

Adhunik

**ADHUNIK INDUSTRIES
LIMITED**

(FORMERLY BHAGWATI RESOURCES LIMITED)

**ANNUAL REPORT
FOR THE YEAR ENDED
2012-2013**

FORM-A

Covering Letter for Annual Audit Report

1.	Name of the Company	Adhunik Industries Limited
2.	Annual Financial Statements for the year ended	31 st March, 2013.
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	To be signed by-	<p style="text-align: right;">Date in serial</p> <p style="text-align: center;">Sudhir Kumar Jain & Associates KOLKATA CHARTERED ACCOUNTANTS</p> <p style="text-align: right;">Signature</p>



ADHUNIK INDUSTRIES LIMITED
(FORMERLY BHAGWATI RESOURCES LIMITED)

Directors' Report - 2013

Dear Members

Your Directors have pleasure in presenting their Annual Report together with audited accounts of your Company for the year ended 31st March, 2013.

Financial highlights	(Rs. in Lakhs)	
	2012-13	2011-12
Turnover	41,368.28	35,375.27
Earning before Interest, Tax, Depreciation & Amortization (EBITDA)	2,860.35	3,021.29
Provision for Taxation	135.60	186.58
Profit after Taxation	382.43	588.30

Operations

During the year, your Company witnessed a growth in sales figures, coupled with wider geographic extension of customer base and extension of product mix to various growing sectors. However, due to increase in raw material prices as well in the market, profitability of the company is also affected.

Deposits

Your Company did not accept any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

Dividend

In view of meeting capital requirements of the Company through ploughing back of profit, your Directors intend to retain the surplus Profits in the business itself. Therefore, no dividend is being declared.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Mahesh Kumar Agarwal, Director of your Company, retire from the Board by rotation and being eligible to offer himself for reelection at the ensuing Annual General Meeting.

Further, the Company received a notice from a member under the provisions of Section 257 of the Companies Act, 1956, nominating reappointment of Mr. Ashok Bacter & Mr. Nand Kishore Singhal in the Annual General Meeting (AGM) as Director of the Company. Mr. Ashok Bacter and Mr. Nand Kishore Singhal were appointed on the Board of the Company as Additional Director on April 3, 2012 and hold their office till the conclusion of this Annual General Meeting.

Directors' responsibility statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors confirm and state that

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards had been followed and that there were no material departures
- (ii) The Directors had 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 Balance Sheet of the Company as at March 31, 2013 and of the profit of the Company for that period
- (iii) The Directors had taken proper and sufficient care for the maintenance adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) The Directors had prepared the annual accounts on a going concern basis.

Corporate Governance

Your Company has been practicing good Corporate Governance and lays strong emphasis on transparency, accountability and integrity. A separate section on Corporate Governance is given in the Annual Report and a certificate from Mr. Mohan Ram Goenka, practicing Company Secretary, regarding compliance of conditions and provisions of the Corporate Governance is given as annexure to the Report along with a certificate from CEO/CFO in terms of sub-Clause (v) of Clause 49 of the Listing Agreement is annexed in the Corporate Governance Report.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company.

Board members and senior management personnel have affirmed compliance with the Code for the financial year 2010-11. A certificate from the CEO is annexed in this regard.

Code for Prevention of Insider Trading Practices

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

Statutory disclosures

None of the Directors of the Company are disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the Company is not required to transfer any amount to Investor Protection and Education Fund as the Company is declaring dividends since financial year 2007-08 and as such there is no amount of dividend which was due and payable and remained unclaimed and unpaid for a period of seven years.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as required by Section 217(1)(e) of the Companies Act, 1956, read with the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given in the annexure attached hereto and forms a part of this Report.

Auditors

M/s. Sudhir Kumar Jain & Associates, Chartered Accountants, the statutory Auditors of the Company who retire at the ensuing Annual General Meeting are eligible for reappointment.

Secretarial audit report

As a measure of good corporate governance practice, the Board of Directors of the Company appointed M/s. M R & Associates, Company Secretaries Firm to conduct independent secretarial audit of the Company. The secretarial compliance certificate for the financial year ended March 31, 2013, is provided in the Annual Report.

The secretarial compliance certificate confirms that the Company complied with all the applicable provisions of the Companies Act, 1956, Listing Agreements with the stock exchanges, Securities Contract (Regulation) Act, 1956 and all the regulations of SEBI as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Personnel

At Adhunik, values make for more than just a powerful tagline. We have proven a role model for creating wealth ethically and legally. We engage employees through a fair and rewarding work environment. The information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is provided in the Annexure as below

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Name	Age in Years	Designation & Qualification	Nature of duties	Gross Remuneration (Rs.)	Experience (No. of years)	Last Employment
Mr. Jugal Kishore Agarwal	61	Managing Director / Law Graduate	Management and overall in charge	-	28	NIL

Since profit of the Company is not adequate, Managing Director Sri Jugal Kishore Agarwal had agreed to forego remuneration of Rs. 30,00,000/- (Rupees Thirty Lacs only) including perquisites .

Acknowledgement

The Board takes this opportunity to express its sincere appreciation for the excellent support and cooperation received from the Company's customers, suppliers, government authorities, bankers, investors, financial institutions and shareholders for their consistent support to the Company. The Directors also sincerely acknowledge the outstanding support and services of the workers, staff and executives of the Company which together contributed towards the efficient operation and management of the Company.

