

20TH ANNUAL REPORT
2013-2014

AADI INDUSTRIES LIMITED

20th Annual General Meeting

Day and Date : Saturday, 27th September 2014

Venue : 320/7, Siddhivinayak Co-operative Housing
Society, Hingwala Lane, Pant Nagar,
Ghatkopar (East), Mumbai - 400 075

Time : 11.00.a.m

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Rushabh Shah	Chairman & Managing Director
Mr. Sadanand Kotnis	Non Executive Independent Director
Ms. Kavita Jamsutkar	Non Executive Independent Director
Mr. Menino Francis Dias	Non Executive Independent Director

AUDITORS

M/s. K. S. Subramanyam & Co.
Chartered Accountant
Mumbai

BANKERS

Dena Bank

REGISTERED OFFICE

320/7, Siddhivinayak Society,
Hingwala Lane, Pant Nagar,
Ghatkoper (East), Mumbai – 400 075
Email : aadi.industries@hotmail.com
Website : www.aadiindustries.com
Phone: 022-25012768

REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamics (India) Private Limited
Luthra Industrial Estate, Andheri Kurla Road,
Andheri (East), Mumbai 400 072
Tel. No. : 022-28515606
Fax No. : 022-22641349
Email : sharexindia@vsnl.com

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Aadi Industries Limited will be held on Saturday, 27th September, 2014 at 11.00 A.M. at 320/7, Siddhivinayak Co-operative Housing Society, Hingwala Lane, Pant Nagar, Ghatkopar (East), Mumbai – 400 075 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rushabh Shah (DIN: 01944390), who retires by rotation and is eligible, for re-appointment.
3. To appoint M/s. K. S. Subramanyam & Co., Chartered Accountants (Firm Registration No. 018630) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this meeting until the conclusion of the 25th Annual General Meeting subject to ratification of their appointment by the Shareholders of the Company at every Annual General Meeting during the said tenure of five years and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification[s], the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sadanand Kotnis (DIN 05230970), Non-Executive Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director along with requisite deposit, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years up to September 26, 2019.”

5. To consider and, if thought fit, to pass, with or without modification[s], the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Kavita Jamsutkar (DIN 06914893), who was appointed as an Additional Director pursuant to the provision of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director along with requisite deposit, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for five consecutive years up to September 26, 2019.”

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

“RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded to the Board of Directors of the Company to mortgage, pledge, hypothecate or charge, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties/assets of the Company, both present and future, and/or the whole or any part of the undertaking or undertakings of the Company, for securing the borrowings of the Company to be availed by way of loan (Term loans/Working Capital facilities), together with interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption and all other costs, charges and expenses, however the aggregate value of which shall not exceed Rs. 100 Crores at any point of time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers and Agreements as may be required and to take all necessary steps and do all necessary things in this regard in order to comply with all the legal and procedural formalities and further to authorize any of Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as it may in its absolute discretion deem necessary proper and fit.”

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

“RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow from time to time all such sum(s) of money in such manner as may be deemed necessary and prudent for the purposes of the Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company and outstanding (apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) at any time shall not exceed Rs. 100 Crores

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all necessary steps and do all necessary things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things as it may in its absolute discretion deem fit. ”

By the order of the Board,

Sd/-

Rushabh Shah

Chairman & Managing Director

Date: 1st September, 2014

Place: Mumbai

REGISTERED OFFICE

320/7, Siddhivinayak Society,

Hingwala Lane, Pant Nagar,

Ghatkopar (East), Mumbai- 400075

Phone: 022-25012768

E-mail: aadi.industries@hotmail.com

NOTES:

[a] The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 4 to 7 as set out above and the relevant details in respect of Item No. 2, 4 and 5 as set out above, for appointment of Director, pursuant to Clause 49 of the Listing Agreement with BSE Limited, are annexed hereto.

[b] A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

[c] The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 20th September, 2014 to Saturday, 27th September, 2014 (both days inclusive).

[d] Members desiring any information as regards the Accounts of the Company are requested to address their queries to the Registered Office of the Company at least seven days before the date of the meeting, so as to enable the Management to keep the information ready at the time of the meeting.

[e] Members are requested to:

- i) Bring their copy of the Annual Report and the Attendance Slip at the Annual General Meeting.
- ii) Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change of address. Where the shares are held in electronic form/ dematerialized form, then such change is to be conveyed to the Depository Participant (DP) and not to the Company / R & TA.
- iii) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence,

- iv) Approach the R&TA of the Company for consolidation of folios.
- v) Furnish bank account details to the R&TA / Depository Participant to prevent fraudulent encashment of dividend warrants.
- vi) Availing Nomination facility by filling in and forwarding the nomination form to the R&TA, if not already done.
- vii) Send all share transfer lodgments (physical mode) / correspondence to the R&TA of the Company - M/s. Sharex Dynamics (India) Pvt. Ltd, Luthra Industrial Estate, Andheri Kurla Rd., Andheri (East), Mumbai – 400 072 up to the date of book closure.
- viii) Corporate Members are requested to forward a certified true copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting on their behalf.
- ix) In view of the Circular no. 18/2011 dated 29/04/2011 issued by Ministry of Corporate Affairs, as a part of Green Initiatives, the Company urges all its Shareholders to register their E-mail address with the RTA agent enabling the Company to send the Annual Report through E-mail.

The instructions for members for voting electronically are as under:-

SECTION A – E - VOTING PROCESS – SHAREHOLDERS HOLDING SHARES IN DEMAT FORM		
EVSN	:	
Step 1	:	Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
Step 2	:	Click on " Shareholders" to cast your vote(s)
Step 3	:	Select the Electronic Voting Sequence Number – "EVSN" along with "AADI INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
Step 4	:	Fill up the Following details in the appropriate boxes (also refer Section C (V) , below)
User – ID	:	a) For account holders in CDSL : Your 16 digit beneficiary ID b) For account holders in NSDL : Your 8 characters DP ID and followed

		by 8 digits Client ID
Character Displayed	:	Please enter the 'Character Displayed' in the Box provided for the same and click login.
PAN	:	<p>Enter your 10 digits alpha -numeric PAN issued by the Income Tax Department. Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use default value in PAN filed as mentioned in the example for e-voting attached with the 20th Annual Report.</p> <p>Use the first two letters of your name and the last 8 digits of the demat a/c/ folio no. in the PAN field</p> <p>In case the folio No. is less than 8 digits enter the applicable number of 0's (Zero) before the number after the first two characters of the name in Capital Letters. Eg: If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.</p>
DOB*	:	Enter the date of birth recorded in the Demat Account or registered with the Company for the Demat Account in DD/MM/YYYY format
DIVIDEND BANK DETAILS*	:	Enter your dividend bank details (Account Number) recorded in the Demat Account or registered with the Company for the Demat Account. In absence of Bank Details, you may enter number of shares held by you as on Cut – Off Date i.e. 12 th September, 2014
* Any one of the details DOB or DIVIDEND BANK DETAILS or NUMBER OF SHARES held by you should be entered for logging in to the account.		
Step 5	:	After entering these details appropriately, click on "SUBMIT" tab.
Step 6	:	Shareholders holding shares in Demat form will now reach " Password Creation " menu wherein, they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. Its is strongly recommended not to share password with any other person and take utmost care to keep your password confidential. Please also refer to Section C (V)
Step 7	:	Click on the relevant EVSN on which you choose to vote.
Step 8	:	On the voting page, you will see resolution description and against the same, the option " YES / NO " for voting. Select the relevant option as desired YES or NO and click on " SUBMIT ".

Step 9	:	Click on Resolution File link if you wish to view the Notice
Step 10	:	After selecting the resolution, you have decided to vote on click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
Step 11	:	Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify you vote.

SECTION B – E-VOTING PROCESS – SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

EVSN	:	
Step 1	:	Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
Step 2	:	Now Click on " Shareholders " to cast your vote(s)
Step 3	:	Now, select the Electronic Voting Sequence Number "EVSN" along with " AADI INDUSTRIES LIMITED " from the drop down menu and click on "SUBMIT"
Step 4	:	Now fill the Following details in the appropriate boxes
USER ID	:	Folio Number registered with the Company
Character Displayed	:	Please enter the ' Character Displayed' in the BOX provided for the same and click on login.
PAN	:	Enter your 10 digits alpha-numeric PAN issued by Income Tax Department. Shareholders who have not updated their PAN with the Company / Depository Participant are required to use default value in PAN field as mentioned in the example for e-voting ' attached with 20 th Annual Report Use the first two letters of your name and the last 8 digits of the demat a/c/ folio no. in the PAN field In case the folio No. is less than 8 digits enter the applicable number of 0's (Zero) before the number after the first two characters of the name in Capital Letters. Eg: If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB*	:	Enter date of birth recorded in the folio under which you are going to vote in DD/MM/YYYY format.

DIVIDEND BANK DETAILS*	:	Enter your dividend bank details (Account Number) recorded in the folio under which you are going to vote. In absence of Bank Details, you may enter number of shares held by you as on cut- off date i.e.,12 th September, 2014
* Any one of the details DOB or DIVIDEN BANK DETAILS or NUMBER OF SHARES held by you should be entered for logging in to the account.		
Step 5	:	After entering these details appropriately, click on " SUBMIT " tab.
Step 6	:	You will then reach directly to the Company Selection Screen / Voting Screen.

