr. B.K. Behera	Director	Nil	Nil	Nil	0.700	0.700
Sh. S.R. Sharma	Director	Nil	Nil	Nil	0.225	0.225
Sh. Hari Bansal	Director	Nil	Nil	Nil	Nil	Nil
Mrs. Kusum Chopra	Director	Nil	Nil	Nil	0.225	0.225
<b>Total</b>		<b>15.000</b>	<b>Nil</b>	<b>Nil</b>	<b>1.850</b>	<b>16.850</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 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 detail of last three Annual General Meetings is as under:

Date	Time	Location (U.P.)	No. of Special Resolutions Passed
30.09.2014	9.00 a.m.	Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay Delhi-110091	1
30.09.2015	9.00 a.m.	Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay Delhi-110091	Nil
30.09.2016	9.00 a.m.	Community Hall, Block-7, Trilok Puri, New Bal Vikas Vidyalay Delhi-110091	Nil

#### POSTAL BALLOT

During the financial year 2016-17, 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 sent by email followed 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, 2017 forms part of this Annual Report.

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

Date and Time	:	Friday, September 29, 2017 at 9.00 A.M.
Venue	:	Community Hall, Block-7, Trilok Puri, New Bal, Vikas Vidyalya, Delhi -110091
Financial Calendar*	:	a) 1st Quarter Results – By the mid of Sept '17. b) 2nd Quarter Results – By the mid of Nov., '17. c) 3rd Quarter Results – By the mid of Feb., '18. d) 4th Quarter Results – By the mid of May '18.

\*Tentative and subject to change.

Date of Book Closure	:	22.09.2017 to 30.09.2017 (both days inclusive)
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B. Listing on Stock Exchange	:	Bombay Stock Exchange Ltd., Dalal Street, Mumbai– 400 001.
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**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.)	Total Turnover
April 2016	7.50	7.14	7.14	9,710
May 2016	7.05	6.18	6.18	11,603
June 2016	8.08	6.48	8.08	62,977
July 2016	8.08	7.70	8.08	40,426
August 2016	8.08	7.00	7.35	2,66,023
September 2016	7.03	6.70	7.00	8,257
October 2016	7.00	7.00	7.00	4,025
November 2016	7.35	6.99	7.32	19,922
December 2016	7.30	6.96	7.30	7,398
January 2017	7.30	6.94	7.30	2,988
February 2017	7.96	7.22	7.57	36,117
March 2017	7.35	6.90	7.00	44,504

**D. Registrar & Transfer Agents**

M/s. Beetal Financial & Computer Services (P) Ltd.,  
Beetal House, 3<sup>rd</sup> 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, 2017.

**F. Share Transfer System**

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

**10. Distribution of Shareholding as on 31st March, 2017**

 Distribution of Shareholding as on 31<sup>st</sup> March, 2017

No. of equity shares held	2017				2016			
	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	2984	93.54	9,02,081	8.35	3000	93.31	9,11,884	8.45
5001 to 10000	121	3.79	1,82,851	1.70	123	3.82	1,86,320	1.73
10001 to 20000	42	1.31	1,24,586	1.15	45	1.40	1,31,645	1.22
20001 to 30000	11	0.34	53,099	0.49	13	0.40	63,299	0.59
30001 to 40000	6	0.18	40,522	0.38	7	0.22	47,671	0.44
40001 to 50000	6	0.18	54,542	0.50	6	0.19	54,542	0.50
50001 to 100000	6	0.18	85,730	0.79	8	0.26	1,02,946	0.95
Above 100001	14	0.44	93,53,163	86.64	13	0.40	92,98,267	86.12
Total	3190	100	1,07,96,574	100.00	3215	100	1,07,96,574	100.00

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

Particulars	2017		2016	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters & Associates	8018175	74.27	8018175	74.27
Mutual Funds, UTI & Bank	11600	0.11	11600	0.11
Private Corporate Bodies	1066884	9.88	1069950	9.90
Indian Public	1694135	15.68	1653514	15.32
NRI's	5780	0.06	43335	0.40
Total	10796574	100.00	10796574	100.00

**11. Dematerialisation of Equity Shares**

The Equity Shares of the Company are in compulsory demat mode. Out of the total number of 1,07,96,574 Equity Shares of Rs. 5 each, 93.58% i.e. 1,01,03,680 No. of Equity Shares are held in demat form as on 31.03.2017, as against 93.50 % i.e. 1,00,95,368 Equity Shares as on 31.03. 2016.

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

14. The Company has not declared any dividends in the last three financial years and the amounts outstanding as unpaid dividend as on 31<sup>st</sup> March, 2017 is Nil.

**15. Compliance Officer and Contact Address**

Smt. Heena Arora  
 Company Secretary  
 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. All Independent Directors are appointed for a period of 5 Years.
- ii) **Nomination & Remuneration Committee:** Details are given under the heading "Nomination & 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 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, 2017.
- 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 THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with 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, 2017.

**For ADDI INDUSTRIES LIMITED**

**New Delhi  
August 26, 2017**

**Atul Jain  
Chief Financial Officer**

**C.L.JAIN  
Mg. Director  
(DIN No. 00022903)**

**AUDITORS' CERTIFICATE**

To

The Members of **Addi Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Addi Industries Limited for the year ended on 31<sup>st</sup> March 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and best to of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing Agreement of the said Company with stock exchanges.

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. LLP.**

*Chartered Accountants,*

Firm's Registration Number 001478N/N500005

**(Sandeep Dinodia)**

*Partner*

Membership Number 083689

Place: New Delhi

Date : 26.08.2017



**Annexure-D**

**A) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17, the percentage increase in remuneration of each Director & Company Secretary during the financial year 2016-17 and comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company.**

Name of the Director/KMP	2016-17				
	Designation	Total Remuneration (Rs. p.a.)	Ratio of Remuneration of director to the median remuneration of employees	%age increase in remuneration	Comparison of the remuneration of the KMP against the performance of the Company
Chaman Lal Jain	Managing Director	15,00,000	11.11	NIL	Profit before tax was Rs. 29,55,213 as compared to Rs. 84,42,715 for the previous FY. Similarly Profit after Tax was Rs. 24,18,220 as compared to Rs. 64,41,597 of the previous FY.  There has been no change in the sitting fees for attending the meeting of the Board or Committee thereof during the financial year 2016-17.
V.B. Aggarwal	Independent Director	70,000	0.52	19.66%	
Dr. B.K. Behera	Independent Director	70,000	0.52	112.12%	
S.R. Sharma	Independent Director	22,500	0.17	(18.18%)	
Kusum Chopra	Independent Director	22,500	0.17	(18.18%)	
Heena Arora	Company Secretary	1,28,000	0.95	(27.68%)	
Atul Jain	CFO	5,46,480	4.05	10.11%	

**B. Percentage increase in the median remuneration of all employees in the financial year 2016-17:**

The median remuneration of employees of the Company during the financial year was Rs. 1,35,000. In the financial year, there was a decrease of 44.78%.

**C) Number of permanent employees on the rolls of the Company as March 31, 2017:**

There were 9 permanent employees on the rolls of Company as on March 31, 2017.

**ANNEXURE E**

**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, 2017, is as per Form 'A' below:

**FORM 'A'**

**A. Power and Fuel Consumption:**



## ADDI INDUSTRIES LIMITED

		Current year 31.3.2017	Previous Year 31.3.2016
1.	ELECTRICITY		
	(a) Purchased		
	Units	24680	22061
	Total amount (Rs./Lacs)	2.36	2.37
	Rate/unit (Rs.)	9.59	10.75
	(b) Own Generation		
	i) Through diesel generator Units	Nil	Nil
	Unit per ltr. of diesel oil	Nil	Nil
	Cost/unit (Rs.)	Nil	Nil
	ii) Through steam turbine/generator	N.A.	N.A.
2.	COAL		
	Qty. (Kgs.)	N.A.	N.A.
	Value (Rs./Lacs)	N.A.	N.A.
3.	FURNACE OIL/ LDO/HSD		
	Qty. (Ltrs.)	Nil	Nil
	Value (Rs.Lacs)	Nil	Nil
	Rate/Unit (Rs.)	Nil	Nil
4.	OTHERS : INTERNAL GENERATION		

### B. Consumption per unit of production:

Product	(Unit)	Electricity (Units)		Furnace Oil(KL)		Coal (KG.)	
		Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.
Ready made Garments	1000 Pcs.	N.A.#	N.A.#	-----	---	---	---

# Company has not produced readymade garments, therefore this information is not applicable.

### 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 :

	31.3.2017	(Rs./Lacs) 31.3.2016
Earnings:	Nil	Nil
Outgoings :	Nil	Nil

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

Place : New Delhi  
Dated : August 26, 2017

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

**Hari Bansal**  
Director  
(DIN00022923)

## Independent Auditor's Report

To The Members of Addi Industries Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Addi Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, 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 on standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-'A'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note No. 6(a) to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (h) The Company has provided requisite disclosures in its financial statements as to its holdings and dealings in Specified Bank Notes, during the period from 8th November, 2016 to 30th December, 2016; and such disclosures are in accordance with the books of accounts maintained by the Company. Refer Note 26 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in Annexure-'B' a statement on the matters specified in the paragraph 3 and 4 of the order.