For and on behalf of the Board

Registered office
14 Netaji Subhash Road
Kolkata - 700001

Date: 30.05.2013

Mahesh Kumar Agarwal
Mahesh Kumar Agarwal
Chairman

Jugal Kishore Agarwal
Jugal Kishore Agarwal
Managing Director

Annexure to the Directors' Report

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988.

Conservation of Energy

There are many steps regarding conservation of energy were taken, which helped in improving the energy consumption. But due to increase in fuel prices, cost per unit increased compared to previous years.

Form for disclosure of particulars with respect to Conservation of Energy are as follows:

Particulars	2012-13	2011-12
A. Power & Fuel Consumption		
1. Electricity Purchased		
Unit (Lakhs- Kwh)	154.39	140.89
Total Amount (Rs. in Lakhs)	831.03	713.69
Cost per Unit (Rs.)	5.38	5.07
2. Coal		
Quantity (Tons)	11,075.51	3,844.60
Total Cost (Rs. in Lakhs)	631.12	193.40
Average Cost (Rs. per Ton)	5,698.34	5,030.43
3. Furnace Oil		
Quantity (K. Ltrs.)	478.13	2,016.65
Total Amount (Rs. in Lakhs)	203.72	747.09
Average Rate (Rs. in Lakhs per K. Ltr.)	0.43	0.37
B. Consumption (In Units) per Tonne of Rolled Products		
Electricity (in KWH)	168.94	248.07
Coal (in Tons)	0.12	0.07
Furnace Oil (in Ltr)	5.23	35.51

Note- We have to use either coal for gassifye plant or furnace oil for furnace for production of finished rolled products.

Technology Absorption, Adaptation and Innovation

No specific technology has been absorbed or adopted during the year.

Foreign Exchange Earnings and Outgo

Activities relating to exports, initiatives taken to increase exports; development of new export markets for product and export plans;

Total foreign exchange used and earned	2012-13	2011-12
Foreign Exchange Earnings (Rs. in Lakhs)	NIL	182.77
Foreign Exchange Outgo (Rs. in Lakhs)	NIL	NIL



Management Discussion & Analysis

A. Industry Structure and Developments

Your Company is engaged in the production of wire rods and tmt bars which is mainly used in the construction industry. As such, the outlook for your Company is closely linked to that of the steel, infrastructure and real estate industry and the demand for tmt and wire rod in particular is influenced by the price & availability of raw materials.

B. Opportunities and Threats

The demand for tmt and wire rod is cyclical in nature reflecting a similar trend in the iron & steel industry and as a result, there is substantial volatility in prices. During the current financial year 2012-13, the prices remain highly volatile throughout the period. However, the Company is able to overcome its projected level of turnover in spite of there is overall liquidity tight position in iron & steel industry.

C. Segment-wise or Product-wise Performance

The Company has identified iron & steel products as its sole operating segment and the same has been treated as primary segment. Total revenue from operations earned is Rs. 413.68 Crores.

D. Future Outlook:

As India is one of the developing nations around the world and expecting fast growth in the near future, demand for steel related products will always be there. So, the Company will be able to survive in the competitive market with increase in demand for the products.

E. Risks and Concerns:

The major risk for the Company is the supply of adequate raw materials such as billet, ingot and coal for smooth operation and production which is mitigated from the supply from the group companies. Also, reputed suppliers are there in the market from which the Company is procuring raw materials at present.

F. Internal Control Systems and their Adequacy:

Your Company has instituted adequate internal control systems commensurate with its size and scale of operations. The Audit Committee periodically reviews such systems with the help of the internal and Statutory Auditors and reports to the Board on its adequacy.

G. Discussion on Financial Performance with respect to Operational Performance:

In spite of this liquidity crisis in the overall economy, the company is able to maintain and overcome its projected turnover as compared to last year. Also, the prices of raw materials were increased rapidly as compared to selling prices. Due to this, profit of the Company decreases. However, with better control and efficient management and policies of cost reduction, impact on profit could be reduced to some extent.

H. Human Resources/Industrial Relations:

Industrial relations during the year under review were cordial and peaceful. Your Directors wish to place on record the excellent cooperation and contribution made by the employees at all levels to the growth and development of the Company.



Report on Corporate Governance

Your Company has been practicing the principles of good Corporate Governance, which comprise all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the Corporate Governance compliance by the Company as per Clause 49 of the listing agreement with Stock Exchanges are as under