For next steps, please refer to Step 7 to Step 11 as mentioned in Section A above.

SECTION C – COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:

1. The e-Voting period commences on September 22nd, 2014 (at 10.00 A.M.) and ends on September 23rd, 2014 (at 5.00 P.M.). During this period, Shareholders of the Company holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Shareholder(s), the Shareholder(s) shall not be allowed to change it subsequently.
2. The voting rights of Shareholders shall be in proportion in their Shares of the paid -up Equity Share Capital of the Company.
3. Ms. Neha R. Lahoty, Practicing Company Secretary (Membership No: 20434) has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
4. Copy of the notice has been placed on the website of the Company viz., www.aadiindustries.com and the website of CDSL.
5. If you are holding Shares in Demat Form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login ID and password are to be used.
6. For Shareholders holding shares in physical form, the password and default number can be used only for e-voting on the resolutions given in the Notice.

7. If Demat Account holder has forgotten his password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
8. FOR INSTITUTIONAL SHAREHOLDERS:
 - ⤴ Institutional Shareholders (i.e., other than Individuals, HUF, NRI etc.,) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - ⤴ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - ⤴ After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
 - ⤴ The list of accounts should be mailed to hepldesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ⤴ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the System for the scrutinizer to verify the same.
9. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication (s) regarding CDSL e-voting system in future. The same may be used in case the Shareholder forgets the password and the same needs to be reset.
10. The results of the e-voting will be announced by the Chairman of the Meeting on or after the 20th Annual General Meeting to be held on Saturday 27th September, 2014. The result of the Voting will be communicated to the Stock Exchange and will be placed on the website of the Company www.aadiindustries.com.
11. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQ) and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com
12. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 12th September, 2014.
13. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a

Scrutinizer's Report of the votes cast in favour or against, if any, and will forward to the Chairman of the Company.

The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.aadiindustries.com and will be communicated to the Stock Exchanges on which the Company's equity shares are listed.

By the order of the Board

Sd/-

Rushabh Shah

Chairman & Managing Director

Date: 1st September, 2014

Place: Mumbai

REGISTERED OFFICE

320/7, Siddhivinayak Society,
Hingwala Lane, Pant Nagar,
Ghatkopar (East),
Mumbai-400075

Annexure to Notice

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all the material facts pertaining to the Special Resolutions for the Item Nos. as stated in the Notice.

Item 4 & 5:

Pursuant to the provisions of Section 161(1) of the Act, the Board of Directors of the Company has appointed Ms. Kavita Jamsutkar as Additional Director categorized as Independent Director of the Company with effect from 19th July, 2014. In terms of the provisions of Section 161 (1) of the Act, Ms. Kavita Jamsutkar would hold office up to the date of the ensuing Annual General Meeting.

As per the provisions of Section 149(4) of the Companies Act, 2013 the Board of Directors of every listed Company shall have at least one third of the total number of Directors as independent Directors and independent Directors can hold office for a term of upto five consecutive years. In the opinion of the Board, Mr. Sadanand Kotnis and Ms. Kavita Jamsutkar, who have been appointed as independent directors as per Clause 49 of the Listing Agreement, fulfill the conditions for 'Independence' specified under the Companies Act, 2013.

As per the provisions of Section 160 of the Companies Act, 2013, the Company has received Notices in writing from a member of the Company alongwith the deposit of Rs. 100,000/- per Notice, signifying it's intention to propose Mr. Sadanand Kotnis and Ms. Kavita Jamsutkar as Directors of the Company.

The said Independent Directors shall not be liable to retire by rotation.

The copies of Notices as aforesaid and a copy of draft letters of appointment of the aforesaid Directors as Independent Directors, setting out the terms and conditions would be available for inspection at the Registered Office of the Company on all working days during the business hours till the date of the Annual General Meeting and the said documents shall also be placed at the meeting.

The Board recommends the resolutions as set out in item no. 4 and 5 of the Notice to the Members for their acceptance.

Mr. Sadanand Kotnis and Ms. Kavita Jamsutkar, Directors are concerned or interested in the above resolution of the Notice for their appointment to the respective office. No other Director or their relatives are interested, financial or otherwise in the said resolutions.

Item No. 6 & 7:

Section 180(1)(c) of the Companies Act, 2013, provides that the Board of Directors of a Company may borrow funds upto the aggregate of the paid up share capital and free reserves. However, with the consent of the members by way of special resolution the Board may be authorised to borrow in excess of its Paid up Capital and Free Reserves.

The Company is required to borrow funds from various entities from time to time for meeting operational and/ or short/ long term fund requirements, and the aggregate of such borrowings, apart from the temporary loans borrowed from bankers of the Company in order course of business, may exceed the aggregate of the paid up capital and free reserves of the Company, for the time being of the Company. Hence, it is proposed to obtain approval of the members of the Company to authorise Board of Directors of the Company to borrow funds upto Rs. 100 Crores (Rupees One Hundred Crores only).

Also, in terms of Section 180(1)(a) of the Companies Act, 2013, subject to prior approval of the members of the Company by a special resolution the Board of Directors of a Company may sell, lease or otherwise dispose of the whole or substantially the whole, of the undertakings of the Company, including by way of creation of mortgage/ charge/ hypothecation on all or any of the movable/ immovable properties of the Company for securing various borrowings.

Hence, it is proposed to authorise Board of Directors of the Company to create mortgage, charge, hypothecation on all or any of the assets/ properties of the Company, both present and future, for securing borrowings (in whatsoever form), hence the approval of members is sought for this purpose.

Your Directors recommend the said resolutions as place under Item Nos. 6 & 7 to be passed as a special resolution by the members.

None of the Directors, shareholders and Key managerial personnel (KMP's) of the Company and none of the relatives of the shareholders, Directors and (KMP's) are deemed to be concerned or interested financially or otherwise in the said resolution.

By the order of the Board,

Sd/-

Rushabh Shah

Chairman & Managing Director

Date: 1st September, 2014

Place: Mumbai

REGISTERED OFFICE

320/7, Siddhivinayak Society,

Hingwala Lane, Pant Nagar,

Ghatkopar (East),

Mumbai - 400 075

Phone: 022-25012768

E-mail: aadi.industries@hotmail.com

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE TWENTIETH ANNUAL GENERAL MEETING:

Name	Mr. Rushabh Shah	Mr. Sadanand Purshottam Kotnis	Ms. Kavita Jamsutkar
Date of Birth	17/06/1978	11/08/1953	26/05/1990
Date of appointment on the Board	07/11/2007	28/01/2013	19/07/2014
DIN No:	01944390	05230970	06914893
Qualification	B.Com	B.Com	Bsc. IT
Brief Biography	Has 15 years experience in the field of Plastic Industries and expertise and knowledge in Finance and Accounts.	Has 40 years experience in the field of Plastic Industries and expertise and knowledge in Finance and Accounts.	Has experience of 2 years and Working as an incident manager and request manager.
List of other Companies in which he holds Directorship	Aadi Polyflex Private Limited	Land Management India Private Limited	NIL
Chairman/ member of Committees of the Board of the other companies in which he is a Director	NIL	NIL	NIL
Equity Shares held in the Company	2,486,429	NIL	NIL

By the order of the Board

Sd/-

Rushabh Shah

Chairman & Managing Director

Date: 1st September, 2014

Place: Mumbai

REGISTERED OFFICE

320/7, Siddhivinayak Society,
Hingwala Lane, Pant Nagar,
Ghatkopar (East), Mumbai- 400075.

DIRECTORS' REPORT

To
The Members,

Your Directors present the Twentieth Annual Report on the operations of the Company together with the audited accounts for the year ended 31st March, 2014.

Financial Results:

Financial Results for the year ended 31st March, 2014 are as under:

(Amount in Rs.)

	Current Financial Year 2013-14	Previous Financial Year 2012-13
Other Income	83,224,938	6,962
Loss before Depreciation, Interest and Tax (PBDIT)	(129,315,089)	-
Less: Interest	790,685	805,190
Depreciation	4,749,130	5,572,682
Loss before Taxation	(134,854,903)	(12,985,880)
Less: Provision for Taxes		
- Deferred Tax Asset	-	773,286
Loss after Taxation	(134,854,903)	(13,759,166)

Performance:

During the year under review, your Company has not carried out any operation. The Company has incurred a loss of Rs. 13.48 crores compared to Rs. 1.38 for the previous financial year.

Dividend:

Your Directors do not recommend final dividend for the Financial Year 2013-14.

Directors:

In accordance with the provisions of Companies Act, 2013, and Articles of Association of the Company, Mr. Rushabh Shah, Managing Director of the Company, shall retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board of Directors recommends his re-appointment.