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

Chartered Accountants,  
Firm's Registration Number 001478N/N500005

**(Sandeep Dinodia)**

Partner  
Membership No. 083689

Place of Signature: New Delhi  
Date: 26 May, 2017

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**Annexure 'A' to the Independent Auditors' Report of even date on the standalone financial statement of Addi Industries Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Addi Industries Limited ("the Company")** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants,

Firm's Registration Number 001478N / N500005

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 26 May, 2017

**Annexure 'B' To the Independent Auditors' Report**

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- i) In respect of fixed assets:
  - 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) On the basis of information and explanation provided by the management, out of the four immovable properties, title deeds of two properties are still in the erstwhile name of the Company.
- ii) In respect of its inventory:
  - a) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion the frequency of physical verification followed by the management is reasonable. However there was no inventory at the close of the year.
  - b) No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) (a) to (c) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company
- iv) According to the information and explanation given to us, the Company has no loans, guarantees, and security covered under the provisions of section 185 and 186 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities. Further there were no undisputed outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.
  - (b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax, except the following, which have not been deposited on account of any dispute:

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 Ghazia-bad

- viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company has paid / provided managerial remuneration to its directors during the year in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.
- xii) The Company is not a Nidhi Company; accordingly paragraph 3(xii) of the Order is not applicable.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 177 & 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **S. R. Dinodia & Co. LLP**  
Chartered Accountants,  
Firm's Registration Number 001478N / N500005

**(Sandeep Dinodia)**  
Partner  
Membership Number 083689

Place of Signature: New Delhi  
Date: 26 May, 2017

**Balance Sheet As At March 31, 2017**

(Amount in ₹)

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
<b>Equity And Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	3	5,40,00,370	5,40,00,370
Reserves and surplus	4	14,57,13,736	14,32,95,516
		<b>19,97,14,106</b>	<b>19,72,95,886</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	5	10,02,133	14,66,545
Long-term provisions	6	10,82,766	8,53,500
		<b>20,84,899</b>	<b>23,20,045</b>
<b>Current liabilities</b>			
Trade payables	7		
Total Outstanding dues of micro and small enterprises		-	-
Total Outstanding dues of creditors other than micro and small enterprises		20,80,987	7,65,847
Other current liabilities	8	3,29,877	7,64,871
Short-term provisions	6	10,22,204	10,18,922
		<b>34,33,068</b>	<b>25,49,640</b>
		<b>20,52,32,073</b>	<b>20,21,65,571</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed Assets	9		
Tangible assets		3,32,49,005	3,67,42,858
Capital work in progress		4,56,012	4,56,012
Non-current investments	10	3,63,13,396	3,63,13,396
Long-term loans and advances	11	7,41,01,099	7,47,76,511
		<b>14,41,19,512</b>	<b>14,82,88,777</b>
<b>Current assets</b>			
Inventories	12	10,91,324	-
Trade receivables	13	3,10,536	7,19,749
Cash and other Bank Balance	15	4,53,94,345	4,75,25,661
Short-term loans and advances	11	1,18,208	1,28,807
Other current assets	14	1,41,98,147	55,02,577
		<b>6,11,12,560</b>	<b>5,38,76,794</b>
		<b>20,52,32,073</b>	<b>20,21,65,571</b>
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. LLP.**

Chartered Accountants

Firm's Registration Number 001478N/N500005

**For & on behalf of Board of Directors****(Sandeep Dinodia)**

Partner

Membership Number 083689

**(C.L. Jain)**

Mg. Director

(DIN No.00022903)

**(V.B. Aggarwal)**

Director

(DIN No.00022967)

**(S. R. Sharma)**

Director

(DIN No.05288842)

**(Heena Arora)**

Company Secretary

M. No. 031081

**(Atul Jain)**

Chief Financial Officer

Place of Signaturaure: New Delhi

Date: 26 May, 2017



**Statement of Profit & Loss for the year ended March 31, 2017**

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Income</b>			
Revenue from operations	16	15,25,912	17,01,431
Other income	17	1,44,98,533	2,30,81,482
<b>Total Revenue</b>		<b>1,60,24,445</b>	<b>2,47,82,913</b>
<b>Expenses:</b>			
Cost of materials consumed	18	24,48,053	-
Purchase of Stock in trade	19	-	17,07,293
Changes in inventories of finished goods	20	(10,91,324)	-
Employee benefits expense	21	38,45,297	35,34,149
Depreciation and amortization expense	9	34,30,733	43,09,746
Other expenses	22	45,88,588	43,53,300
<b>Total expenses</b>		<b>1,32,21,347</b>	<b>1,39,04,488</b>
<b>Profit before exceptional items and tax</b>		<b>28,03,098</b>	<b>1,08,78,425</b>
Exceptional items	23	(1,52,115)	24,35,710
<b>Profit Before Tax</b>		<b>29,55,213</b>	<b>84,42,715</b>
<b>Tax expense:</b>			
Current Tax		9,86,319	28,29,987
Deferred Tax	5	(4,64,412)	(8,03,619)
Tax Adjustment for earlier years		15,086	(25,250)
<b>Profit after tax</b>		<b>24,18,220</b>	<b>64,41,597</b>
<b>Earnings per equity share:</b>			
Basic / diluted earning per share	24	0.22	0.60
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. LLP.**

Chartered Accountants

Firm's Registration Number 001478N/N500005

For &amp; on behalf of Board of Directors

**(Sandeep Dinodia)**

Partner

Membership Number 083689

**(C.L. Jain)**

Mg. Director

(DIN No.00022903)

**(V.B. Aggarwal)**

Director

(DIN No.00022967)

**(S. R. Sharma)**

Director

(DIN No.05288842)

**(Heena Arora)**

Company Secretary

M. No. 031081

**(Atul Jain)**

Chief Financial Officer

Place of Signataure: New Delhi

Date: 26 May, 2017

**Cash Flow Statement for the year ended March 31, 2017**

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash Flow From Operating Activities</b>		
<b>Net profit before Tax &amp; extraordinary items</b>	<b>29,55,213</b>	<b>84,42,715</b>
Adjustments For :		
Depreciation	34,30,733	43,09,746
Amount written off	-	1,088
(Profit) /Loss on sale of Fixed Assets	(1,52,115)	24,35,710
Interest Received	(1,40,35,067)	(1,37,20,938)
Dividend Received	-	-
<b>Operating profit before working capital Changes</b>	<b>(78,01,236)</b>	<b>14,68,321</b>
Adjustments For :		
(Increase)/ Decrease in Trade Receivables	4,09,213	(24,326)
(Increase)/ Decrease in Inventories	(10,91,324)	17,07,293
(Increase)/ Decrease in long term loan and advance	(3,25,859)	(60,78,194)
(Increase)/ Decrease in short term loan and advance	10,599	2,02,43,838
(Increase)/ Decrease in other current assets	(70,13,960)	(4,64,85,329)
(Increase)/ Decrease in other non current assets	-	3,94,370
Increase/ (Decrease) in Trade Payables	13,15,140	(11,69,171)
Increase/ (Decrease) in Other current Liabilities	(4,34,994)	4,40,200
Increase/ (Decrease) in long term Provisions	2,29,266	1,53,209
Increase/ (Decrease) in short term Provisions	3,282	(5,14,149)
<b>Cash generated from operations before extraordinary items</b>	<b>(1,46,99,872)</b>	<b>(2,98,63,938)</b>
Direct Tax Paid	-	(2,00,000)
<b>Cash generated from operations after extraordinary items</b>	<b>(1,46,99,872)</b>	<b>(3,00,63,938)</b>
Net Cash Flow From Operating Activities (A)	(1,46,99,872)	(3,00,63,938)
<b>B Cash Flow From Investing Activities</b>		
Purchase of fixed assets, including CWIP	-	(1,06,100)
Proceeds from sale of fixed assets	2,15,100	3,13,300
(Purchase)/sale of Investment	(0)	(38,20,000)
Interest Received	1,40,35,067	1,37,20,938
<b>Net Cash Used In Investing Activities</b>	<b>1,42,50,167</b>	<b>1,01,08,138</b>

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>C Cash Flow From Financing Activities</b>		
Net Cash Flow From Financing Activities	-	-
<b>D Net Increase/(Decrease) In Cash And Cash Equivalents (A)+(B)+(C)</b>	<b>(4,49,706)</b>	<b>(1,99,55,800)</b>
Cash & Cash equivalents as at 01-4-2016( Op. Balance)	<b>13,40,530</b>	<b>2,12,96,330</b>
Cash & Cash equivalents as at 31-3-2017( Cl. Balance)	<b>8,90,824</b>	<b>13,40,530</b>
Cash and Cash Equivalants include:	<b>8,90,824</b>	<b>13,40,530</b>
-Cash in hand	42,224	3,56,535
Balances with Schduled Banks		
-In Current Accounts	8,48,601	9,83,995

As per our Audit Report of even date attached

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

Chartered Accountants

Firm's Registration Number 001478N/N500005

For & on behalf of Board of Directors

**Sandeep Dinodia)**

Partner

Membership Number 083689

**(C.L. Jain)**

Mg. Director

(DIN No.00022903)

**(V.B. Aggarwal)**

Director

(DIN No.00022967)

**(S. R. Sharma)**

Director

(DIN No.05288842)

Place of Signataure: New Delhi

Date: 26 May, 2017

**(Heena Arora)**

Company Secretary

M. No. 031081

**(Atul Jain)**

Chief Financial Officer

**Notes to financial statements for the year ended March 31,2017**
**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 in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

**ii Uses of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**iii Property Plant and Equipment (PPE)**

-An item of Property,Plant and Equipment 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 calculated on the basis of life (s) specified in the Schedule II of the Companies Act,2013 by using the Straight Line Method.
- b) Depreciation on additions to Property,plant and Equipment is calculated prorata from the date of such addition.
- c) Assets costing less than Rs. 5,000/- has been depreciated fully in the year of purchase.
- d) Leasehold Improvements have been written off on prorata basis during the period of lease.

**v Inventories**
**Valuation of Inventories**

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

**Method of Valuation**

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

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

**vi Foreign Currency Transactions**

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

**vii Employee Benefits**

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised A counting 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 Shemes:** 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.