Company's philosophy on Corporate Governance

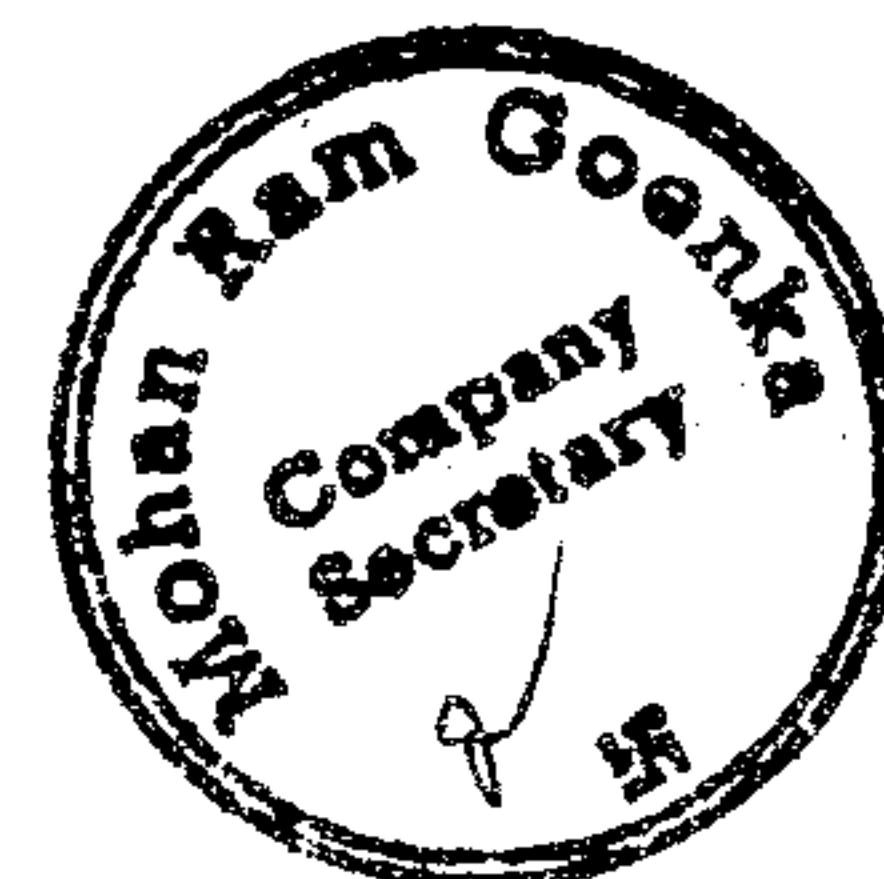
The basic philosophy of Corporate Governance of the Company is to achieve business excellence and to dedicate itself for increasing long-term shareholders' value, keeping in view the needs and interests of all its stakeholders. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. We believe that Corporate Governance is voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also by being responsive to our stakeholders needs.

The key elements of good Corporate Governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and a commitment to the organization. The Corporate Governance framework of the Company ensures that a timely and accurate disclosure is made on all material matters regarding the Company, including the financial statements, performance, ownership and governance of the Company. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of the stakeholders.

The Board of Directors ('The Board') is at the core of our Corporate Governance practice and oversees how the management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of corporate governance.

Board of Directors

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.



In terms of the Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. As trustees, the Board ensures that the Company has clear goals relating to shareholder value and its growth and seeks accountability for their fulfillment. The Board of the Company comprises an adequate blend of professional, Executive and Independent Directors.

Composition

The Board had composition of 5 (five) Directors including 2 (two) Independent Directors. During 2012-13, the Board met ten times on April 3, 2012, May 15, 2012, August 14, 2012, September 4, 2012, October 8, 2012, October 25, 2012, November 14, 2012, January 8, 2013, February 14, 2013 and March 20, 2013. The maximum time gap between any two consecutive meetings was not more than four months. The constitution of the Board during the year ended March 31, 2013 and their attendance at the Board meetings, last Annual General Meeting and the Directorship/ Chairmanship/Membership of Committee of each Director in other companies are as under:

S. No.	Name of Director	Attendance		Category of Directors	Other		Other committee	
		Board	Last AGM		Directors hip	Chairman ship	Membership	Chairman ship
1	Shri Ashok Bector (Chairman) #	9	Yes	Independent Non-Executive	4	Nil	Nil	Nil
2	Shri Jugal Kishore Agarwal (Managing Director)	10	Yes	Non- Independent Executive	14	Nil	2	Nil
3	Shri Mohan Lal Agarwal	10	Yes	Non Independent Non-Executive	12	Nil	2	Nil
	Shri Mahesh Kumar Agarwal	10	Yes	Non Independent Non-Executive	10	Nil	1	Nil
5	Shri Manoj Sharma*	1	No	Independent Non- Executive	Nil	Nil	Nil	Nil
6	Shri Manish Kumar*	1	No	Independent Non- Executive	1	Nil	Nil	Nil
7	Shri Nand Kishore Singhal #	9	Yes	Independent Non- Executive	4	Nil	Nil	Nil

*resigned on April 3, 2012.

appointed on 3rd April, 2012.



1. Committee includes Audit Committee, Shareholders'/Investors' Grievance Committee and Remuneration/Compensation Committee only.
2. Other directorship includes directorship in public companies only.
3. All the directors certified that the disqualifications mentioned under section 274(1)(g) of the Companies Act, 1956 do not apply to them.
4. None of the Directors is a member in more than 10 committees or act as a Chairman of more than five committees across all companies in which he is a Director and the same is in compliance with Clause 49(c)(iv) of the Listing Agreement.
5. Mr. Mahesh Kumar Agarwal, who retires by rotation at the end of ensuing AGM and offers himself for reappointment, details pursuant to clause 49(vi) forms part of the notice.