It is proposed to appoint Mr. Sadanand Kotnis and Ms. Kavita Jamsutkar as Independent Directors under the provisions of revised clause 49 of Listing Agreement and they also meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. It is proposed to appoint them, in the ensuing Annual General Meeting, as

Independent Director in terms of Section 150(2) of the Companies Act, 2013 for a term of five consecutive years as stated in Section 149(10) of the Companies Act, 2013 and respective resolutions for the appointment of independent director to this effect are incorporated in the Notice of the ensuing Annual General Meeting.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing from one of the members of the Company, signifying his intention to propose the candidatures of the said two Directors for the offices of Independent Directors of the Company, respectively. In terms of Section 149 (13) of the Companies Act, 2013, the provisions of Section 152(6) and (7) of the said Act in respect of retirement of director by rotation shall not be applicable to appointment of Independent Directors.

Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed and no material departures were found;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the loss of the Company for the year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts for the year ended 31st March, 2014 have been prepared on going concern basis.

Public Deposits:

The Company has not accepted any deposit pursuant to provisions of Section 58A of the Companies Act, 1956.

Auditors:

M/s. K. S. Subramanyam & Co., Chartered Accountants, the Statutory Auditors of the Company, retires at the ensuing Annual General Meeting and eligible for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 139(1) of the Companies Act, 2013 and have indicated their willingness to continue in the said office.

Auditors' Report:

As regards observations of the Auditors for nonpayment of certain Statutory Dues and default in payment of dues to financial institutions / banks, the Board of Directors would like to state that the Company has not carried out any operations during the year under review. Hence, due to non availability of liquidity the said dues have been remained unpaid. Necessary steps have been taken to revive the Company in current financial year.

Corporate Governance:

A Report on Corporate Governance and Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement are annexed hereto and form part of this report.

Particulars of Conservation of Energy, Technology Absorption, Adaptation and Innovation and Foreign Exchange Earnings and outgo:

During the year under the review, your Company has neither undertaken any manufacturing activity nor any Research & Development activities nor imported any technology. Hence, particulars regarding conservation of energy & technology are not furnished.

The Company has neither earned nor expended any amount in foreign exchange during the year under review.

Particulars of Employees:

During the year under review, none of the employees of the Company, whether employed for the whole year or part thereof, was in receipt of remuneration aggregating to or in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies [Disclosure of particulars in the Report of Board of Directors] Rules, 1968 and hence, no Particulars of Employees are required to furnish in connection with the said Rules.

Acknowledgements:

The Board wishes to place on record its sincere appreciation for the continuous support received from Shareholders, Customers, Suppliers, Bankers, Statutory Authorities and all other business associates. The Board also takes this opportunity to thank the employees at all levels for their hard work, commitment and invaluable contribution to the Company's operations.

For and on behalf of the Board

Sd/-

Rushabh Shah

Chairman & Managing Director

Dated: 1st September, 2014

Place: Mumbai

REGISTERED OFFICE

320/7, Siddhivinayak Society,
Hingwala Lane, Pant Nagar,
Ghatkopar (East), Mumbai- 400075.

Phone: 022-25012768

E-mail: aadi.industries@hotmail.com

MANAGEMENT DISCUSSION AND ANALYSIS

Statements in this Report, particularly those which relate to the Company's objectives, projections, estimates and expectations may constitute forward looking statements within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

(A) Industry structure and developments

Considering the plastic industry, in India, low-density polyethylene (LDPE) and linear low density polyethylene (LLDPE) are widely used polymers. This segment of polymers is maintained at the same level. More than 50% of LDPE/ LLDPE are used by the packaging industry. The second most used polymer in India is HDPE. The value of its domestic consumption is growing at expected level due to increase in all round of usage of plastics. HDPE is used in the manufacturing of raffia, blow molding, injection molding, and in the paper industry as well. The majority of manufacturing capacities are owned by the big industrial houses.

(B) Opportunities and Threats, Risks and Concerns

Due to volatile prices fluctuation of oil coupled with absence of clear governmental policies on various sector, the capital inflow from the foreign countries have been slowed down. The Indian economy is also passing through its tough time with lower GDP, depreciation in rupee value and all round increase in cost. The plastic industry in particular with environment issue, and likely adverse effects from use of recycled hazardous sub grade raw materials has also witnessed recessionary trend.

However, considering the size of Indian economy the plastic industry has good potential. The Industry will do better with good market conditions and stable oil prices.

With more concentration on the specialty grades quality products which are more eco friendly plastic products and moving away from the type of commodity made cheaply will have more scope to survive in the long run considering the environmental issues attached with the Plastic Industry. With the quality consciousness, India can regain its position in the international market.

The main threat is from the unorganized sector comprising low grade plastic goods manufacturers and from non eco-friendly manufacturing units. This may lead to quality problems in the international market and downgrading of Indian manufacturers' image. Secondly, due to its basic nature and use of low grade of plastic which is not eco-friendly,

there has always been a threat of substitution of plastic as basic material with other metal or alternate material. These are the key risk factors which the Plastic Industry has to tackle in future.

(C) Internal control systems and their adequacy

The Company is in process of designing and putting in place various internal control systems for all the key departments. Further Internal Audit systems will also be placed and proposed to be carried out to check the implementation and working of the Internal Systems.

(D) Social Responsibility

The Company is conscious of its obligations towards Health, Safety & Environment to meet the norms of local Pollution Control Board at Silvassa Plant.

(E) Cautionary Statement

Statement in the Management discussion & analysis describing the Company's objectives, projections, estimates & exceptions may be "forward looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic & overseas markets in which the company operates changes in the Government regulations, tax laws & other statutes & other incidental factors.

(F) Future Outlook

The Company is planning to recommence its operations after passing through the difficult current financial year.

For and on behalf of the Board,

Sd/-

Rushabh Shah

Chairman & Managing Director

Date: 1st September, 2014

Place: Mumbai

CORPORATE GOVERNANCE REPORT

(A) Company's Philosophy on Code of Corporate Governance

The Company believes that high standards of accountability and audit, timely disclosure and reporting in all areas of operations contribute towards developing and sustaining best operating systems and procedures. These standards define your Company's Corporate Governance philosophy of trusteeship, transparency, empowerment, accountability and integrity. The Company will continue to remain focused on good corporate governance practices for achieving growth, long term value creation and maximizing value for all its stakeholders.

(B) Board of Directors

(i) Board Composition

The composition of the Board is in accordance with the requirements of the Corporate Governance Code of the Equity Listing Agreement with the Stock Exchange. The Board of Directors of the Company consists of combination of Executive, Non-Executive and Independent Directors. Currently, two third of the Board of Directors comprises of Non-Executive Directors, having considerable experience in diverse fields. The Board has two (2) Non-Executive Independent Directors and One (1) Executive Director representing promoter. The Chairman of the Board is an Executive Director.

The day-to-day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors.

The constitution of the Board as on 31st March, 2014 was as under:

Name of the Directors	Category	Number		
		Directorships	Committee Memberships	Committee Chairmanships
Mr. Rushabh Shah	Chairman and Managing Director, Executive	1	-	-
Mr. Sadanand Kotnis	Non Executive Independent	1	-	-

#Ms. Kavita Jamsutkar	Non Executive Independent	-	-	-
* Mr. Menino Francis Dias	Non Executive Independent	-	-	-

Appointed as an Additional Director w.e.f. 19/07/2014

* Resigned w.e.f. 18/07/2014

Ms. Kavita Jamsutkar was also appointed as an Additional Director with effect from 19/07/2014. Mr. Menino Francis Dias, Director resigned from the office of director with effect from 18/07/2014. The Company is in process of strengthening its board as per the provisions of the Listing Agreement.

(ii) Board Meetings and Attendance of Directors

During the year ended 31st March, 2014 Four meetings i.e. on 30th May, 2013, 14th August, 2013, 14th November, 2013 and 14th February, 2014 of the Board of Directors were held.

Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2013-14 and the last AGM:

Name of the Directors	Number of Board Meetings attended	Whether attended last AGM
Mr. Rushabh Shah	4	Yes
Mr. Sadanand Kotnis	4	Yes
Mr. Menino Francis Dias	4	Yes

(C) Board Committees

Currently, the Board has three Committees - the Audit Committee, the Shareholders/Investors Grievance Committee and the Remuneration Committee. As on date, the Audit Committee comprises of three members of which two Members are Non-Executive Independent Directors and one member is executive Director. The Shareholders/Investors Grievance Committee comprises of two Members. The respective Chairman of the said Committees is Non-Executive Director. The Remuneration Committee comprises of two Non-Executive Independent Directors. The Company is taking necessary steps to induct Independent Directors on the Board to comply with the provisions of the Listing Agreement.

The Board is responsible for the constitution, co-opting and fixing the terms of reference for the said Committees.

(i) Audit Committee Terms of reference

(a) Primary objectives of the Audit Committee

The Audit Committee acts as a link between the Statutory Auditors and the Board of Directors. It addresses itself to matters pertaining to adequacy of internal controls, reliability of financial statements and other management information and adequacy of provisions for liabilities. The primary objective of the Audit Committee (the "Committee") is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process by the management, including the independent auditors and notes the process and safeguards employed by each.