**Notes to financial statements for the year ended March 31,2017**

(Amount in ₹)

	As At March 31, 2017	As At March 31, 2016
<b>Note 3 : Share Capital</b>		
<b>Authorised</b>		
15,000,000 (March 31, 2016: 15,000,000) Equity Shares of ₹ 5/- each	7,50,00,000	7,50,00,000
	<u>7,50,00,000</u>	<u>7,50,00,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
10,796,574(March 31, 2016: 10,796,574) Equity Shares of ₹ 5/- each fully paid up	5,39,82,870	5,39,82,870
Add: amount paid up on shares forfeited (3,400 nos (March, 2016: 3,400) of equity shares of ₹ 5 each)	17,500	17,500
	<u>5,40,00,370</u>	<u>5,40,00,370</u>

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

Equity Share Capital	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
Balances of Shares at the beginning of year	1,07,96,574	5,39,82,870	1,07,96,574	5,39,82,870
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	<u>1,07,96,574</u>	<u>5,39,82,870</u>	<u>1,07,96,574</u>	<u>5,39,82,870</u>

**(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 declares and pays dividend in Indian Rupees. 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 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, 2017		March 31, 2016	
	No. of shares	% Holding	No. of shares	% Holding
(a) Mr. Hari B. Bansal	9,96,118	9.23	9,96,118	9.23
(b) Mr. Abhishek Bansal	10,00,666	9.27	10,00,666	9.27
(c) Mr. Chaman Lal Jain	16,89,818	15.65	16,89,818	15.65
(d) Mrs. Urmila Jain	37,14,493	34.40	37,14,493	34.40
	<u>74,01,095</u>	<u>68.55</u>	<u>74,01,095</u>	<u>68.55</u>

(Amount in ₹)

**Note 4 : Reserves And Surplus**
**Capital Reserve**

	As At March 31, 2017	As At March 31, 2016
Balances at the beginning of year	57,99,016	57,99,016
Add:- Addition during the year	-	-
Less:- Utilise during the year	-	-
Balances at the close of year	<u>57,99,016</u>	<u>57,99,016</u>

	As At March 31, 2017	As At March 31, 2016
<b>Security Premium Reserve</b>		
Balances at the beginning of year	13,18,50,587	13,18,50,587
Add:- Addition during the year	-	-
Less:- Utilise during the year	-	-
Balances at the close of year	<u>13,18,50,587</u>	<u>13,18,50,587</u>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balances at the beginning of year	56,45,913	(7,95,684)
Add:- Addition during the year	-	-
Balance of Statement of Profit & Loss	<u>24,18,220</u>	<u>64,41,597</u>
Net Surplus in the statement of Profit and Loss	80,64,133	56,45,913
<b>Total Reserve and Surplus</b>	<u><u>14,57,13,736</u></u>	<u><u>14,32,95,516</u></u>

(Amount in ₹)

	As At March 31, 2017	As At March 31, 2016
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**Note 5 : Deferred tax liabilities (net)**

**Deferred Tax Liabilities**

Fixed assets: Impact of difference between tax depreciation and depreciation amortization charged for the financial reporting	23,31,149	27,68,555
<b>Total A</b>	<u>23,31,149</u>	<u>27,68,555</u>

**Deferred Tax Assets**

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	6,44,277	5,93,658
Provision for Doubtful advances	6,84,739	7,08,352
<b>Total B</b>	<u>13,29,016</u>	<u>13,02,010</u>
<b>Deferred tax liability (net)</b>	<u><u>10,02,133</u></u>	<u><u>14,66,545</u></u>

**Note :**

Keeping in view the principle of prudence as per Accounting Standard – “22 “Accounting for Taxes on Income”, read with ASI- 3; since there is no virtual certainty of future profits to absorb the entire business losses, the company has not recognized deferred tax assets on the brought forward losses and unabsorbed depreciation.

(Amount in ₹)

	Non Current		Current	
<b>Note 6 : Provisions</b>	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Provisions for Employee Benefits (Refer Note 20)</b>				
Provision for Gratuity	6,04,443	4,86,180	10,10,023	10,09,060
Provision for Leave Encashment	4,78,323	3,67,320	12,181	9,862
	<u>10,82,766</u>	<u>8,53,500</u>	<u>10,22,204</u>	<u>10,18,922</u>

**a) Contingent Liabilities**

Claims against the company, not accepted and not provided for ₹ 7,742,020 (March 31,2016: ₹ 7,742,020) towards Employees State Insurance.

(Amount in ₹)

	As At March 31, 2017	As At March 31, 2016
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**Note 7 : Trade Payables**

Amount due to Micro Small and Medium Enterprise

- Principal Amount	-	-
- Interest Payable on Outstanding Amount	-	-

Amount due to others	20,80,987	7,65,847
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(refer note (a) below for details of dues to micro and small enterprises)

<b>20,80,987</b>	<b>7,65,847</b>
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- a) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, the amount due as at the year end due to Micro, small & medium enterprises as defined in Industries (Development and Regulation) Act, 1951 is as given below :

(Amount in ₹)

	As At March 31, 2017	As At March 31, 2016
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**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Principal amount due to micro and small enterprises	-	-
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Interest due on above	-	-
-----------------------	---	---

	-	-
--	---	---

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year.

Nil	Nil
-----	-----

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006

Nil	Nil
-----	-----

The amount of interest accrued and remaining unpaid at the end of each accounting year.

Nil	Nil
-----	-----

The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006

Nil	Nil
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- b) It does not include any amount due to be transferred to Investor Education and Protection Fund.

(Amount in ₹)

	As At March 31, 2017	As At March 31, 2016
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**Note 8 : Other Current Liabilities**

Other Liabilities

Book Overdraft	-	4,46,495
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Statutory Dues	3,29,877	3,18,376
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<b>3,29,877</b>	<b>7,64,871</b>
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**Notes To Financial Statements for the year ended March 31, 2017**

**Note 9 : Fixed Assets**

Particulars	Gross Block			Depreciation/Amortization				Net Block		
	As At April 1, 2016	Addi-tion	Deduc-tion	As At March 31, 2017	As At April 1, 2016	For the Year	Deletion	" Writ-ten Back "	As At March 31, 2017	As At March 31, 2016
<b>A. Tangible Assets</b>										
Leasehold Land	1,48,21,097	-	-	1,48,21,097	36,23,266	1,72,032			1,10,25,799	1,11,97,831
Buildings	4,12,51,456	-	-	4,12,51,456	3,05,61,442	10,59,199			96,30,815	1,06,90,014
Building (Office)	76,74,212	-	-	76,74,212	17,18,316	1,22,719			58,33,177	59,55,896
Plant and Equipment	3,00,17,849	-	10,01,248	2,90,16,601	2,25,61,926	18,53,914	9,38,263		55,39,024	74,55,923
Furniture and fixtures	1,19,13,351	-	-	1,19,13,351	1,13,04,411	5,515			6,03,425	6,08,940
Vehicles	30,82,656	-	-	30,82,656	26,30,158	1,81,850			2,70,648	4,52,633
Electric Installation	38,50,960	-	-	38,50,960	35,66,754	15,276			2,68,930	2,84,206
Computers	2,23,916	-	-	2,23,916	2,12,717	-			11,199	11,199
Office Equipment	1,06,100	-	-	1,06,100	19,883	20,228			65,989	86,217
<b>Total</b>	<b>11,29,41,597</b>	<b>-</b>	<b>10,01,248</b>	<b>11,19,40,349</b>	<b>7,61,98,874</b>	<b>34,30,733</b>	<b>9,38,263</b>	<b>-</b>	<b>3,32,49,005</b>	<b>3,67,42,858</b>
<b>B. Capital work in progress</b>										
CWIP*	4,56,012	-	-	4,56,012	-	-			4,56,012	4,56,012
<b>Total</b>	<b>4,56,012</b>	<b>-</b>	<b>-</b>	<b>4,56,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,56,012</b>	<b>4,56,012</b>
<b>As At March 31,2017</b>	<b>11,33,97,609</b>	<b>-</b>	<b>10,01,248</b>	<b>11,23,96,361</b>	<b>7,61,98,874</b>	<b>34,30,733</b>	<b>9,38,263</b>	<b>-</b>	<b>3,37,05,017</b>	<b>3,71,98,870</b>
<b>As At March 31,2016</b>	<b>13,22,96,502</b>	<b>-</b>	<b>13,56,802</b>	<b>13,09,39,700</b>	<b>8,15,81,367</b>	<b>48,49,807</b>	<b>10,31,479</b>	<b>-</b>	<b>4,41,51,535</b>	<b>5,02,59,123</b>

**Note:**

\* The capital work in progress represent the the borrowing cost during the year ended March 31, 2017 ₹ 456,012 ( March 31, 2016: ₹ 456,012).

(Amount in ₹)

**Note 10 : Non-Current Investment**
**Trade Investments** (Valued at cost unless otherwise stated)

Unquoted Trade Investment

	As At March 31, 2017	As At March 31, 2016
--	-------------------------	-------------------------

Investment in Subsidiary

75,23,831

75,23,831

Equity shares of Aum Texfab Pvt. Ltd.

(790,007 (March 31, 2016: 790,007) Equity shares of ₹ 10/- each fully paid-up)

**Non Trade**
**Quoted Investment**

Investments in Equity Shares \*

98,29,403

98,29,403

63,100 (March 31, 2016: 63,100 Equity Shares of

₹ 10/- each fully paid up of PNR Capital Services Ltd.

**Gold Coins**

13 Nos. of 92 Grams (March 31, 2016: 13 Nos. of 92 gms)

1,40,163

1,40,163

**Investment in Tax Free Bonds**

Investment in infrastructure bonds of HUDCO

1,50,00,000

1,50,00,000

(15,000 bonds (March 31, 2016: 15,000 nos) of ₹ 1,000/- each)

Investment in infrastructure bonds of IRFC

15,10,000

15,10,000

(1,510 bonds (March 31, 2016: 1,510) of ₹ 1,000/- each)

Investment in infrastructure bonds of NHAI

14,28,000

14,28,000

(1,428 bonds (March 31, 2016: 1,428) of ₹ 1,000/- each)

Investment in infrastructure bonds of NTPC

6,25,000

6,25,000

(625 bonds (March 31, 2016: 625) of ₹ 1,000/- each)

Investment in infrastructure bonds of PFC

2,57,000

2,57,000

(257 bonds (March 31, 2016: 257) of ₹ 1,000/- each)

**3,63,13,396**
**3,63,13,396**

\* Aggregate market value of quoted investment ₹ 97,805 (March 31 2016: ₹ 97,805)

(Amount in ₹)

	Non Current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Note 11 : Loans and Advances</b>				
<b>Capital Advances</b>				
Unsecured, considered good	6,95,97,499	6,95,97,499	-	-
<b>Security Deposit</b>				
Unsecured, considered good	19,00,546	19,00,546	-	-
<b>Other Loans and Advances</b>				
Advance Tax (Including TDS)	8,08,504	7,52,813	-	-
[Net of provisions of ₹ 2,553,858 (March 31, 2016: ₹ 4,403,614)]				
Advances recoverable in cash or in Kind or for value to be received	13,696	13,696	34,396	53,272
Balance with Government authorities	12,08,151	12,08,151	-	-
Prepaid Expenses	1,22,266	1,83,396	83,812	75,535
Mat Credit Entitlement	4,50,437	11,20,410	-	-
	<b>7,41,01,099</b>	<b>7,47,76,511</b>	<b>1,18,208</b>	<b>1,28,807</b>

**Capital Commitment:** Estimated amount of contracts remaining to be executed on the capital account and not provided for in the account ₹ 4,522,960 (March 31, 2016: ₹ 4,522,960).