Board business

The normal business of the Board includes:

- General notice of interest of Directors
- Appointment, remuneration and resignation of Directors, Chief Financial Officer and Company Secretary of the Company
- Strategies for shaping of portfolio and direction of the Company and priorities, in corporate resource allocation
- Corporate annual plan and operating framework
- Quarterly business performance reports
- Convening a meeting of shareholders of the Company, setting the agenda thereof, and ensuring that a satisfactory dialogue with shareholders takes place
- Declaration / recommendation of dividend
- Formation/reconstitution of Board Committees and their terms of reference.
- Review functioning of the Board and its Committees
- Minutes of meetings of Audit Committee and other Committees of the Board
- Annual review of accounts for adoption by shareholders



- Quarterly and annual results announcements
- Merger, acquisition, joint venture or disposal, if any
- Recruitment and remuneration of senior management
- Materially important show cause, demand, prosecution and penalty notices
- Significant development in the human resources and industrial relations fronts
- Risk evaluation and control
- Summary of all long-term borrowings made, bank guarantee issued, loans and investments made
- Significant changes in accounting policies and internal controls
- Internal Audit findings and External Audit Reports (through the Audit Committee)
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer (if any), etc. (through the Shareholders / Investors' Grievances Committee)
- Brief on all statutory developments, changes in government policies etc. with impact thereof, Directors' responsibility arising out of any such developments
- Compliance with all relevant legislations and regulations

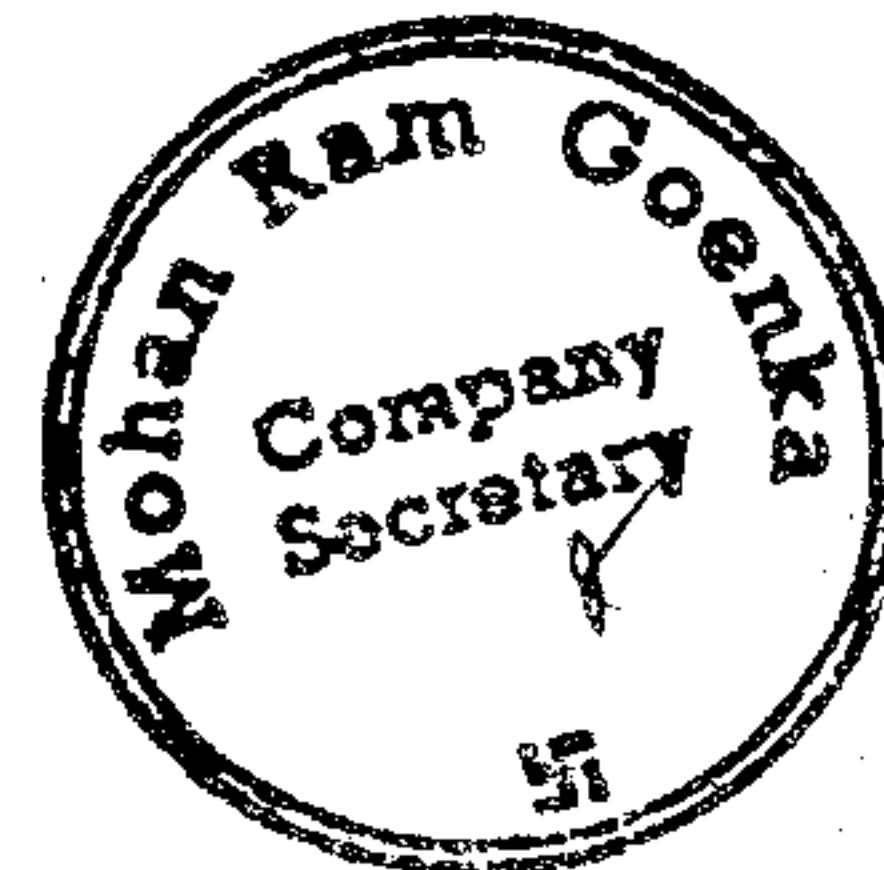
Board support

The Management and the conduct of the affairs of the Company lie with the Managing Director, who heads the management team. He is collectively entrusted with the task of ensuring that all management functions are executed professionally and are accountable to the Board for their actions and results.

The Company Secretary of the Company attends all the meetings of Board and advises/assures the Board on compliance and governance principles.

Board independence

The Board has adopted guidelines which are in line with the applicable legal requirements. Our definition of independence of Directors is derived from Clause 49 of the Listing Agreement with stock exchanges. Based on the confirmation/disclosures from the Directors and on evaluation of relationships disclosed, the Company had an optimum



mix of Independent Directors on the Board of the Company which is in conformity with Clause 49 of the Listing Agreement.

The Independent Directors have the requisite qualifications and experience in their respective fields which is of great use to the Company. They contribute in significant measure to Board Committees. Their independent role vis-à-vis the Company means that they have a special contribution to make in situations where they add a broader perspective by ensuring that the interests of all stakeholders are kept in acceptable balance and in providing an objective view in any instances where a (potential) conflict of interest may arise between stakeholders.

Board meetings

Scheduling and selection of agenda items for Board meetings

- i) The Company holds minimum of four Board meetings in each year. All Board meetings are convened by giving appropriate notice at any time to address the specific needs of the Company.
- ii) The meetings are usually held at the Company's Corporate Office at 2/1A Sarat Bose Road, "Lansdowne Tower" Kolkata-700 020.
- iii) Meetings are governed by a structured agenda. All departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval in the Board Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the agenda for the Board meetings. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board.
- iv) The Board is given presentations covering finance, the major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board meeting.

The Managing Director and the Company Secretary in consultation with the other concerned persons in senior management finalize the agenda papers for the Board meeting. Directors have access to the Company Secretary's support and all information of the Company and are free to suggest inclusion of any matter in the Agenda.