(b) Role of the Audit Committee

1. Provide an open avenue of communication between the independent auditors and the Board of Directors ("BOD").
2. Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve the payment for other services.
3. Confirm and assure the independence of the external auditors.
4. Review with independent auditors the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
5. Consider and review with the independent auditors the adequacy of internal controls, including the computerised information system controls and security.
7. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
8. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - (a) Any changes in the accounting policies and practices;
 - (b) The going concern assumption;
 - (c) Compliance with accounting standards;
 - (d) Compliance with stock exchange and legal requirements concerning financial statements;
 - (e) Significant adjustment arising out of audit;

9. Consider and review with the management and the independent auditors:
 - (a) Significant findings during the year, including the status of previous audit recommendations;
 - (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
10. Review of the following information:
 - a. Management discussion and analysis of financial conditions and results of operations;
 - b. Statement of significant related party transactions submitted by the management;
 - c. Management Letters/Letters of Internal Control Weaknesses issued by the Statutory Auditors.

(c) Composition

The Audit Committee is constituted in accordance with the Corporate Governance Code of the Listing Agreement and the provisions of the Companies Act, 1956. The statutory auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

As on 31st March 2014, the Audit Committee comprises of three Directors of which two are Independent Directors and one Executive Director.

(d) Audit Committee Meetings and Attendance during the financial year ended 31st March, 2014

During the financial year ended 31st March, 2014, Four Audit Committee Meetings were held i.e. on 30th May, 2013, 14th August, 2013, 14th November, 2013 and 14th February, 2014. The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	No. of meetings attended
Mr. Rushabh Shah	4
Mr. Sadanand Kotnis	4
Mr. Menino Dias	4

The Committee has recommended to the Board the appointment of M/s. K. S. Subramanyam & Co., Chartered Accountants, as the statutory Auditors of the Company for a period of five years.

(ii) Remuneration Committee:

The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executive, including the Executive Directors are competitive keeping in view the prevailing compensation packages in the Industry so as to recruit and retain suitable individual(s) in such capacity.

No Remuneration Committee Meeting was held during the financial year under review.

Directors' Remuneration

During the year, no managerial remuneration or sitting fees were paid to any of the directors.

The Company does not have any stock option plans.

(iii) Shareholders/Investors Grievance Committee:

Shareholders / Investors Grievances Committee comprises of two members viz.

1. Mr. Rushabh Shah and
2. Mr. Menino Dias*

*Resigned w.e.f. 18th July, 2014.

The said Committee among other functions considers and review redressal of shareholders' complaints regarding non receipt of balance sheets and transfer of shares as per Clause 49 of the Listing Agreement. During the year one meetings of the Committees were held.

During the year under review, the Company has transferred 100 Equity Shares in physical form. The Company did not receive any complaints from the shareholders. There are 6 pending complaints from the shareholders as on 31st March, 2014.

Delivery of equity shares of the Company by all investors / shareholders is now mandatory in the dematerialized form in all Stock Exchanges.

(D) General Body Meetings:

Details of last three Annual General Meetings are given hereunder:

Year	Date	Venue	Time
2011	27.09.2011	Lavender Baug, Next to Swaminarayan Temple, 90 feet road, Garodia Nagar, Ghatkopar (East), Mumbai-400077	11.00 A.M.
2012	29.09.2012	320/7, Siddhivinayak Society, Hingwala Lane, Pant Nagar Ghatkopar (East), Mumbai – 400 075	11.00 A.M.
2013	30.09.2013	320/7, Siddhivinayak Society, Hingwala Lane, Pant Nagar Ghatkopar (East), Mumbai – 400 075	11.00 A.M.

Special Resolution:

Details of Special Resolution passed at any of the last three Annual General Meetings:

Date	Particulars
27.09.2011	Appointment of Mr. Rushabh Shah, Chairman and Managing Director of the Company for the period of three years from 1 st February , 2011 to 31 st January, 2014 on such remuneration and perquisites as determined by the Board of directors of the Company.
29.09.2012	NIL
30.09.2013	NIL

During last three financial years, one Extra-ordinary General Meeting was held for appointment of Statutory Auditors of the Company in casual vacancy created due to resignation of M/s. Sunderji Gosar & Co., Chartered Accountants.

Postal ballots:

During the Year no Resolutions were passed by Postal Ballot.

(A) Disclosures:**(i) Related Party Transactions:**

Disclosures in respect of transactions of material nature with Directors/Promoters or any related entity, which will have any potential conflict with the interests of the Company at large have been made in the Audited Accounts.

(ii) Compliances by the Company:

The Company has received penalty notice from BSE Limited for the non-compliances of Listing Agreement. Apart from that, there is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets.

(iii) Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has not established the non-mandatory/ recommendatory requirement of Whistle Blower Policy. However, the Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No employee of the Company has been denied access to the Audit Committee.

(iv) Compliance with the Mandatory requirements and implementation of the Non-mandatory requirements:

The Company has complied with the mandatory requirements of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to Clause 49 of the listing agreement, except the constitution of Remuneration Committee.

(F) Means of Communication:

- (i) The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Bombay Stock Exchange Limited immediately after the conclusion of the respective meeting.
- (ii) No presentations were made to the institutional investors or to analysts during the year under review.
- (iii) The Management Discussion and Analysis Report forms part of this Annual Report.

(G) Certificate on Corporate Governance:

As required by Clause 49 of the Listing Agreement, a Certificate issued by M/s. K. S. Subramanyam & Co., Chartered Accountants, regarding compliance of conditions for Corporate Governance is given as an annexure to the Directors' Report.

(H) CEO Certification:

As required by Clause 49 of the Listing Agreement, the CEO i.e. the Chairman and Managing Director's certification is annexed to this Annual Report.

(i) General Shareholders' Information:

Annual General Meeting:	
Date and time	27/09/2014 at 11.00 A.M.
Venue	320/7, Siddhivinayak Society, Hingwala Lane, Pant Nagar Ghatkopar (East), Mumbai – 400 075

(ii) Financial Calendar

(tentative and subject to change)

Financial reporting for quarter ended

June 30, 2014 by August 14, 2014
September 30, 2014 by November 14, 2014
December 31, 2014 by February 14, 2015
March 31, 2015 by May 30, 2015

Annual General Meeting for the year ended 31st
March 2015 – by September 30, 2015

(iii) Book Closure date

The Register of Members shall remain closed from 20th September, 2014 to 27th September, 2014 (both days inclusive) for the purpose of ensuing Annual General Meeting.

(iv) Announcement of Dividend

The Board of Directors have not recommended any dividend

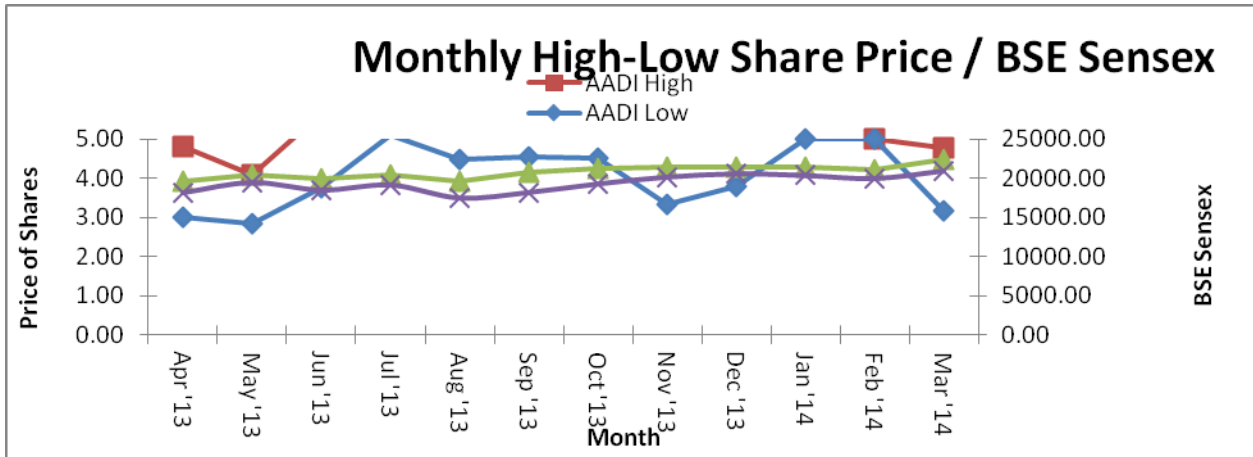
(v) Registered & Corporate Office	320/7, Siddhivinayak Society, Hingwala Lane
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		Pant Nagar, Ghatkopar (East) Mumbai 400 075 Email: aadi.industries@hotmail.com Website: www.aadiindustries.com
(vi)	Listing on Stock Exchange and fees for 2013-14	BSE Limited.
(vii)	Stock Exchange Code	530027
(viii)	Disclosure regarding re-appointment of director	<p>Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rushabh Shah shall retire by rotation at the forthcoming Annual General Meeting. The Board has recommended the re-appointment of Mr. Rushabh Shah to the shareholders. During the year under review, Ms. Kavita Jamsutkar was appointed as an Additional Directors to hold office upto the date of ensuing Annual General Meeting. Necessary resolutions for the appointment of the said Additional Director will be placed before the members for the approval of members.</p> <p>Pursuant to the provisions of Section 149 of the Companies Act, 2013 Mr. Sadanand Kotnis and Ms. Kavita Jamsutkar will be appointed as Independent Directors of the Company for a term of five years.</p>