(Amount in ₹)

**Note 12 : Inventories**

(As taken, valued &amp; certified by the management)

Finished goods(Fabric)

	As At March 31, 2017	As At March 31, 2016
	10,91,324	-
	<u>10,91,324</u>	<u>-</u>

(Amount in ₹)

**Note 13 : Trade Receivables**
**Outstanding for a period exceeding six months from the date they are due for payment**

Unsecured, considered good

Unsecured, considered doubtful

Less Provision for Doubtful Debts

	As At March 31, 2017	As At March 31, 2016
		7,19,751
	8,60,161	8,60,161
	<u>8,60,161</u>	<u>15,79,912</u>
	8,60,161	8,60,161
	-	<u>7,19,751</u>

**Others**

Unsecured, considered good

	3,10,536	-
	<u>3,10,536</u>	<u>7,19,751</u>

(Amount in ₹)

**Note 14 : Other Current Assets**

(Unsecured, considered good unless stated otherwise)

**Interest Accrued but not due**

Interest accrued and due

Export Incentives Receivable

Considered Good

Considered Doubtful

Less Provision for Doubtful Debts

	As At March 31, 2017	As At March 31, 2016
	22,60,760	24,82,690
	1,09,23,947	20,06,447
	10,13,440	10,13,440
	14,32,238	14,32,238
	<u>24,45,678</u>	<u>24,45,678</u>
	14,32,238	14,32,238
	10,13,440	10,13,440
	<u>1,41,98,147</u>	<u>55,02,577</u>

(Amount in ₹)

**Note 15 : Cash And Other Bank Balance**

Cash &amp; Cash Equivalents

Balances with Scheduled banks :

on Current Accounts

Cash on hand

Other Bank Balances

Balances with Scheduled banks :

 Deposit Accounts with original maturity more than  
3 months but less than 12 months

	As At March 31, 2017	As At March 31, 2016
	8,48,601	9,83,995
	42,224	3,56,535
	4,45,03,521	4,61,85,131
	<u>4,53,94,345</u>	<u>4,75,25,661</u>

**Notes to financial statements for the year ended March 31, 2017**

	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 16: Revenue From Operations</b>		
<b>Sale of Product</b>		
Finished Goods	15,14,090	-
Traded Goods	-	16,97,438
<b>Other Operating Revenues</b>		
Scrap Sale	11,822	3,993
<b>Revenue From Operations (Gross)</b>	<b>15,25,912</b>	<b>17,01,431</b>
Less: Excise duty	-	-
<b>Revenue From Operations (Net)</b>	<b>15,25,912</b>	<b>17,01,431</b>

	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>a) Detail of Products sold</b>		
<u>Finished Goods</u>		
Finished Fabric	15,14,090	-
<u>Traded Goods</u>		
Raw Material-Fabric	-	16,97,438
	<b>15,14,090</b>	<b>16,97,438</b>

	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 17: Other Income</b>		
<b>Interest Income on</b>		
Fixed deposits with banks	34,93,017	38,10,052
Tax free bonds	14,05,622	12,11,042
Income tax refund	-	73,692
Others	91,36,428	86,26,152
	1,40,35,067	1,37,20,938
<b>Other Non- Operating Income</b>		
Maturity amount of Key man's Insurance Policy	-	93,59,456
Misc Income	4,63,466	1,088
<b>Total</b>	<b>1,44,98,533</b>	<b>2,30,81,482</b>

	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 18: Cost Of Material Consumed</b>		
<b>Raw Material</b>		
Inventory at the beginning of the year	-	17,07,293
Add : Purchases	24,48,053	-
Less: Cost of goods sold during the year	-	17,07,293
Less: Inventory at the closing of the year	-	-
<b>Cost of Raw Material Consumed</b>	<b>24,48,053</b>	<b>-</b>

(Amount in ₹)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>a) Details of Material Consumed</b>		
<b>Raw Material</b>		
Yarn/Fabric	24,48,053	-
	<u>24,48,053</u>	<u>-</u>

**b) Details of Imported and Indigenous Raw materials Consumed** (Amount in ₹)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	24,48,053	100	-	-
	<u>24,48,053</u>	<u>100</u>	<u>-</u>	<u>-</u>

(Amount in ₹)

**Note 19: Purchase of Stock In Trade**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Finished Goods Purchased	-	17,07,293
	<u>-</u>	<u>17,07,293</u>

**Details of Purchases**

Raw Material-Fabric	-	17,07,293
	<u>-</u>	<u>17,07,293</u>

(Amount in ₹)

**Note 20 : Changes in inventories of finished goods**

**Inventories at the beginning of the year**

- Finished goods	-	-
	<u>-</u>	<u>-</u>

**Inventories at the end of the year**

- Finished goods	10,91,324	-
	<u>10,91,324</u>	<u>-</u>
	<u>(10,91,324)</u>	<u>-</u>

(Amount in ₹)

**Note 21 : Employee Benefits Expense**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, Wages & Bonus	35,77,963	33,03,388
Contribution to Provident and Other fund	1,33,411	1,11,216
Gratuity	1,19,226	1,02,131
Staff Welfare Expenses	14,697	17,414
	<u>38,45,297</u>	<u>35,34,149</u>

**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, 2017	For the year ended March 31, 2016
Employer's Contribution to Provident Fund/ Pension Fund	1,15,628	93,433
Employer's Contribution to Employee State Insurance	17,783	17,783

**(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.

**Actuarial Valuation is as under:-**

((Amount in ₹)

As at / for the year ended on March 31 2017	Gratuity (funded)					Earned Leave (unfunded)				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
<b>I. Change in Defined Benefit Obligations (DBO)</b>										
Present value of DBO at beginning of year	14,95,240	19,01,955	19,23,906	19,36,206	24,19,341	3,77,181	3,31,407	3,59,353	2,86,882	1,36,865
Current service cost	74,652	67,223	91,493	1,04,310	1,11,549	29,602	21,864	21,073	37,115	29,514
Interest cost	1,19,619	1,52,156	1,63,532	1,64,578	2,05,644	30,174	26,513	30,545	24,385	11,634
Actuarial (gains)/losses	-75,045	-1,17,248	-1,70,361	-2,12,650	-16,129	53,547	-2,603	-45,981	21,954	1,43,212
Benefits paid	0	5,08,846	1,06,615	68,538	7,84,199	0	0	33,583	10,983	34,343
Present value of DBO at the end of year	16,14,466	14,95,240	19,01,955	19,23,906	19,36,206	4,90,504	3,77,181	3,31,407	3,59,353	2,86,882
<b>II. Change in fair value of assets</b>										
Plan assets at beginning of year	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Actual return on plan assets	-	-	-	-	-	-	-	-	-	-
Actual company contributions	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	-
Plan assets at the end of year	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
<b>III. Net asset/(liability) recognised in Balance Sheet</b>										
Present value of Defined Benefit Obligation	16,14,466	14,95,240	19,01,955	19,23,906	19,36,206	4,90,504	3,77,181	3,31,407	3,59,353	2,86,882
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-
<b>Net asset/(liability) recognised in Balance Sheet</b>	16,14,466	14,95,240	19,01,955	19,23,906	19,36,206	4,90,504	3,77,181	3,31,407	3,59,353	2,86,882
<b>IV. Components of employer expense recognized during the year</b>										
Current service cost	74,652	67,223	91,493	1,04,310	1,11,549	29,602	21,864	21,073	37,115	29,514
Interest cost	1,19,619	1,52,156	1,63,532	1,64,578	2,05,644	30,174	26,513	30,545	24,385	11,634
Expected return on plan assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Actuarial losses / (gains)	-75,045	-1,17,248	-1,70,361	-2,12,650	-16,129	53,547	-2,603	-45,981	21,954	1,43,212
<b>Total expense recognised in the Profit and Loss Statement</b>	1,19,226	1,02,131	84,664	56,238	3,01,064	1,13,323	45,774	5,637	83,454	1,84,360
<b>V. Actual contribution and benefit payments</b>										
Actual benefit payments	-	-	-	-	-	-	-	-	-	-
Actual contributions	-	-	-	-	-	-	-	-	-	-

As at / for the year ended on March 31 2017	Gratuity (funded)					Earned Leave (unfunded)				
<b>VI. Actuarial assumptions</b>										
Discount rate (p. a.)	7.30%	8%	8%	8.5%	8.5%	7.30%	8%	8%	8.5%	8.5%
Future increase in compensation	8%	8%	8%	8.5%	8.5%	8%	8%	8%	8.5%	8.5%
Expected return on plan assets	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
In Service Mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	L.I.C. 1994-96	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	L.I.C. 1994-96
	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
Retirement age	60 years	60 years	60 years	60 years	58 years	60 years	60 years	60 years	60 years	58 years
Withdrawal Rates (p.a.)	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%
Upto 30 Years	3%	3%	3%	3%		3%	3%	3%	3%	
From 31 to 44 Years	2%	2%	2%	2%		2%	2%	2%	2%	
Above 44 years	1%	1%	1%	1%		1%	1%	1%	1%	

**Note :**

The Estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the Employment market.