Board material distributed in advance

Agenda papers are circulated to the Directors in advance. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents to the agenda, the same are placed on the table at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Recording minutes of proceedings at Board/Committee meetings

The Company Secretary records the minutes of the proceedings of each Board meeting. Draft minutes are circulated to all the members of the Board for their comments. The minutes of proceedings of a meeting are generally entered in the minutes book within 30 days from the conclusion of the meeting.

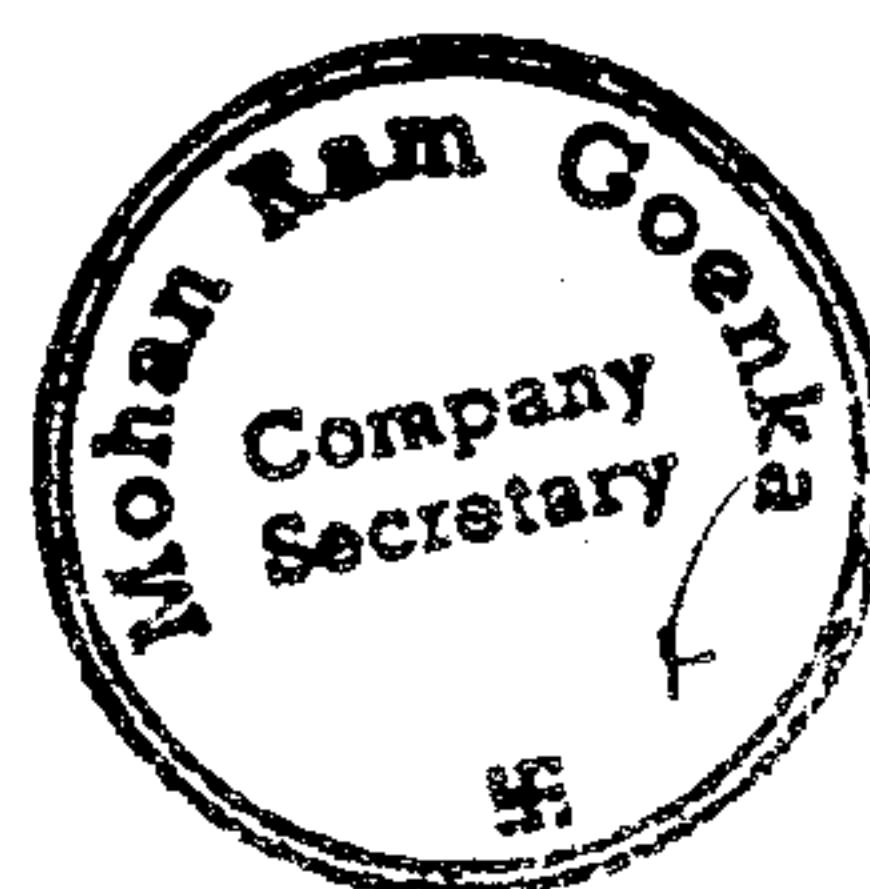
Post meeting follow up mechanism

The guidelines for Board and Committee meetings facilitate an effective post meeting follow up, review and reporting process of the decisions taken by the Board and Board Committee thereof. The important decisions taken by the Board/Committees meetings are communicated to the respective departments/division concerned promptly. Action taken report on the decisions/minute of the previous meeting(s) is placed at the meeting of the Board/Committee for their noting.

Committees of the Board

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. The Board committees are set up under the formal approval of the Board, to carry out the clearly defined role which is considered to be performed by members of the Board as a part of good governance practice. The terms of reference of the Board Committees are determined by the Board from time to time. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

To enable better and focused attention on the affairs of the Company, the Board constituted the following committees



Audit Committee

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange(s). The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process with a view to ensuring accurate and timely disclosures, with highest levels of transparency, integrity and quality of financial reporting viz.:

A. Powers of the Audit Committee:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal and professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

B. The role of Audit Committee includes:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management



- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - 8. Discussion with internal auditors any significant findings and follow up there on.
 - 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - 12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - 12A. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 - 13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



Attendance record of Audit Committee members

Name of the Member	Category	No. of Meetings	Meetings attended
Shri Ashok Bector	Independent Non-Executive	5	5
Shri Nand Kishore Singhal	Independent Non-Executive	5	5
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	5	5
Shri Manoj Sharma #	Independent Non-Executive	-	-
Shri Manish Kumar #	Independent Non-Executive	-	-

resigned on 3rd April, 2012.

Five meeting of the Committee was held during the financial year 2012-13. The dates on which the said meetings were held were as follows:

May 15th, 2012, August 14th, 2012, September 4th, 2012, November 14th, 2012 & February 14th, 2013.