(ix) Stock Market Data

Month	High	Low	BSE High	BSE low
April, 2013	4.79	3.01	19,622.68	18,144.22
May, 2013	4.09	2.84	20,443.62	19,451.26
June, 2013	5.67	3.76	19,860.19	18,467.16
July, 2013	6.29	5.11	20,351.06	19,126.82
August, 2013	5.49	4.47	19,569.20	17,448.71
September, 2013	5.95	4.54	20,739.69	18,166.17
October, 2013	6.49	4.51	21,205.44	19,264.72
November, 2013	5.74	3.32	21,321.53	20,137.67

December, 2013	5.29	3.78	21,483.74	20,568.70
January, 2014	6.30	5.00	21,409.66	20,343.78
February, 2014	5.00	5.00	21,140.51	19,963.12
March, 2014	4.76	3.18	22,467.21	20,920.98



(x)	Registrar & Share Transfer Agents	Registrar and Share Transfer Agents Sharex Dynamics (India) Pvt. Ltd Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai 400 072 Tel. No.: 28515606/44 Fax No.: 022- 28512885 Email: sharexindia@vsnl.com
(xi)	Share Transfer Systems	Shares sent for physical transfer are generally registered and returned within a period of 30 days from the date of receipt, if the documents are proper in all respects. The Shareholders / Investors Grievance Committee meets as and when required. As per the revised Clause 49 of the Listing Agreement and to expedite the process of share transfers, the Board has delegated the powers of share transfers and related

		<p>matters to Mr. Rushabh Shah, Chairman and Managing Director who shall attend to share transfer formalities at least once in a fortnight.</p> <p>The total number of equity shares transferred in physical form during the year 2013-14 was 100 Shares.</p>
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(xii)	Distribution of Shareholding as on 31st March, 2014	
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No. of Equity Shares held	Shareholders		Shares	
	Number	% to total Shareholders	Number	% to total Capital
Upto 5,000	1,335	57.67	289,924	2.90
5,001 - 10,000	340	14.69	297,282	2.97
10,001 - 20,000	205	8.86	322,274	3.22
20,001 - 30,000	86	3.71	223,138	2.23
30,001 - 40,000	48	2.07	176,705	1.77
40,001 - 50,000	56	2.42	268,543	2.69
50,001 - 100,000	112	4.84	839,722	8.40
100,001 to above	133	5.75	7,582,412	75.82
Total	2,315	100.00	10,000,000	100.00

Category of Shareholders (as on 31st March, 2014)

Category	Number of Shareholders	Shares	
		Number	% to total Capital
PROMOTER HOLDING			
Indian Promoters	1	2486430	24.86
Total	1	2486430	24.86
NON – PROMOTER HOLDING			
Institutional Investors Flls	2	22000	0.22

Others Private Corporate Bodies	85	932955	9.33
Indian Public	2215	6541595	65.42
NRI/OCBs	9	14953	0.15
Any other (Shares in transit)	3	2067	0.02
Total	2314	7513570	75.14
Grand Total	2315	10000000	100

The Shares of the Company are listed on BSE Ltd and hence facilitates liquidity. It is confirmed that the Company has paid Annual Listing Fee. The stock code on BSE is 530027.

(xiii)	Dematerialisation of Shares and liquidity	The Company has established connectivity with Central Depository Services (India) Limited and National Securities Depository Limited for dematerialisation of shares and the same are available in electronic segment under ISIN No. INE563D01013. As on 31 st March, 2014, 9,188,900 Equity Shares representing 91.8 % of the total paid up capital had been dematerialized.
(xiv)	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity.	Till date, the Company has not issued any GDRs / ADRs /Warrants or any other convertible instruments.
(xv)	Plant Locations	None
(xvi)	Address for Correspondence	Sharex Dynamics (India) Private Limited., Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072 Tel. No.: 022-28515606 Fax No.: 022-22641349 Email: sharexindia@vsnl.com Contact Person: Mr. Shashi Kumar

CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the Board members and senior management personnel of the Company have affirmed their respective compliances with the Code of Conduct for the year ended 31st March, 2014.

Place: Mumbai

Date: 1st September, 2014

Sd/-

Rushabh Shah

Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Aadi Industries Limited

We have examined the compliance of conditions of Corporate Governance by Aadi Industries Limited ("the Company") for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company, there were no investor grievances remaining unattended for a period exceeding one month against the Company.

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

For and on behalf of
M/s. K. S. Subramanyam & Co.
Chartered Accountants
Firm Registration No. 018630

Sd/-
K. S. Subrahmanyam
Partner
Membership No.: 018630

Place: Mumbai
Dated: 1st September, 2014

K. S. SUBRAHMANYAM & CO.

Chartered Accountant

4, Ground Floor, Pawan Palace, Near RNP Park,
Bhayandar (East), Thane – 401 110.

INDEPENDENT AUDITORS' REPORT

To
The Members of
AADI INDUSTRIES LIMITED

Report on the Financial Statements

I have audited the accompanying financial statements of **AADI INDUSTRIES LIMITED**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on our audit. I have conducted the audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I 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 Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidences I have obtained are sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, I report that:
 - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of audit;
 - b. in my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, read with with the General Circular No. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For K.S. SUBRAHMANYAM
CHARTERED ACCOUNTANT**

**Sd/-
K.S. SUBRAHMANYAM
PROPRIETOR
M.No. 018630**

Place: **MUMBAI**

Date: **30th May, 2014**

ANNEXURE TO THE AUDITORS REPORT.

Referred to in Paragraph 1 under **Report on Other Legal and Regulatory Requirements** of my report of even date to the members of **AADI INDUSTRIES LIMITED** on the financial statements the year ended on 31st March, 2014.

- (i) (a) I have been informed that the company has maintained records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) All the assets have not been physically verified by the management during the year but there is a programme of verification at the year end which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets and as informed no material discrepancies were noticed on such physical verification.
- (c) In my opinion and according to information and explanations given to me, there was disposal of fixed assets i.e. factory building during the year thereby affecting the going concern of the company.
- (ii) (a) As informed to me by the management, the inventory has been lost by theft during the year. Hence, there is no stock for the year under consideration.
- (b) The procedures explained to me, which are followed by the management for physical verification of inventories, are in my opinion reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In my opinion and according to the explanations given to me, the company is maintaining proper records of its inventory. No material discrepancies were noticed on such physical verification.
- (iii) (a) According to the explanations given to me, the Company has not granted any secured or unsecured loans to parties listed in the register maintained under section 301 of the Companies Act, 1956. Hence provisions of clause 4(iii) (b) to (d) of the Order are not applicable to the Company.
- (b) According to the explanations given to me, the Company has taken unsecured loans from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 6,88,22,126/- and the year end balance of Loan taken from such party was Rs. 5,11,19,801/-.
- (c) The terms and conditions fixed on loans taken from the parties listed in the register maintained under section 301 of the Companies Act 1956, are not prejudicial to the interest of the Company.
- (d) In my opinion and according to the information and explanations given to me, no repayment schedule has been specified and accordingly the question of regularity in repayment of principal amount, wherever applicable, does not arise.
- (iv) In my opinion and according to the information and explanations given to me, there exist an adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and as informed to us, the company is not engaged in the sale of services. During the course of the audit, I have not observed any major weakness or continuing failure to correct any major weakness in internal control system of the company in respect of these areas.

- (v) (a) In my opinion and according to the information and explanations given to me, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered.
- (b) In my opinion and according to the information and explanations given to me, there are no such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- (vi) In my opinion and according to the information and explanations given to me, the provisions of sections 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules – 1975 are not applicable to the company in the year under consideration.
- (vii) In my opinion and as per the explanations given to me, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) As explained to me the Central Government has not prescribed any maintenance of cost record under section 209(1)(d) of the Companies Act, 1956 to the Company.
- (ix) In respect of statutory dues:
 - (a) According to the information and explanations given to me, the Company is **not** regular in depositing with appropriate authorities undisputed statutory dues including, provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it at the year end for a period of more than six months from the date they become payable.
 - (b) According to the information and explanations given to me and the records of the company examined by me, there are no disputed dues in respect of any statutory dues.
- (x) The Company has incurred cash loss of Rs. 13,01,05,774/- during the financial year covered by our audit and Rs. 74,13,198 /- the immediately preceding financial year.
- (xi) In my opinion and according to the information and explanations given to me, the company has defaulted in repayment of dues to financial institution or bank.
- (xii) According to the information and explanations given to me and based on the documents and records produced before me, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In my opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In my opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In my opinion and according to the information and explanations given to me the Company has not given guarantees for loans taken by others from bank or financial institutions.
- (xvi) In my opinion and according to the information and explanations given to me, the term loans are being applied for the purpose for which they were raised.