((Amount in ₹)

For the year ended March 31, 2017	For the year ended March 31, 2016
--------------------------------------	--------------------------------------

**Note 22 : Other Expenses**

Consumables	14,400	-
Electricity Expenses	2,36,779	2,37,123
Rent	61,130	61,131
Repairs		
-Building	-	1,88,563
-Machinery	901	9,260
-Other	81,721	1,24,351
Insurance	27,433	26,091
Rates & Taxes	3,30,209	3,04,241
Payment to the Auditors (Refer details below)	2,36,337	2,03,498
Bad debts written off	6,95,425	-
Legal and Professional	6,19,040	8,02,099
Security Service Charges	10,87,784	11,46,935
Miscellaneous expenses	11,97,429	12,50,008
	<b>45,88,588</b>	<b>43,53,300</b>

((Amount in ₹)

For the year ended March 31, 2017	For the year ended March 31, 2016
--------------------------------------	--------------------------------------

**a) Payment to Auditors**
**As Auditor:**

Audit Fees	1,15,000	1,14,500
Tax Audit Fees	28,750	28,625
Limited review	34,500	34,300

**In other Capacity:**

Other Matters	52,475	22,900
For Reimbursement of expenses	5,612	3,173

<b>2,36,337</b>	<b>2,03,498</b>
-----------------	-----------------

(Amount in ₹)

**Note 23 : Exceptional Items**

Loss/ (Profit) on Sale Of Fixed Assets

For the year ended March 31, 2017	For the year ended March 31, 2016
(1,52,115)	24,35,710
<b>(1,52,115)</b>	<b>24,35,710</b>

(Amount in ₹)

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

Profit/(Loss) attributable to the equity shareholders  
 Number/Weighted Average number of equity shares  
 Nominal value of equity shares  
 Basic/Diluted Earnings per share

For the year ended March 31, 2017	For the year ended March 31, 2016
24,18,220	64,41,597
1,07,96,574	1,07,96,574
5.00	5.00
0.22	0.60

**Note 25: Disclosure of Related parties/ Related parties transactions :**
**A. Name of the Related Parties and description of relationship**

- |                                    |  |
|------------------------------------|--|
| i) Wholly owned Subsidiary Company | Aum Texffab Pvt. Ltd.  |
| ii) Key Management Personnel       | Mr. C.L. Jain, Chairman and Managing Director<br>Mrs. Urmila Jain, Director<br>Mr. Atul Jain, Chief Financial Officer<br>Mrs. Heena Arora, Company Secretary |

**B. Disclosure of Related Party Transactions**

(Amount in ₹)

Particulars	Wholly owned	Key Management	Total
	Subsidiary Company	Personnel	
i) Managerial Remuneration	-	15,00,000	15,00,000
	(-)	(15,00,000)	(15,00,000)
ii) Salary	-	6,74,480	6,74,480
	(-)	(6,66,300)	(6,66,300)
iii) Reimbursement of taxes	48,420	-	-
	(24,000)	(-)	(-)
C Balance outstanding			
i) Investment	75,23,831	-	-
	(75,23,831)	(-)	-

**Note : Figures in brackets represents corresponding amounts of previous years.**
**C Details of transactions with related parties, the amount of which is in excess of 10% of the total related party transactions of the same type:**

Nature of transaction	For the year ended March 31, 2017		For the year ended March 31, 2016"	
	(Amount in ₹)	%	(Amount in ₹)	%
i) Managerial & KMP Remuneration				
Mr. C.L Jain	15,00,000	100%	15,00,000	100%
ii) Salary				
Mr. Atul Jain	5,46,480	81%	4,96,300	74%
Mrs. Heena Arora	1,28,000	19%	1,70,000	25%



**Note 26:**

Details of Specified Bank Notes (SBN) held and transacted during the period specified vide MCA notification G.S.R. 308 ( E ) date March 30, 2017:

(Amount in ₹)

Particulars	SBNs	Other	Total
Closing cash in hand as on 8.11.2016	3,00,000	4,141	3,04,141
(+) Permitted Receipts	-	1,50,000	1,50,000
(-) Permitted Payments	-	41,850	41,850
(-) Amount Deposited in banks	3,00,000	-	3,00,000
Closing cash in hand as on 30.12.2016	-	1,12,291	1,12,291

**Note 27:**

In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31.03.2017.

**Note 28:**

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

**Note 29:**

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

**Note 30:**

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

As per our Audit Report of even date attached

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

Chartered Accountants

Firm's Registration Number 001478N/N500005

**For & on behalf of Board of Directors**

**Sandeep Dinodia)**

Partner

Membership Number 083689

**(C.L. Jain)**

Mg. Director

(DIN No.00022903)

**(V.B. Aggarwal)**

Director

(DIN No.00022967)

**(S. R. Sharma)**

Director

(DIN No.05288842)

Place of Signature: New Delhi

Date: 26 May, 2017

**(Heena Arora)**

Company Secretary

M. No. 031081

**(Atul Jain)**

Chief Financial Officer

## Independent Auditors` Report

### To the Members of Addi Industries Limited Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Addi Industries Limited** (“the Holding Company”) and its subsidiary comprising of the Consolidated Balance Sheet as at **March 31, 2017**, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘the consolidated financial statements’).

### Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

### Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

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 judgment, 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 financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Holding Company’s directors, 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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Holding and, its subsidiary as at March 31, 2017, their consolidated profit, and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the total assets of ₹ 14,541,868 as at March 31, 2017, total revenues and profit before tax of ₹ 1,091,856 and ₹ 1,049,535 respectively for the year then ended, included in the accompanying consolidated financial statements in respect of its subsidiary not audited by us, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

**Report on Other Legal & Regulatory Requirements****1. As required by section 143(3) of the Act, we report, to the extent applicable, that:**

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and report of the statutory auditor of the subsidiary, none of the directors of the Holding Company is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its consolidated financial position in its financial statements-Refer Note No. 6(a) of the consolidated financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.
  - iv. The Company has provided requisite disclosures in its financial statements as to its holdings and dealings in Specified Bank Notes, during the period from 8th November, 2016 to 30th December, 2016; and such disclosures are in accordance with the books of accounts maintained by the Company. Refer Note 26 to the consolidated financial statements

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

Chartered Accountants,

Firm's Registration Number 001478N/N500005

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 26 May, 2017

**Annexure- A to the Independent Auditors' Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Addi Industries Limited** (hereinafter referred to as "the Holding Company") and its subsidiary which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute

of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants,

Firm’s Registration Number 001478N/ N500005

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 26 May, 2017

**Consolidated Balance Sheet As At March 31, 2017**

(Amount in ₹)

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
<b>Equity And Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	3	5,40,00,370	5,40,00,370
Reserves and surplus	4	15,26,69,604	14,92,38,340
		<b>20,66,69,974</b>	<b>20,32,38,710</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (Net)	5	10,02,133	14,66,545
Long-term provisions	6	10,82,766	8,53,500
		<b>20,84,899</b>	<b>23,20,045</b>
<b>Current liabilities</b>			
Trade payables	7		
Total Outstanding dues of micro and small enterprises		-	-
Total Outstanding dues of creditors other than micro and small enterprises		20,89,612	8,22,435
Other current liabilities	8	3,29,877	7,64,871
Short-term provisions	6	10,22,204	10,42,695
		<b>34,41,693</b>	<b>26,30,001</b>
<b>Total</b>		<b>21,21,96,566</b>	<b>20,81,88,756</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	9		
Tangible assets		3,32,49,005	3,67,42,858
Capital work in progress		4,56,012	4,56,012
Non-current investments	10	3,96,32,797	3,96,28,772
Long-term loans and advances	11	7,41,10,816	7,47,76,511
		<b>14,74,48,630</b>	<b>15,16,04,153</b>
<b>Current assets</b>			
Inventories	12	10,91,324	-
Trade receivables	13	3,10,536	7,19,749
Cash and other Bank Balance	15	4,90,29,721	5,02,33,470
Short-term loans and advances	11	1,18,208	1,28,807
Other current assets	14	1,41,98,147	55,02,577
		<b>6,47,47,936</b>	<b>5,65,84,603</b>
<b>Total</b>		<b>21,21,96,566</b>	<b>20,81,88,756</b>
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. LLP.**

Chartered Accountants

Firm's Registration Number 001478N/N500005

**For & on behalf of Board of Directors**
**(Sandeep Dinodia)**

Partner

Membership Number 083689

**(C.L. Jain)**

Mg. Director

(DIN No.00022903)

**(V.B. Aggarwal)**

Director

(DIN No.00022967)

**(S. R. Sharma)**

Director

(DIN No.05288842)

**(Heena Arora)**

Company Secretary

M. No. 031081

**(Atul Jain)**

Chief Financial Officer

Place of Signataure: New Delhi

Date: 26 May, 2017

**Consolidated Statement of Profit & Loss for the year ended March 31, 2017**

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Income</b>			
Revenue from operations	16	15,25,912	17,01,431
Other income	17	1,55,90,389	2,41,06,665
<b>Total Revenue</b>		<b>1,71,16,301</b>	<b>2,58,08,096</b>
<b>Expenses:</b>			
Cost of materials consumed	18	24,48,053	-
Purchase of Stock in trade	19	-	17,07,293
Change in inventories of finished goods	20	(10,91,324)	-
Employee benefits expense	21	38,45,297	35,34,149
Finance Cost		-	1,089
Depreciation and amortization expense	9	34,30,733	43,09,746
Other expenses	22	46,30,909	43,68,505
<b>Total expenses</b>		<b>1,32,63,668</b>	<b>1,39,20,782</b>
<b>Profit before exceptional items and tax</b>		<b>38,52,633</b>	<b>1,18,87,314</b>
Exceptional items	23	(1,52,115)	24,35,710
<b>Profit Before Tax</b>		<b>40,04,748</b>	<b>94,51,604</b>
<b>Tax expense:</b>			
Current Tax		10,39,863	28,77,987
Deferred Tax	5	(4,64,412)	(8,03,619)
Tax Adjustment for earlier years		(1,967)	(25,250)
<b>Profit of the year</b>		<b>34,31,265</b>	<b>74,02,486</b>
<b>Earnings per equity share:</b>			
Basic / diluted earning per share	24	0.32	0.69
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. LLP.**