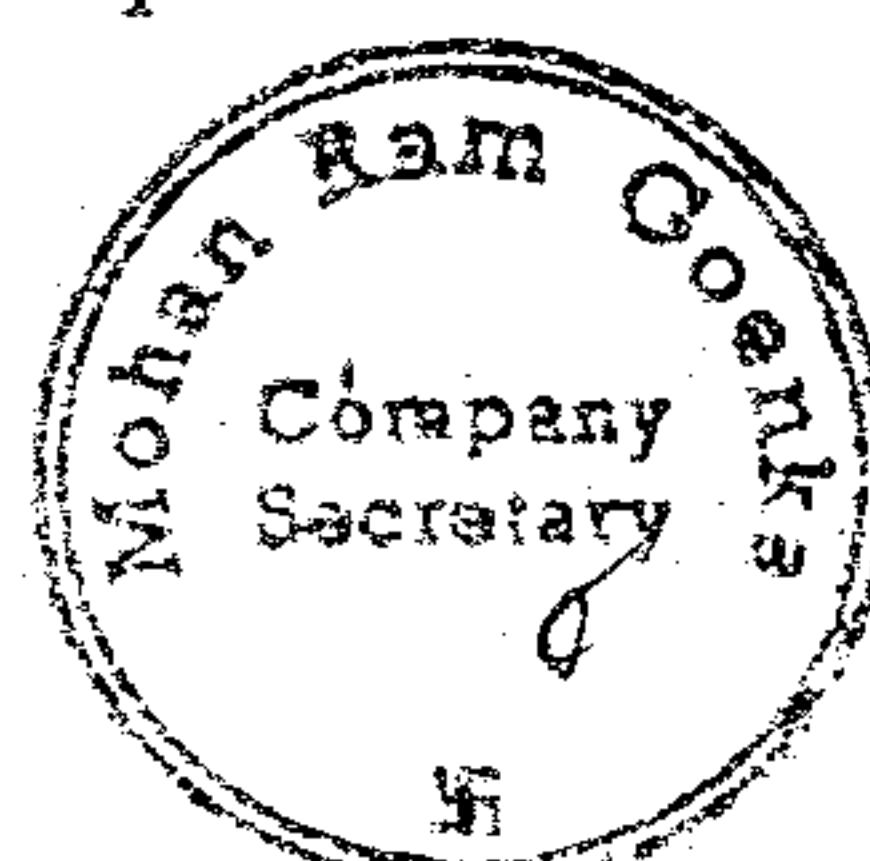
The necessary quorum was present at the meetings. The maximum time gap between any consecutive meetings was not more than four months.

Mr. Ashok Bector is the chairman of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting. Statutory auditors, internal auditors and the GM-Finance & Accounts of the Company are permanent invitees to Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee

Remuneration/Compensation Committee

The Remuneration/Compensation Committee ("the committee") comprised of three members out of which two are Independent Directors. This Committee comprises of Shri Ashok Bector (Chairman), Shri Nand Kishore Singhal and Shri Mahesh Kumar Agarwal. (Mr. Manoj Sharma and Mr. Manish Kumar resigned from the committee on 3rd April, 2013).

The Remuneration/Compensation Committee was set up to review the overall compensation structure and related policies of the Company with a view to attract, motivate and retain employees. The Committee determines the Company's policies on remuneration packages payable to Managing Director and also reviews the compensation



levels vis-à-vis other companies and the industry in general. The Company Secretary acts as the Secretary to the Committee. No Meeting of the Committee was held during the financial year 2012-13.

Details of remuneration paid to the Directors during 2012-13

No sitting fees for Board meeting and Committee meeting were paid to the directors. Since profit of the Company is not adequate and for bright prospects and future growth of the Company, Managing Director Sri Jugal Kishore Agarwal had agreed to forego remuneration of Rs. 30,00,000/- (Rupees Thirty Lacs only) including perquisites .

Shareholders/Investors' Grievances Committee

The Shareholders/Investors' Grievances Committee ('the committee') comprised of three members including one Independent Director.

This Committee comprises of Shri Mahesh Kumar Agarwal (Chairman), Shri Mohan Lal Agarwal and Ashok Bector as member of the Committee. The Committee was constituted to address investor grievances and complaints in matters such as transfer of equity shares, non-receipt of annual reports and non-receipt of declared dividends, among others, and ensure an expeditious resolution to the matter. The Committee also evaluates performance and service standards of Registrar and Transfer Agent and provides continuous guidance to improve the service levels for investors.

Mr. Bharat Agarwal, Company Secretary acts as the Compliance Officer.

Three Meetings of the Committee was held during the financial year on 14th May, 2012, November 15th, 2012 and February 11th, 2013.

Attendance record of Shareholders/Investors' Grievances Committee :

Name of the Member	Category	Number of meetings	Meetings attended
Shri Mahesh Kumar Agarwal(Chairman)	Non Independent Non-Executive	3	3
Shri Mohan Lal Agarwal	Non Independent Non-Executive	3	3
Shri Ashok Bector	Independent	3	2
Shri Manoj Sharma #	Independent	-	-

resigned on 3rd April, 2012.



Status of Investors' Complaints:

Number of complaints received during the year	Nil
Number of complaints resolved upto 31st March, 2013	Nil
Number of complaints not solved to the satisfaction of shareholders	N. A.
Number of complaints pending as on 31st March, 2013	Nil

E-mail ID earmarked for redressing Investors queries in terms of Clause 47(f) of the listing agreement- investorsail@adhunikgroup.co.in

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. The Company did not receive any complaints from shareholders during the year. No complaints were pending as on March 31, 2013. There were also no investors complaint pending against the company as on March 31, 2013 on SCORES, the web based compliant redressal system of SEBI.

Web site maintenance

The Company's web site www.adhunikindustries.com contains a separate dedicated section "Investor Relations" where shareholders information is available. The quarterly and annual results of the Company and shareholding pattern are posted on the Company's website. The Company posts on its website all its official news releases, important announcements and presentations.

Disclosures

- (i) There was no materially significant related party transaction entered into by the Company with the promoter Directors or their relatives during the period that may have potential conflict with interest of the Company at large.
- (ii) There was no instance of non-compliance penalties/strictures imposed on the Company by stock exchange(s) or the SEBI or any other statutory authorities, on any matter related to capital markets during the last three years
- (iii) There were no inter-se or pecuniary relationships or transactions with the Non-Executive Directors.