- (xvii) According to the information and explanations given to me and on an overall examination of the balance sheet and the cash flow of the company, no short-term funds have been used to finance long-term assets.
- (xviii) According to the information and explanations given to me, the company has not made preferential allotment of shares to Promoters and Promoters group covered in the register maintained under section 301 of the Act.
- (xix) The company has not received any money through Public Issue of Debentures.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) During the course of my examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to me, I have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have I been informed of any such case by the Management.

**For K.S. SUBRAHMANYAM
CHARTERED ACCOUNTANT**

Sd/-

**K.S. SUBRAHMANYAM
PROPRIETOR
M.No. 018630**

Place: **MUMBAI**

Date: **30th May, 2014**

AADI INDUSTRIES LTD.

BALANCE SHEET AS ON MARCH 31, 2014

Particulars	Note	31-Mar-14 Rs	31-Mar-13 Rs
I. EQUITY AND LIABILITIES			
1 SHAREHOLDERS` FUND			
- Share Capital	2	100,000,000	100,000,000
- Reserves and Surplus	3	(125,132,403)	9,722,500
Sub-Total - (A)		(25,132,403)	109,722,500
2 NON-CURRENT LIABILITIES			
- Long-term Borrowings	4	86,640,711	115,515,237
- Deferred Tax Liabilities (net)	10	-	-
Sub-Total - (B)		86,640,711	115,515,237
3 CURRENT LIABILITIES			
- Short-term Borrowings	5	44,099,785	166,478,604
- Trade Payables	6	39,847,694	78,909,806
- Other Current Liabilities	7	1,914,548	5,938,510
- Short-term Provisions	8	14,386,799	14,386,799
Sub-Total - (C)		100,248,826	265,713,719
TOTAL (A+B+C)		161,757,134	490,951,457
II. ASSETS			
4 NON-CURRENT ASSETS			
- Fixed Assets			
Tangible Assets	9	55,654,672	101,247,237
- Deferred Tax Assets (net)	10	16,545	16,545
- Long-term Loans and Advances	11	2,900,000	14,125,000
Sub-Total - (D)		58,571,217	115,388,782
5 CURRENT ASSETS			
- Inventories	12	-	2,389,437
- Trade Receivables	13	99,389,143	369,227,995
- Cash and Bank Balance	14	759,686	539,721
- Short Term Loans And Advances	15	3,037,087	3,344,813
- Other Current Assets	16	-	60,708
Sub-Total - (E)		103,185,917	375,562,675
TOTAL (D+E)		161,757,134	490,951,456
Notes 1 to 38 form an integral part of this Accounts			

As per Report of the even date attached.

For K. S. SUBRAHMANYAM & CO.
CHARTERED ACCOUNTANT

K.S. SUBRAHMANYAM
Proprietor
Membership No: 018630

Date: 30th May, 2014
Place: Mumbai

For AADI INDUSTRIES LIMITED

Sd/-
(1) RUSHABH SHAH
Managing Director

Sd/-
(2) SADANAND KOTNIS
Director

AADI INDUSTRIES LTD.

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

Particulars	Note	For the year ended	For the year ended
		March 31, 2014	March 31, 2013
(i) Revenue form Operations:	17		
- Sale of Products		-	-
- Other Operating Income		-	-
Less: Excise Duty		-	-
		-	-
(ii) Other Income	18	83,224,938	6,962
Total Revenue (i+ii)		83,224,938	6,962
Expenses			
- Cost of Material Consumed	19	-	-
- Purchase of Stock-in-Trade	20	-	-
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	-	-
- Employee benefit expenses	22	320,400	252,500
- Finance Cost	23	790,685	805,190
- Depreciation and amortisation expense	9	4,749,130	5,572,682
- Other Expense	24	212,219,627	6,362,470
Total Expenses		218,079,841	12,992,842
Profit Before Tax		(134,854,903)	(12,985,880)
- Tax Expense			
- Current Tax		-	-
- Short / (Excess) Provision of Previous Year		-	-
- Deferred Tax		-	773,286
Total Tax		-	773,286
Profit for the period		(134,854,903)	(13,759,166)
Equity Share of par value Rs. 10 each			
Basic		(13.49)	(1.38)
Diluted		(13.49)	(1.38)
Note 1 to 38 form an integral part of accounts			

For K. S. SUBRAHMANYAM & CO.
CHARTERED ACCOUNTANT

For AADI INDUSTRIES LIMITED

K.S. SUBRAHMANYAM
Proprietor
Membership No: 018630

Date: 30th May, 2014
Place: Mumbai

Sd/-
(1) **RUSHABH SHAH**
Managing Director

Sd/-
(2) **SADANAND KOTNIS**
Director

AADI INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation and extraordinary items	(134,854,903)	(12,985,880)
Adjustment for :		
Depreciation & Amortization	4,749,130	5,572,682
Finance Charges/Interest (Net)	713,464	805,190
Interest/ Dividend Received.	-	(6,962)
Loss on Sale of Fixed Assets	413,682	
Profit on Sale of Fixed Assets	(83,017,922)	-
Cash generated from operations before working capital changes	(211,996,550)	(6,614,970)
Increase/Decrease in trade and other receivables	269,899,560	114,784,504
Increase/ Decrease in loans & advances	11,532,726	7,661,520
Increase/Decrease in Inventories	2,389,437	-
Increase/Decrease in trade Payables & Others	(43,086,074)	(28,219,656)
Cash Generated from Operations	28,739,098	87,611,398
Direct tax Paid (Net of Excess/surplus provision)	-	-
Interest Paid	77,221	-
Net Cash Flow before extraordinary items	28,816,319	87,611,398
Extraordinary Items	-	-
Net Cash from Operating Activities - A	28,816,319	87,611,398
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Sale of Fixed Assets	123,447,675	-
Interest Received	-	6,962
Net Cash from Investing Activities - B	123,447,675	6,962
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application money paid back	-	(60,000,000)
Borrowing (Net)	(151,253,346)	(27,412,381)
Interest Paid	(77,221)	
Finance Charges paid	(713,464)	(805,190)
Net Cash from Financial Activities - C	(152,044,031)	(88,217,571)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	219,963.92	(599,211)
Opening Balance in Cash & Cash Equivalents	539,721	1,138,932
Closing Balance in Cash & Cash Equivalents	759,686	539,721

As per Report of the even date attached.

For K. S. SUBRAHMANYAM & CO.
 CHARTERED ACCOUNTANT

For AADI INDUSTRIES LIMITED

K.S. SUBRAHMANYAM
 Proprietor
 Membership No: 018630

Sd/-
 (1) RUSHABH SHAH
 Managing Director

Date: 30th May, 2014
 Place: Mumbai

Sd/-
 (2) SADANAND KOTNIS
 Director

AADI INDUSTRIES LTD.

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Note No. 2 :- SHARE CAPITAL

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Authorised Capital :		
2,50,00,000 (PY:2,50,00,000) Equity Shares of Rs.10/- each	250,000,000	250,000,000
	250,000,000	250,000,000
Issued, Subscribed and Fully Paid up :		
EQUITY SHARE CAPITAL		
1,00,00,000 (PY:1,00,00,000) Equity Shares of Rs.10/- each	100,000,000	100,000,000
	100,000,000	100,000,000

- a. Details of Shareholding as at March 31, 2014
Shareholders holding more than 5% of Equity Shares:
- 24,86,430 (PY: 21,91,639) Equity Shares of Rs.10/- each held by Mr.Rushabh Shah.

b.

Reconciliation of the number of Equity Shares outstanding	March 31, 2014	March 31, 2013
Particulars	Number of Shares	Number of Shares
Number of Shares at the beginning of the year	10,000,000	10,000,000
Add: Shares issued	-	-
Less: Shares Forfeited	-	-
Number of Shares at the end of the year	10,000,000	10,000,000

- c. Each Equity Share is entitled to one voting right only.
- d. In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets remaining, after distribution of all preferential amounts.

Note No. 3 - RESERVES AND SURPLUS

(Amount In Rs.)

Particulars	Opening as at	Balance as at
	April 1, 2013	March 31, 2014
Surplus as per Profit and Loss Account	9,722,500	(125,132,403)
Total	9,722,500	(125,132,403)

Details of Profit and Loss Surplus is as given below:

Particulars	As at
	March 31, 2014
Net Profit after Tax	(134,854,903)
Balance brought forward	9,722,500
Profit Available for Appropriation	(125,132,403)
APPROPRIATIONS:	
Proposed Dividend	-
Tax on Dividend	-
Surplus Carried to Balance Sheet	(125,132,403)

NOTE NO. 4 - LONG TERM BORROWINGS

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
I. Secured Borrowings:	-	-
II. Unsecured Borrowings:		
a. Intercorporate Deposits	35,520,910	46,693,112
b. Loans and advances from Related Parties Refer Note (5.1)	51,119,801	68,822,126
III. Total Long Term Borrowings (I + II)	86,640,710.79	115,515,237.47

- 4.1 [a] Loan from Directors would not be recalled before end of one year from 31st March, 2014.
[b] As there is no schedule for repayment in the interim period, the company has not defaulted.