Chartered Accountants

Firm's Registration Number 001478N/N500005

**For & on behalf of Board of Directors****(Sandeep Dinodia)**

Partner

Membership Number 083689

**(C.L. Jain)**

Mg. Director

(DIN No.00022903)

**(V.B. Aggarwal)**

Director

(DIN No.00022967)

**(S. R. Sharma)**

Director

(DIN No.05288842)

**(Heena Arora)**

Company Secretary

M. No. 031081

**(Atul Jain)**

Chief Financial Officer

Place of Signataure: New Delhi

Date : 26 May, 2017

**Consolidated Cash Flow Statement for the year ended March 31, 2017**

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash Flow From Operating Activities</b>		
<b>Net profit before Tax &amp; extraordinary items</b>	<b>40,04,748</b>	<b>94,51,604</b>
Adjustments For :		
Depreciation	34,30,733	43,09,746
Amount written off	37	1,088
(Profit) /Loss on sale of Fixed Assets	(1,52,115)	24,35,710
Interest paid	1,106	1,089
Interest Received	(1,51,26,909)	(1,47,46,121)
Dividend Received	-	-
<b>Operating profit before working capital Changes</b>	<b>(78,42,400)</b>	<b>14,53,116</b>
Adjustments For :		
(Increase)/ Decrease in Trade Receivables	4,09,178	(24,326)
(Increase)/ Decrease in Inventories	(10,91,324)	17,07,293
(Increase)/ Decrease in long term loan and advance	7,07,530	(61,36,266)
(Increase)/ Decrease in short term loan and advance	(10,27,300)	2,05,90,406
(Increase)/ Decrease in other current assets	(80,04,846)	(4,90,39,088)
(Increase)/ Decrease in other non current assets	-	3,94,370.00
Increase/ (Decrease) in Trade Payables	12,67,177	(11,21,010)
Increase/ (Decrease) in Other current Liabilities	(4,34,994)	3,56,829
Increase/ (Decrease) in long term Provisions	2,29,266	1,53,209
Increase/ (Decrease) in short term Provisions	(20,491)	(4,90,376)
<b>Cash generated from operations before extraordinary items</b>	<b>(1,58,08,204)</b>	<b>(3,21,55,843)</b>
Direct Tax Paid	(41,700)	(2,00,000)
<b>Cash generated from operations after extraordinary items</b>	<b>(1,58,49,904)</b>	<b>(3,23,55,843)</b>
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(1,58,49,904)</b>	<b>(3,23,55,843)</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of fixed assets, including CWIP	-	(1,06,100)
Proceeds from sale of fixed assets	2,15,100	3,13,300
(Purchase)/sale of Investment	(4,024)	(45,27,206)
Interest Received	1,51,26,909	1,47,46,121
<b>Net Cash Used In Investing Activities</b>	<b>1,53,37,985</b>	<b>1,04,26,115</b>

**ADDI INDUSTRIES LIMITED**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>C Cash Flow From Financing Activities</b>		
Loans given		
Interest paid	(1,106)	(1,089)
<b>Net Cash Flow From Financing Activities</b>	<b>(1,106)</b>	<b>(1,089)</b>
<b>D Net Increase/(Decrease) In Cash And Cash Equivalents (A)+(B)+(C)</b>	<b>(5,13,025)</b>	<b>(2,19,30,817)</b>
Cash & Cash equivalents as at 01-4-2016( Op. Balance)	<b>14,94,580</b>	<b>2,34,25,397</b>
Cash & Cash equivalents as at 31-3-2017( Cl. Balance)	<b>9,81,555</b>	<b>14,94,580</b>
Cash and Cash Equivalents include:	<b>9,81,555</b>	<b>14,94,580</b>
-Cash in hand	52,692	3,69,503
Balances with Schduled Banks		
-In Current Accounts	9,28,863	11,25,077

As per our Audit Report of even date attached

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

Chartered Accountants

Firm's Registration Number 001478N/N500005

**(Sandeep Dinodia)**

Partner

Membership Number 083689

**(C.L. Jain)**

Mg. Director

(DIN No.00022903)

**(V.B. Aggarwal)**

Director

(DIN No.00022967)

**(S. R. Sharma)**

Director

(DIN No.05288842)

Place of Signataure: New Delhi

Date: 26 May, 2017

**(Heena Arora)**

Company Secretary

M. No. 031081

**(Atul Jain)**

Chief Financial Officer



**Notes to consolidated financial statements for the year ended March 31,2017**

**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, 2017

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:

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>% of holding either directly or through subsidiary March 31, 2017</b>
Aum Texfab Pvt. Ltd.	India	100%

**Note 2: Summary of Significant Accounting Policies**

**i 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.

**ii Fixed Assets:**

-Fixed Assets are stated at cost , less accumulated depreciation.

-Leasehold Land is shown at Cost less amortisation.

**iii Method of Depreciation & Amortisation**

a) Depreciation is provided at the rates calculated on the basis of life (s) specified in the Schedule II of the Companies Act,2013 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.

**iv 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.

\* 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.

**v 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.

**vi Employee Benefits**

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Ac-

counting 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

**vii 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.

**viii Purchases**

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

**ix 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.

**x 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.

**xi 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.

**xii 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.

**xiii 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.

**xiv 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.

(Amount in ₹)

**Note 3 : Share Capital**
**Authorised**

	As At March 31, 2017	As At March 31, 2016
15,000,000 (March 31, 2016: 15,000,000) Equity Shares of ₹ 5 each	7,50,00,000	7,50,00,000
	<b>7,50,00,000</b>	<b>7,50,00,000</b>

**Issued, Subscribed & Paid-up**

10,796,574 (March 31, 2016: 10,796,574) Equity Shares of ₹ 5 each fully paid up	5,39,82,870	5,39,82,870
Add: amount paid up on shares forfeited (3,400 nos (March, 2016: 3,400) of equity shares of ₹ 5 each)	17,500	17,500
	<b>5,40,00,370</b>	<b>5,40,00,370</b>

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

Equity Share Capital	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
Balances of Shares at the beginning of year	1,07,96,574	5,39,82,870	1,07,96,574	5,39,82,870
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	<b>1,07,96,574</b>	<b>5,39,82,870</b>	<b>1,07,96,574</b>	<b>5,39,82,870</b>

**(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 declares and pays dividend in Indian Rupees. 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 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, 2017		March 31, 2017	
	No. of shares	% Holding	No. of shares	% Holding
(a) Mr. Hari B. Bansal	9,96,118	9.23	9,96,118	9.23
(b) Mr. Abhishek Bansal	10,00,666	9.27	10,00,666	9.27
(C) Mr. Chaman Lal Jain	16,89,818	15.65	16,89,818	15.65
(d) Mrs. Urmila Jain	37,14,493	34.40	37,14,493	34.40
	<b>74,01,095</b>	<b>68.55</b>	<b>74,01,095</b>	<b>68.55</b>

(Amount in ₹)

**Note 4 : Reserves And Surplus**
**Capital Reserve**

	As At March 31, 2017	As At March 31, 2016
Balances at the beginning of year	61,75,255	61,75,255
Add:- Addition during the year	-	-
Less:- Utilise during the year	-	-
Balances at the close of year	<b>61,75,255</b>	<b>61,75,255</b>

	(Amount in ₹)	
	As At March 31, 2017	As At March 31, 2016
<b>Security Premium Reserve</b>		
Balances at the beginning of year	13,18,50,587	13,18,50,587
Add:- Addition during the year	-	-
Less:- Utilise during the year	-	-
Balances at the close of year	<u>13,18,50,587</u>	<u>13,18,50,587</u>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balances at the begning of year	1,12,12,497	38,10,011
Add:- Addition during the year		
Balance of Statement of Profit & Loss	34,31,265	74,02,486
Balances at the end of year	<u>1,46,43,762</u>	<u>1,12,12,497</u>
<b>Total Reserve and Surplus</b>	<u>15,26,69,604</u>	<u>14,92,38,339</u>

	(Amount in ₹)	
	As At March 31, 2017	As At March 31, 2016
<b>Note 5 : Deferred tax liabilities (net)</b>		
<b>Deferred Tax Liabilities</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation amortization charged for the financial reporting	23,31,149	27,68,555
<b>Total A</b>	<u>23,31,149</u>	<u>27,68,555</u>
<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	6,44,277	5,93,659
Provision for Doubtful advances	6,84,739	7,08,351
<b>Total B</b>	<u>13,29,016</u>	<u>13,02,010</u>
<b>Deferred tax liability (net)</b>	<u>10,02,133</u>	<u>14,66,545</u>

**Note :**

Keeping in view the principle of prudence as per Accounting Standard – “22 “Accounting for Taxes on Income”, read with ASI- 3; since there is no virtual certainty of future profits to absorb the entire business losses, the company has not recognized deferred tax assets on the brought forward losses and unabsorbed depreciation.

(Amount in ₹)

	Non-Current		Current	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Note 6 : Provisions</b>				
Provisions for Employee Benefits (Refer Note 20)				
Provision for Gratuity	6,04,443	4,86,180	10,10,023	10,09,060
Provision for Leave Encashment	4,78,323	3,67,320	12,181	9,862
Other Provisions				
Provision for Income Tax (Net of Advance tax & TDS of ₹ Nil (March 31, 2016: ₹ 40,352)	-	-	-	23,773
	<u>10,82,766</u>	<u>8,53,500</u>	<u>10,22,204</u>	<u>10,42,695</u>

**a) Contingent Liabilities**

- i) Claims against the company, not accepted and not provided for : ₹ 7,742,020 towards Employees State Insurance (March 31, 2016: ₹ 7,742,020)

(Amount in ₹)

	As At March 31, 2017	As At March 31, 2016
<b>Note 7 : Trade Payables</b>		
Amount due to Micro Small and Medium Enterprise		
- Principal Amount	-	-
- Interest Payable on Outstanding Amount	-	-
Amount due to others	20,89,612	8,22,434
(refer note (a) below for details of dues to micro and small enterprises)		
	<u>20,89,612</u>	<u>8,22,434</u>

As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 , the amount due as at the year end due to Micro, small & medium enterprises as defined in Industries (Development and Regulation) Act, 1951 is as given below :

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

	As At March 31, 2017	As At March 31, 2016
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-

The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year.