- (iv) Whistle Blower Policy being non-mandatory requirement has not been adopted by the Company. However, the management affirms that no personnel have been denied access to the Audit Committee.
- (v) The company is complying with all mandatory requirements of Clause 49 of Listing Agreement. The Non-Mandatory requirements relating Remuneration/ Compensation Committee have been adopted by the company.
- (vi) Shareholding of Directors in the Company as on March 31, 2013.

Name of Directors	Number of equity shares
Shri Jugal Kishore Agarwal	4,94,500
Shri Mohan Lal Agarwal	4,41,500
Shri Mahesh Kumar Agarwal	5,24,000

Means of Communication

- a) The Financial results are regularly submitted to the stock exchanges in accordance with the listing agreement and published in one English Daily (The Echo of India) and one Bengali Daily (Aarthik Lipi).
- b) The Management Discussion and Analysis report is a part of Annual Report.

Details of previous Annual General Meeting:

The last three Annual General Meetings of the Company were held as per details given below:

Year	Date	Time	Venue	Number of special resolutions passed
2011-12	September 29, 2012	11:00 am	2/1 A Sarat Bose Road, Kolkata-700 020	Nil
2010-11	September 30, 2011	11:00 am	2/1 A Sarat Bose Road, Kolkata-700 020	Nil
2009-10	September 13, 2010	11:00 am	14, Netaji Subhas Road Kolkata-700 001.	Nil

One Extra Ordinary General Meetings of the shareholders was held during the financial year by Ordinary resolution on December 30, 2011 for appointment of Statutory Auditor. No Special resolution was passed during the last financial year.



Postal Ballot

No resolution was passed through Postal Ballot in 2011-12. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a resolution through postal ballot.

Code of Conduct

The Code of Conduct, as adopted by the Board, is applicable to Directors, senior management and employees of the Company. The Code is designed from three interlinked fundamental principles viz. good corporate governance, good citizenship and exemplary personal conduct. The Code covers commitment to sustainable development concern for occupational health, safety and environment, a gender-friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example.

Code for prevention of insider trading practices

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the Company by insider on the basis of unpublished price sensitive information.

Compliance certificate

The compliance certificate from MR & Associates, practicing Company Secretary, affirms that the Company complied with the conditions of corporate governance as were applicable as on March 31, 2013 and stipulated in Clause 49 of the Listing Agreement with the stock exchange(s) is annexed hereto.

General shareholders' information

AGM details

Day and date	Monday, September 30, 2013
Venue	2/1A Sarat Bose Road," Lansdowne Towers" Kolkata – 700 020.
Time	11.00 A.M.
Book closure dates	17th September 2013 to 30 th September 2013. (both days inclusive)



CEO/CFO certification

The CEO and CFO certification issued in accordance with the provisions of Clause 49 of Listing Agreement with Stock Exchanges for the year is annexed and forms part of the Annual Report.

Registrar & Share Transfer Agents

M/s Maheshwari Datamatics Private Limited.

6, Mangoe Lane, 2nd Floor

Kolkata-700 001.

Tel no. 91-33-22435809

Fax no. 91-33-22484787

E-mail- mdpldc@yahoo.com

Share transfer system

The Registrars and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 7 to 10 days provided the documents lodged with the Registrars/Company are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchange.

Dematerialization of shares and liquidity

As per SEBI requirement the Company enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's shares are available for trading under both the depository systems in India. The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE452L01012. The Company has paid annual custody fee for the financial year 2013-14 to NSDL and CDSL, the depositories. As on 31st March, 2013 4,67,63,750 Equity Shares of the Company representing 100.00 % of the issued and subscribed share capital stood dematerialized.