Note No. 5 - SHORT - TERM BORROWINGS

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Secured Borrowings:		
- Loan repayable on demand		
i. from Dena Bank	-	18,057,178
ii. from Dena Bank (Vehicle)	-	593,183
- Others		
i. Bank (L.C. Facility)	-	71,813,673
ii. Bank (Cash Credit Facility)	44,099,785	76,014,570
Total Short Term Borrowings	44,099,785	166,478,604

Note No. 6 - TRADE PAYABLES

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Trade Payables		
- Other than Micro and Small Enterprises		
i. To Others	39,847,694	78,909,806
Total	39,847,694	78,909,806

Note No. 7 - OTHER CURRENT LIABILITIES

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Others		
- Creditors for Expenses	369,506	4,281,225
- Statutory Dues:		
i. Dividend Distribution Tax	849,750	849,750
ii. Profession Tax	9,975	9,975
iii. TDS on Contractor	9,077	9,077
iv. TDS on Interest	178,314	178,314
v. TDS on Professional Charges	103,907	195,452
vi. TDS on Rent	180,000	200,698
vii. TDS on Salary	214,019	214,019
Total	1,914,548.00	5,938,510

Note No. 8 - SHORT TERM PROVISIONS

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Provision for Taxation	14,386,799	14,386,799
Total	14,386,799	14,386,799

AADI INDUSTRIES LTD.

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

Note No. 9 - FIXED ASSETS

F.Y.: 2013-14

(Amount In Rs.)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	Opening as at April 1, 2013	Addition for the year	Disposals/Other Adjustments	Closing as at March 31, 2014	Opening as at April 1, 2013	For the year	Deduction/ Adjustments	Closing as at March 31, 2014	Closing as at March 31, 2014	Opening as at April 1, 2013
I. Tangible Assets										
a. Buildings	47,091,947	-	47,091,947	-	6,245,759	786,436	7,032,195	-	-	40,846,189
b. Plant and Machinery	72,997,371	-	-	72,997,371	14,009,432	3,854,261	-	17,863,693.26	55,133,678	58,987,939
						4,640,697				
c. Furniture and Fixtures	105,914	-	-	105,914	16,255	3,251	-	19,505.65	86,408	89,659
d. Vehicle	1,620,932	-	1,050,000	570,932	486,147	77,482	266,318	297,311.45	273,621	1,134,785
e. Office Equipments	160,206	-	-	160,206	30,045	8,913	-	38,957.90	121,248	130,161
f. Computer	115,897	-	-	115,897	57,393	18,787	-	76,179.62	39,717	58,504
						108,432				
Total	122,092,268	-	48,141,947	73,950,320	20,845,031	4,749,130	7,298,513	18,295,648	55,654,672	101,247,237

F.Y.: 2012-13

(Amount In Rs.)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	Opening as at April 1, 2012	Addition for the year	Disposals/Other Adjustments	Closing as at March 31, 2013	Opening as at April 1, 2012	For the year	Deduction/ Adjustments	Closing as at March 31, 2013	Closing as at March 31, 2013	Opening as at April 1, 2012
I. Tangible Assets										
a. Buildings	47,091,947	-		47,091,947	4,672,888	1,572,871		6,245,758.81	40,846,189	42,419,060
b. Plant and Machinery	72,997,371	-	-	72,997,371	10,155,171	3,854,261	-	14,009,432.06	58,987,939	62,842,200
						5,427,132				
c. Furniture and Fixtures	97,322	-	-	97,322	13,005	3,251	-	16,255.10	81,067	84,317
d. Vehicle	1,620,932	-		1,620,932	371,547	114,600		486,146.89	1,134,785	1,249,385
e. Office Equipments	168,798	-	-	168,798	21,133	8,913	-	30,045.37	138,753	147,665
f. Computer	115,897	-	-	115,897	38,606	18,787	-	57,392.72	58,504	77,291
						145,550				
Total	122,092,268	-	-	122,092,268	15,272,349	5,572,682	-	20,845,031	101,247,237	106,819,919

Note No. 10 - DEFERRED TAX ASSET (NET)

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Deferred Tax Liability		
- Depreciation	(7,244,955)	(7,244,955)
Deferred Tax Asset		
- Carry Forward Loss	7,261,500	7,261,500
Total	16,545	16,545

Note No. 11 - LONG TERM LOANS AND ADVANCES

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Unsecured, Considered good		
- Security Deposits	50,000	10,025,000
- Other Loans and Advances	2,850,000	4,100,000
Total Long Term Loans and Advances	2,900,000	14,125,000

Note No. 12 - INVENTORIES

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
- Raw Materials	-	2,389,437
- Work in Progress	-	-
- Finished Goods	-	-
- Stock in Trade	-	-
Total Inventories	-	2,389,437

Note No. 13 - TRADE RECEIVABLES

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Unsecured, Considered good		
- Outstanding for a period exceeding six months from the date its due	99,389,143	369,227,995
- Others	-	-
Total Trade receivables	99,389,143	369,227,995

Note No. 14 - CASH AND BANK BALANCE

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Cash and Cash Equivalents		
- Balance with Bank	7,367	189,861
- Cash on hand	747,265	344,806
Earmarked Balances with Bank		
- Unpaid Dividend	5,054	5,054
Total Cash and Bank Balances	759,686	539,721

Note No. 15 - SHORT TERM LOANS AND ADVANCES

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Unsecured, Considered good		
- Advances to Suppliers	2,473,041	2,987,783
- Balance with Revenue Authority:		
i. VAT	289,946	82,930
ii. Excise Duty	198,748	198,748
iii. TDS Receivable F.Y 11-12	74,655	74,655
iv. TDS Receivable F.Y 12-13	697	697
Total	3,037,087	3,344,813

Note No. 16 - OTHER CURRENT ASSETS

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Others		
- Interest Receivable on FD	-	60,708
Total	-	60,708

Note No. 17 - REVENUE FROM OPERATIONS

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Revenue from Sale of Products	-	-
Other Operating Revenue	-	-
Total Revenue from Operations	-	-

Note No. 18 - OTHER INCOME

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Interest Income	-	6,962
Profit on Sale of Building	83,017,922	-
Additional Duty Refund	207,016	-
Total	83,224,938	6,962

Note No. 19 - COST OF MATERIALS INCLUDING PACKAGING MATERIALS CONSUMED

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Opening Stock of Raw Material	2,389,437	-
Less: Stock Lost by Theft	(2,389,437)	-
Total	-	-

Note No. 20 - PURCHASE OF STOCK-IN-TRADE

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Purchases	-	-
Total	-	-

Note No. 21 - CHANGES IN INVENTORIES OF FINISHED GOODS

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Closing Stocks:		
Finished Goods	-	-
Work-in-Progress	-	-
Stock-in-Trade	-	-
Total (A)	-	-
Stocks Lost By Theft:		
Stock-in-Trade	-	-
Total (B)	-	-
Opening Stocks:		
Finished Goods	-	-
Work-in-Progress	-	-
Stock-in-Trade	-	-
Total (C)	-	-
Total (A+B-C)	-	-

Note No. 22 - EMPLOYEE BENEFIT EXPENSES

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Salaries and Bonus	320,400	252,500
Director's Remuneration	-	-
Total	320,400	252,500

Note No. 23 - FINANCE COST

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Interest Expenses	77,221	-
Other Financial Charges	713,464	805,190
Total	790,685	805,190

Note No. 24 - OTHER EXPENSES

(Amount In Rs.)

Particulars	March 31, 2014	March 31, 2013
Power and Fuel	34,525	31,170
Conveyance	-	-
Listing Expenses	60,448	-
Insurance	316,223	-
ROC/Listing Charges	-	73,540
Labour & Wages	-	-
Total Rent Paid	-	-
Payment to Auditors	-	-
As Auditor	11,236	11,236
Legal and Professional Fees	390,768	666,170
Office Expenses	145,198	139,143
Discount	3,493,111	5,342,423
Bad Debts	204,825,666	-
Stock Lost By Theft	2,389,437	-
Donation	2,001	1,000
Advertisement / Other Selling Expenses	-	33,893
Security Charges	-	-
Travelling Expense	2,930	9,130
Telephone Expenses	60,702	30,281
Excise Penalty	45,000	-
Loss on Sale of Car	413,682	-
Miscellaneous Expenses	28,700	24,484
Total	212,219,627	6,362,470

25 EARNING PER SHARE:

PARTICULARS	<u>2013-14</u> Rupees	<u>2012-13</u> Rupees
Net Profit / (Loss) as per P/L A/c.	(134,854,903)	(13,759,166)
No. of equity shares outstanding (nos.)	10,000,000	10,000,000
Basic earnings per share	(13.49)	(1.38)
Diluted earning per share	(13.49)	(1.38)

26 CONTINGENT LIABILITIES & COMMITMENTS:

As informed to me by the Management, there are no contingent liabilities in the under consideration.

27 DETAILS OF AUDITORS REMUNERATION :

PARTICULARS	2013-2014 (Rupees)	2012-2013 (Rupees)
Payments to Statutory Auditor :		
As Auditors :		
For Audit Fees	11,236	11,236
For Other Services	-	-
TOTAL	11,236	11,236

28 STOCK OF RAW MATERIAL:

PARTICULARS	2013-2014 (Rupees)	2012-2013 (Rupees)
Raw Material	-	2,389,437
Total	-	2,389,437

29 Foreign exchange loss (net) of Rs. NIL/- (Previous year Rs. NIL/-) has been included in respective heads of the Statement of Profit and Loss.