Nil Nil

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006

Nil Nil

The amount of interest accrued and remaining unpaid at the end of each accounting year.

Nil Nil

The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006

Nil Nil

b) It does not include any amount due to be transferred to Investor Education and Protection Fund.

(Amount in ₹)

	As At March 31, 2017	As At March 31, 2016
<b>Note 8 :Other Current Liabilities</b>		
Other Liabilities		
Book Overdraft	-	4,46,495
Statutory Dues	3,29,877	3,18,376
	<u>3,29,877</u>	<u>7,64,871</u>

**Notes To Consolidated Financial Statements for the year ended March 31, 2017**
**Note 9 : Fixed Assets**

Particulars	Gross Block			Depreciation/Amortization			Net Block		
	As At April 1, 2016	Addi-tion	As At March 31, 2017	As At April 1, 2016	For the Year	Deletion	" Written Back "	As At March 31, 2017	As At March 31, 2016
<b>A. Tangible Assets</b>									
Leasehold Land	1,48,21,097	-	1,48,21,097	36,23,266	1,72,032	-	-	1,10,25,799	1,11,97,831
Buildings	4,12,51,456	-	4,12,51,456	3,05,61,442	10,59,199	-	-	96,30,815	1,06,90,014
Building (Office)	76,74,212	-	76,74,212	17,18,316	1,22,719	-	-	58,33,177	59,55,896
Plant and Equipment	3,00,17,849	-	2,90,16,601	2,25,61,926	18,53,914	9,38,263	-	55,39,024	74,55,923
Furniture and fixtures	1,19,13,351	-	1,19,13,351	1,13,04,411	5,515	-	-	6,03,425	6,08,940
Vehicles	30,82,656	-	30,82,656	26,30,158	1,81,850	-	-	2,70,648	4,52,633
Electric Installation	38,50,960	-	38,50,960	35,66,754	15,276	-	-	2,68,930	2,84,206
Computers	2,23,916	-	2,23,916	2,12,717	-	-	-	11,199	11,199
Office Equipment	1,06,100	-	1,06,100	19,883	20,228	-	-	65,989	86,217
<b>Total</b>	<b>11,29,41,597</b>	<b>-</b>	<b>11,19,40,349</b>	<b>7,61,98,874</b>	<b>34,30,733</b>	<b>9,38,263</b>	<b>-</b>	<b>3,32,49,005</b>	<b>3,67,42,858</b>
<b>B. Capital work in progress</b>									
CWIP*	4,56,012	-	4,56,012	-	-	-	-	4,56,012	4,56,012
<b>Total</b>	<b>4,56,012</b>	<b>-</b>	<b>4,56,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,56,012</b>	<b>4,56,012</b>
<b>As At March 31,2017</b>	<b>11,33,97,609</b>	<b>-</b>	<b>11,23,96,361</b>	<b>7,61,98,874</b>	<b>34,30,733</b>	<b>9,38,263</b>	<b>-</b>	<b>3,37,05,017</b>	<b>3,71,98,870</b>
<b>As At March 31,2016</b>	<b>13,09,39,700</b>	<b>1,06,100</b>	<b>11,33,97,609</b>	<b>8,67,88,165</b>	<b>37,13,820</b>	<b>5,95,926</b>	<b>1,48,99,038</b>	<b>3,71,98,870</b>	<b>4,41,51,535</b>

**Note:**

\* The capital work in progress represent the the borrowing cost during the year ended March 31, 2017 ₹ 456,012 ( March 31, 2016: ₹ 456,012).

(Amount in ₹)

**Note 10 : Non-Current Investment**
**Non Trade**

Quoted Investment

Investments in Equity instruments \*

98,29,403

98,29,403

"63,100 (March 31, 2016: 63,100 Equity Shares of ₹ 10/- each fully paid up of PNR Capital Services Ltd."

**Gold Coins**

13 Nos. of 92 Grams (March 31, 2016: 13 Nos. of 92 gms)

1,40,163

1,40,163

**Investment in Tax Free Bonds**

Investment in infrastructure bonds of HUDCO

1,50,00,000

1,50,00,000

(15,000 bonds (March 31, 2016: 15,000 nos) of ₹ 1,000/- each)

Investment in infrastructure bonds of IRFC

15,10,000

15,10,000

(1,510 bonds (March 31, 2016: 1,510) of ₹ 1,000/- each)

Investment in infrastructure bonds of NHAI

14,28,000

14,28,000

(1,428 bonds (March 31, 2016: 1,428) of ₹ 1,000/- each)

Investment in infrastructure bonds of NTPC

6,25,000

6,25,000

(625 bonds (March 31, 2016: 625) of ₹ 1,000/- each)

Investment in infrastructure bonds of PFC

2,57,000

2,57,000

(257 bonds (March 31, 2016: 257) of ₹ 1,000/- each)

Investments in Government securities

1,08,43,231

1,08,39,207

(including Interest accrued)

**3,96,32,797**
**3,96,28,773**

\* Aggregate market value of quoted investment ₹ 97,805 (March 31 2016: ₹ 97,805/-)

(Amount in ₹)

	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Note 11 : Loans and Advances</b>				
<b>Capital Advances</b>				
Unsecured, considered good	6,95,97,499	6,95,97,499	-	-
<b>Security Deposit</b>				
Unsecured, considered good	19,00,546	19,00,546	-	-
<b>Other Loans and Advances</b>				
Advance Tax (Including TDS)	8,18,388	7,52,813	-	-
[Net of provisions of ₹ 2,607,402 (March 31, 2016: ₹ 4,403,614)]				
Advances recoverable in cash or in Kind or for value to be received	13,696	13,696	34,396	53,272
Balance with Government authorities	12,08,151	12,08,151	-	-
Prepaid Expenses	1,22,266	1,83,396	83,812	75,535
Mat Credit Entitlement	4,50,269	11,20,410	-	-
	<b>7,41,10,816</b>	<b>7,47,76,511</b>	<b>1,18,208</b>	<b>1,28,807</b>

**Capital Commitment:** Estimated amount of contracts remaining to be executed on the capital account and not provided for in the account ₹ 4,522,960 (March 31, 2016: ₹ 4,522,960).

**Note 12 : Inventories\**

(As taken, valued &amp; certified by the management)

Finished goods(Fabric)

(Amount in ₹)	
As At March 31, 2017	As At March 31, 2016
10,91,324	-
<b>10,91,324</b>	<b>-</b>

**Note 13 : Trade Receivables**
**Outstanding for a period exceeding six months from the date they are due for payment**

Unsecured, considered good

Unsecured, considered doubtful

Less Provision for Doubtful Debts

**Others**

Unsecured, considered good

(Amount in ₹)	
As At March 31, 2017	As At March 31, 2016
-	7,19,751
8,60,161	8,60,161
<b>8,60,161</b>	<b>15,79,912</b>
8,60,161	8,60,161
-	7,19,751
3,10,536	-
<b>3,10,536</b>	<b>7,19,751</b>

**Note 14 : Other Current Assets**

(Unsecured, considered good unless stated otherwise)

Interest Accured but not due

Interest Accured and due

Export Incentives Receivable

Considered Good

Considered Doubtful

Less Provision for Doubtful Debts

(Amount in ₹)	
As At March 31, 2017	As At March 31, 2016
22,60,760	24,82,690
1,09,23,947	20,06,447
10,13,440	10,13,440
14,32,238	14,32,238
24,45,678	24,45,678
14,32,238	14,32,238
10,13,440	10,13,440
<b>1,41,98,147</b>	<b>55,02,577</b>

**Note 15 : Cash And Other Bank Balance**
**Cash & Cash Equivalents**

Balances with Scheduled banks :

on Current Accounts

Cash on hand

**Other Bank Balances**

Balances with Scheduled banks :

Deposit Accounts with original maturity more than 3 months but less than 12 months

(Amount in ₹)	
As At March 31, 2017	As At March 31, 2016
9,28,863	11,25,077
52,692	3,69,503
4,80,48,166	4,87,38,890
<b>4,90,29,721</b>	<b>5,02,33,470</b>



**Notes to consolidated financial statements for the year ended March 31, 2017**

(Amount in ₹)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 16: Revenue From Operations</b>		
<b>Sale of Product</b>		
Finished Goods	15,14,090	-
Traded Goods	-	16,97,438
<b>Other Operating Revenues</b>		
Scrap Sale	11,822	3,993
<b>Revenue From Operations (Gross)</b>	<b>15,25,912</b>	<b>17,01,431</b>
Less: Excise duty	-	-
<b>Revenue From Operations (Net)</b>	<b>15,25,912</b>	<b>17,01,431</b>

(Amount in ₹)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>a) Detail of Products sold</b>		
Finished Goods		
Finished Fabric	15,14,090	-
Traded Goods		
Raw Material-Fabric	-	16,97,438
	<b>15,14,090</b>	<b>16,97,438</b>

(Amount in ₹)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 17: Other Income</b>		
<b>Interest Income on</b>		
Fixed deposits with banks	37,08,620	39,77,036
Tax free bonds	22,81,875	20,69,241
Bonds (Taxable)	-	47,870
Income tax refund	-	73,692
Others	91,36,414	85,78,282
	1,51,26,909	1,47,46,121
Other Non- Operating Income		
Maturity amount of Key man's Insurance Policy	-	93,59,456
Misc Income	4,63,480	1,088
<b>Total</b>	<b>1,55,90,389</b>	<b>2,41,06,665</b>

(Amount in ₹)

	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 18: Cost Of Material Consumed</b>		
<b>Raw Material</b>		
Inventory at the beginning of the year	-	-
Add : Purchases	24,48,053	17,07,293
Less: Inventory at the end of the year	-	-
Less: Cost of goods sold during the year	-	17,07,293
<b>Cost of Raw Material Consumed</b>	<b>24,48,053</b>	<b>-</b>

	Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>a) Details of Material Consumed</b>		
Raw Material		
Yarn/Fabric	24,48,053	-
	<u>24,48,053</u>	<u>-</u>

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

	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	24,48,053	100	-	-
	<u>24,48,053</u>	<u>100</u>	<u>-</u>	<u>-</u>

	Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016

**Note 19: Purchase of Stock In Trade**

Finished Goods Purchased	-	17,07,293
	<u>-</u>	<u>17,07,293</u>

**Details of Purchases**

Raw Material-Fabric	-	17,07,293
	<u>-</u>	<u>17,07,293</u>

	Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016

**Note 20 : Changes in inventories of finished goods**
**Inventories at the beginning of the year**

- Finished goods	-	-
	<u>-</u>	<u>-</u>

**Inventories at the end of the year**

- Finished goods	10,91,324	-
	<u>10,91,324</u>	<u>-</u>
	<u>(10,91,324)</u>	<u>-</u>

	Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016

**Note 21 : Employee Benefits Expense**

Salaries, Wages & Bonus	35,77,963	33,03,388
Contribution to Provident and Other fund	1,33,411	1,11,216
Gratuity	1,19,226	1,02,131
Staff Welfare Expenses	14,697	17,414
	<u>38,45,297</u>	<u>35,34,149</u>

**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, 2017	For the year ended March 31, 2016
Employer's Contribution to Provident Fund/ Pension Fund	1,15,628	93,433
Employer's Contribution to Employee State Insurance	17,783	17,783

**(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.

**Actuarial Valuation is as under:-**

(Amount in ₹)

As at / for the year ended on March 31 2017	Gratuity (funded)					Earned Leave (unfunded)				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
I. Change in Defined Benefit Obligations (DBO)										
Present value of DBO at beginning of year	14,95,240	19,01,955	19,23,906	19,36,206	24,19,341	3,77,181	3,31,407	3,59,353	2,86,882	1,36,865
Current service cost	74,652	67,223	91,493	1,04,310	1,11,549	29,602	21,864	21,073	37,115	29,514
Interest cost	1,19,619	1,52,156	1,63,532	1,64,578	2,05,644	30,174	26,513	30,545	24,385	11,634
Actuarial (gains)/losses	-75,045	-1,17,248	-1,70,361	-2,12,650	-16,129	53,547	-2,603	-45,981	21,954	1,43,212
Benefits paid	0	5,08,846	1,06,615	68,538	7,84,199	0	0	33,583	10,983	34,343
Present value of DBO at the end of year	16,14,466	14,95,240	19,01,955	19,23,906	19,36,206	4,90,504	3,77,181	3,31,407	3,59,353	2,86,882
II. Change in fair value of assets										
Plan assets at beginning of year	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Actual return on plan assets	-	-	-	-	-	-	-	-	-	-
Actual company contributions	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-	-	-	-	-
Plan assets at the end of year	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
III. Net asset/(liability) recognised in Balance Sheet										
Present value of Defined Benefit Obligation	16,14,466	14,95,240	19,01,955	19,23,906	19,36,206	4,90,504	3,77,181	3,31,407	3,59,353	2,86,882
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-
Net asset/(liability) recognised in Balance Sheet	16,14,466	14,95,240	19,01,955	19,23,906	19,36,206	4,90,504	3,77,181	3,31,407	3,59,353	2,86,882
IV. Components of employer expense recognized during the year										
Current service cost	74,652	67,223	91,493	1,04,310	1,11,549	29,602	21,864	21,073	37,115	29,514
Interest cost	1,19,619	1,52,156	1,63,532	1,64,578	2,05,644	30,174	26,513	30,545	24,385	11,634
Expected return on plan assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Actuarial losses / (gains)	-75,045	-1,17,248	-1,70,361	-2,12,650	-16,129	53,547	-2,603	-45,981	21,954	1,43,212
Total expense recognised in the Profit and Loss Statement	1,19,226	1,02,131	84,664	56,238	3,01,064	1,13,323	45,774	5,637	83,454	1,84,360
V. Actual contribution and benefit payments										
Actual benefit payments	-	-	-	-	-	-	-	-	-	-
Actual contributions	-	-	-	-	-	-	-	-	-	-
VI. Actuarial assumptions										
Discount rate (p. a.)	7.30%	8%	8%	8.5%	8.5%	7.30%	8%	8%	8.5%	8.5%
Future increase in compensation	8%	8%	8%	8.5%	8.5%	8%	8%	8%	8.5%	8.5%
Expected return on plan assets	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
In Service Mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	L.I.C. 1994-96	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	L.I.C. 1994-96

As at / for the year ended on March 31 2017		Gratuity (funded)					Earned Leave (unfunded)				
		Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
Retirement age		60 years	60 years	60 years	60 years	58 years	60 years	60 years	60 years	60 years	58 years
Withdrawal Rates (p.a.)		10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%	10% to 2%
Upto 30 Years		3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
From 31 to 44 Years		2%	2%	2%	2%		2%	2%	2%	2%	
Above 44 years		1%	1%	1%	1%		1%	1%	1%	1%	

**Note :**

The Estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the Employment market.

**Amount in ₹)**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
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**Note 22 : Other Expenses**

Consumables	14,400	-
Power and fuel	2,36,779	2,37,123
Rent	61,130	61,131
Repairs		
-Building	-	1,88,563
-Machinery	901	9,260
-Other	81,721	1,24,351
Insurance	27,433	26,091
Rates & Taxes	3,31,409	3,04,241
Payment to the Auditors (Refer details below)	2,44,962	2,12,086
Bad debts written off	6,95,425	-
Legal and Professional	6,51,390	8,05,799
Security Service Charges	10,87,784	11,46,935
Processing Charges	-	-
Miscellaneous expenses	11,97,575	12,52,925
	<b>46,30,909</b>	<b>43,68,505</b>

**Amount in ₹)**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
--	--	--

**a) Payment to Auditors**
**As Auditor:**

Audit Fees	1,23,625	1,23,088
Tax Audit Fees	28,750	28,625
Limited review	34,500	34,300

**In other Capacity:**

Taxation Matters	-	-
Other Matters	52,475	22,900
For Reimbursement of expenses	5,612	3,173

<b>2,44,962</b>	<b>2,12,086</b>
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Amount in ₹)

**Note 23 : Exceptional Items**

	For the year ended March 31, 2017	For the year ended March 31, 2016
Loss/ (Profit) on Sale Of Fixed Assets	(1,52,115)	24,35,710
	<b>(1,52,115)</b>	<b>24,35,710</b>

Amount in ₹)

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

	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit/(Loss) attributable to the equity shareholders	34,31,265	74,02,486
Number/Weighted Average number of equity shares	1,07,96,574	1,07,96,574
Nominal value of equity shares	5.00	5.00
<b>Basic/Diluted Earnings per share</b>	<b>0.32</b>	<b>0.69</b>

**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, Chairman and Managing Director Mrs. Urmila Jain, Director Mr. Atul Jain, Chief Financial Officer Mrs. Heena Arora, Company Secretary
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**B. Disclosure of Related Party Transactions**

Particulars	Key Management Personnel	Total
i) Managerial Remuneration	15,00,000	15,00,000
	(15,00,000)	(15,00,000)
ii) Salary	6,74,480	6,74,480
	(6,66,300)	(6,66,300)

**Note : Figures in brackets represents corresponding amounts of previous years.**
**C Details of transactions with related parties, the amount of which is in excess of 10% of the total related party transactions of the same type:**

Nature of transaction	For the year ended March 31, 2017		For the year ended March 31, 2016"	
	(Amount in ₹)	% ge	(Amount in ₹)	% ge
<b>i) Managerial Remuneration</b>				
Mr. C.L Jain	15,00,000	100%	15,00,000	100%
<b>ii) Salary</b>				
Mr. Atul Jain	5,46,480	81%	4,96,300	74%
Ms Heena Arora	1,28,000	19%	1,70,000	25%

**Note 26:**
**Details of Specified Bank Notes (SBN) held and transacted during the period specified vide MCA notification G.S.R. 308 ( E ) date March 30, 2017:**

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8.11.2016	3,62,500.00	4,609	3,67,109
(+) Permitted Receipts	-	1,60,000	1,60,000
(-) Permitted Payments	-	41,850	41,850
(-) Amount Deposited in banks	3,62,500.00	-	3,62,500
Closing cash in hand as on 30.12.2016	-	1,22,759.00	1,22,759

**Note 27:**

In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31.03.2017.

**Note 28:**

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

**Note 29:**

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

**Note 30:**

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

**For & on behalf of Board of Directors**

<b>(C.L. Jain)</b> Mg. Director (DIN No.00022903)	<b>(V.B. Aggarwal)</b> Director (DIN No.00022967)	<b>(S. R. Sharma)</b> Director (DIN No.05288842)
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Place of Signature: New Delhi  
Date: 26 May, 2017

<b>(Heena Arora)</b> Company Secretary M. No. 031081	<b>(Atul Jain)</b> Chief Financial Officer
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**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries associate companies/joint ventures

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs )

S.No	Name Of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	"Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries."	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Share-holding
1	Aum Textfab Private Limited	N.A.	N.A.	7900070	6579628.93	14541867.93	62169	10843231.34	1091856.28	1049535.35	53544	1013044.66	0	100

Place: New Delhi  
Date 26 May, 2017

For & on behalf of Board of Directors

**(C.L. JAIN)**  
MANAGING DIRECTOR  
DIN No.00022903

**(V.B. AGGARWAL)**  
DIRECTOR  
DIN No.00022967

**(S. R. SHARMA)**  
DIRECTOR  
DIN No.05288842

**(HEENA ARORA)**  
COMPANY SECRETARY

**(ATUL JAIN)**  
CHIEF FINANCIAL OFFICER

**SPEED/REGISTERED POST/COURIER**

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**ADDI INDUSTRIES LIMITED**

**CIN: L51109DL1980PLC256335**

**Corp. Office : A-106, Sector-IV,**

**Noida-201 301 (U.P.)**