30 SEGMENT REPORTING :

There are no segments in the year under consideration; hence there is nothing to report under this clause.

31 RELATED PARTY DISCLOSURES:

LIST OF RELATED PARTIES	PARTICULARS
Subsidiaries / Associates	NIL
Key Management Personnel	1] Rushabh Shah 2] Sadanand Kotnis 3] Menino Dias
Enterprise in which key management personnel, and their relatives have significant influence	1] Aadi Polyflex Pvt. Ltd.
Relative of Key Management Personnel	1] Mansi Shah

Transaction for the year ended 31st March 2014.

Particulars	Subsidiaries/Associates	Enterprise in which management personnel and relatives have significant influence	Key Management Personnel & their Relatives	Total
1 Loan Received	-	-	535,000	535,000
	-	-	(106,675,717)	(106,675,717)
2 Loan	-	-	18,237,325	18,237,325
Repayment	-	-	(55,131,570)	(55,131,570)

Note: Related Parties Relationship is as identified by the company and relied upon by the Figures in the brackets represent previous year figures.

32 There are no leases in the year under consideration.

33 During the year under consideration, the management has represented that the inventory lying in the Factory Premises which was within the possession of the Bank has been lost. However, there has been no correspondence/documents produced before us stating the above fact.

- 34 The Balances of Sundry Debtors, Creditors, Deposits and Loans & Advances are accepted as appearing in the Ledger Accounts and subject to confirmation from individual parties concerned, due adjustments, if any will be made there on. Management is confident of receiving all the sums due. The provisions for all known liabilities and for depreciation is adequate and not in excess of the amounts reasonably necessary.
- 35 In the opinion of the board the current assets, loans and advances are approximately of the values stated in the Balance Sheet, realized in the ordinary course of business.
- 36 In the absence of declaration from sundry creditors / suppliers with regard to their status as SSI Undertaking wherever appropriate, it is not possible to determine the amount, payable to sundry creditors falling within the meaning of SSI Undertaking.
- 37 Disclosure under Micro, Small and Medium Enterprises development Act, 2006. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises development Act, 2006) claiming their status as micro, small and medium enterprises. Consequently the amount paid/payable to these parties during the period under review is NIL.
- 38 Previous Year Figures have been regrouped & reclassified/rearranged wherever necessary.

As per Report of the even date attached.

For K. S. SUBRAHMANYAM & CO.
CHARTERED ACCOUNTANT

For AADI INDUSTRIES LIMITED

K.S. SUBRAHMANYAM
Proprietor
Membership No: 018630

(1) Sd/-
RUSHABH SHAH
Managing Director

Date: 30th May, 2014
Place: Mumbai

(2) Sd/-
SADANAND KOTNIS
Director

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

GENERAL INFORMATION :

Aadi Industries Limited ('the Company') was incorporated on 21st April, 1994 under The Companies Act, 1956. The company is in the Business of trading and manufacturing of plastic and plastic products.

1 SIGNIFICANT ACCOUNTING POLICIES:

i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis and are in compliance with all material aspect the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

ii) USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, 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.

iii) TANGIBLE FIXED ASSETS AND DEPRECIATION:

TANGIBLE FIXED ASSETS:

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

CAPITAL WORK IN PROGRESS:

Expenses incurred towards acquisition of fixed assets which have not been installed or not put to use before the year end are disclosed under capital work in progress and no depreciation has been provided on that.

DEPRECIATION:

Depreciation on fixed assets is charged on straight-line method basis in the manner and as per the rates and method provided in schedule XIV of the Companies Act, 1956.

Depreciation on Assets added / disposed off during the year have been provided on pro-rata basis with reference to the day of additions / deletions from the respective day of purchase/sale.

iv) INTANGIBLE FIXED ASSETS AND AMORTISATION:

- Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured.
- Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives.
- Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development.

However there are no Intangible Assets for the year under consideration.

v) IMPAIRMENT OF ASSETS:

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying value of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

However, there is no such Impairment on Asset, for the year under consideration.

vi) INVENTORY:

The Inventory is valued as under and as certified by the Management

- Raw Material and Consumables are valued at cost.
- Finished Goods are valued at Cost or Market Value whichever is lower. Cost includes the cost of conversion and other costs incurred to bring the inventories to their present location and condition.
- Obsolete stock if any is valued at net realisable value. However there is no obsolete stock in the year under consideration.
- Work in progress is valued at cost which includes the cost of conversion and other costs incurred to bring the inventories to their present location and condition.

vii) INVESTMENTS:

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and quoted/fair value. Provision for diminution in the value of Long Term Investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

However there are no investments of the company in the year under consideration.

viii) GOVERNMENT GRANTS

Government Grants are recognized when there is reasonable assurance that the same will be received and all attaching conditions will be complied with. Revenue grants are recognized in the Statement of Profit & Loss account. Capital grants relating to specific Tangible/Intangible assets are reduced from the gross value of the respective Tangible/Intangible assets. Other capital grants in nature of promoter's contribution are credited to capital reserve.

However no government grants are received by the company in the year under consideration.

ix) REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

• Sale of Goods

Domestic Sales is recognized on dispatch to customers and is net of returns and rate difference if any. Sales turnover includes basic sales value and excise duty, but excludes other recoveries such as insurance, sales tax etc. However there are no sales during the year under consideration.

• Other Income

Interest is recognized on Time Proportion Basis with reference to principal outstanding and rate of Interest applicable.

x) EMPLOYEE BENEFITS:

No provision is made for retirement benefits, the company will account for the same as and when paid.

xi) FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign currencies are recorded at actual rates rates. The exchange difference resulting from settled transactions is recognized in the statement of profit and loss.

Year end balances of monetary items are restated at the year end exchange rates and the resultant net gain or loss is recognized in the statement of profit and loss.

Premium or discount on forward contracts where there are underlying assets/liabilities are amortised over the life of the contract. Such foreign exchange forward contracts are revalued at the Balance Sheet date and the exchange difference between the spot rate at the date of contract and spot rate on the Balance Sheet date is recognized as gain/loss in the Statement of Profit and loss.

However there are no foreign currency transactions during the year under consideration.

xii) BORROWING COST:

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss Account in the period in which they are incurred.

xiii) LEASES:

• As a Lessee

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

However there are no such leased assets in the year under consideration.

• As a Lessor

The Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases.

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term.

However there are no such leased assets in the year under consideration.

xiv) TAXES ON INCOME:

Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the relevant accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that these would be realized in future.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit.

However, the Company is of the opinion that there exists no reasonable or virtual certainty that these would be realized in future, and hence, no such Deferred Tax has been recognized for the year under consideration.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

The Company has the policy of reviewing and passing proper adjustment entries for Income Tax paid, Provision for Income Tax made and excess/short tax provision for the year after receiving orders from the Appellate authorities. The Company also makes a fair estimate of the Income Tax liability for the said year and gives effects to it in the Books of Accounts.

xv) CASH AND CASH EQUIVALENT :

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of less than three months and short term highly liquid investments with an original maturity of three months or less.

xvi) CASH FLOW STATEMENT:

Cash flows are reported using the Indirect Method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xvii) RESEARCH & DEVELOPMENT:

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred. Capital Expenditure on Research and Development is shown as an addition to Fixed Assets or Work-in-Progress, as the case may be.

However no such expenditure is incurred in the year under consideration.

xviii) EARNINGS PER SHARE:

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

xix) PROVISION & CONTINGENCIES:

The company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available.

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on management's estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the management's current estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

In case of remote possibility neither provision nor disclosure is made in the financials.

A Contingent Asset is neither recognised nor disclosed in the Financial Statements.

Sr.No	Resolutions	For	Against	Abstain
1	Adoption of Audited financial statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as on that date together with the Report of the Board of Directors and the Auditors thereon.			
2	Appointment of Mr. Rushabh Shah, as a Director of the Company.			
3	Appointment of Statutory Auditors			
4	Appointment of Mr. Sadanand Kotnis as an Independent Director of the Company			
5	Appointment of Ms. Kavita Jamsutkar as an Independent Director of the Company			
6	Approval of Limits of Borrowing u/s 180][a] of the Companies Act, 2013[Special Resolution]			
7	Approval of Limits of Borrowing u/s 180][1c] of the Companies Act, 2013[Special Resolution]			

Affix Re.1/-
Revenue Stamp
and sign across
the stamp

* Applicable to investors holding shares in electronic form.

Signed this _____ day of _____ 2014

.....
Signature of shareholder

.....
Signature of the Proxyholder

NOTES:

- 1] This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2] A proxy need not be a member.
- 3] A person can act as a proxy on behalf of member/s not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4] **This is only optional. Please put a "X" in the appropriate Column against the resolution/s indicated in the Box. If you leave the 'For' or 'Against' or "abstain" column blank against any or all the resolution/s, your proxy will be entitled to Vote in the manner as he/she thinks appropriate.
- 5] In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.