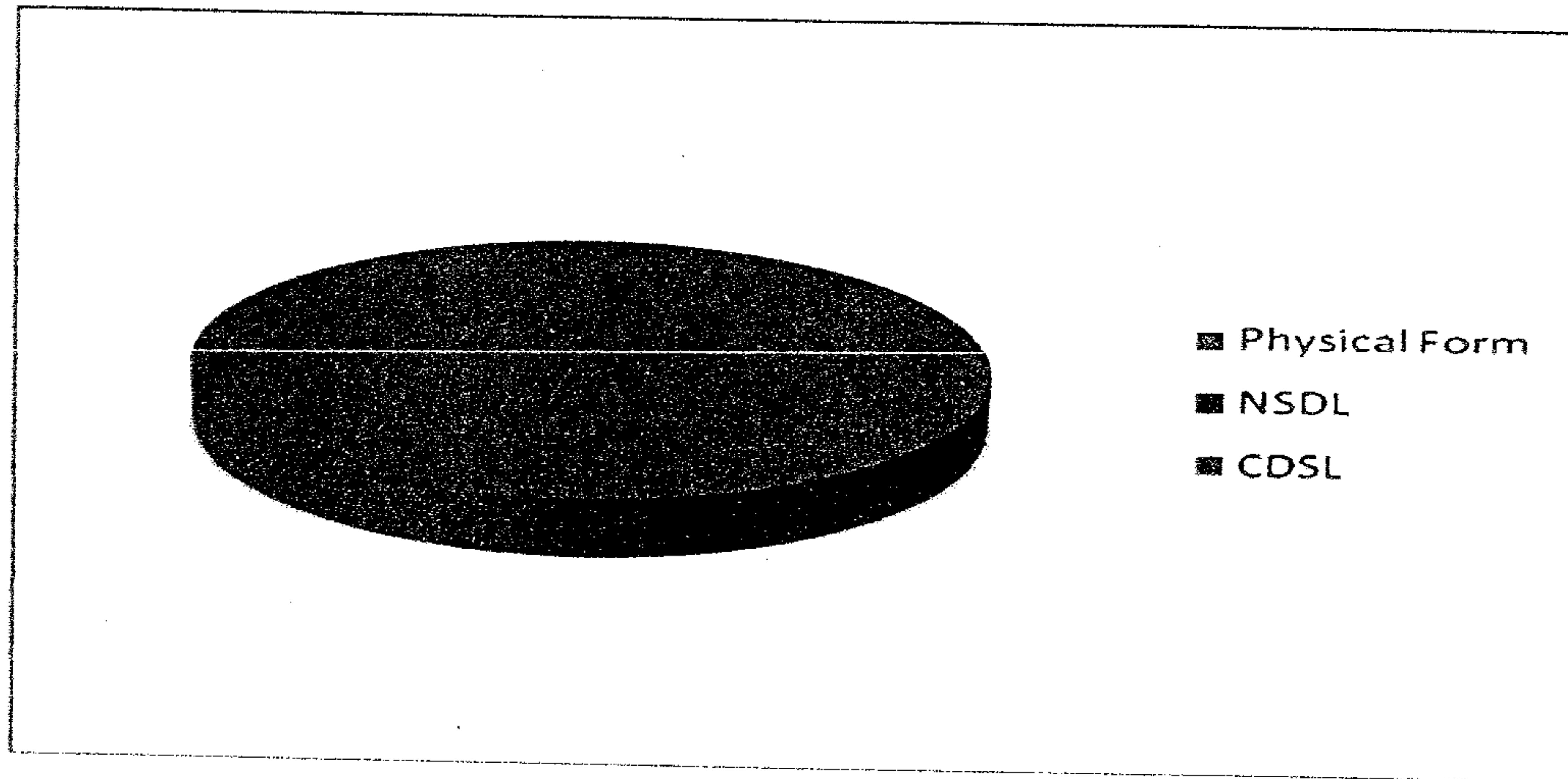
Market Price Data

Since the Company's shares are not actively traded presently on Calcutta Stock Exchange, therefore the market price data are not available.



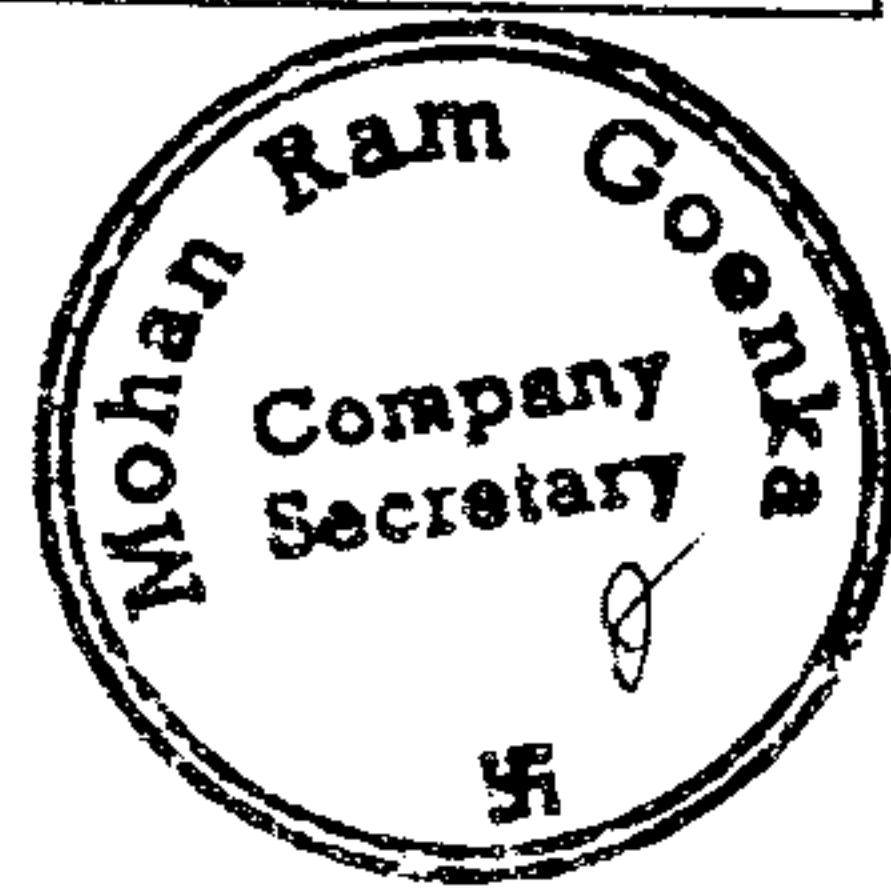
Details of DEMAT and Physical Shares as on March 31, 2013

Description	Number of Holders	Number of Shares	% of Equity
CDSL	NIL	NIL	NIL
NSDL	21	4,67,63,750	100.00%
Physical	NIL	NIL	NIL
Total	21	4,67,63,750	100.00%



Distribution of shareholding as on March 31, 2013

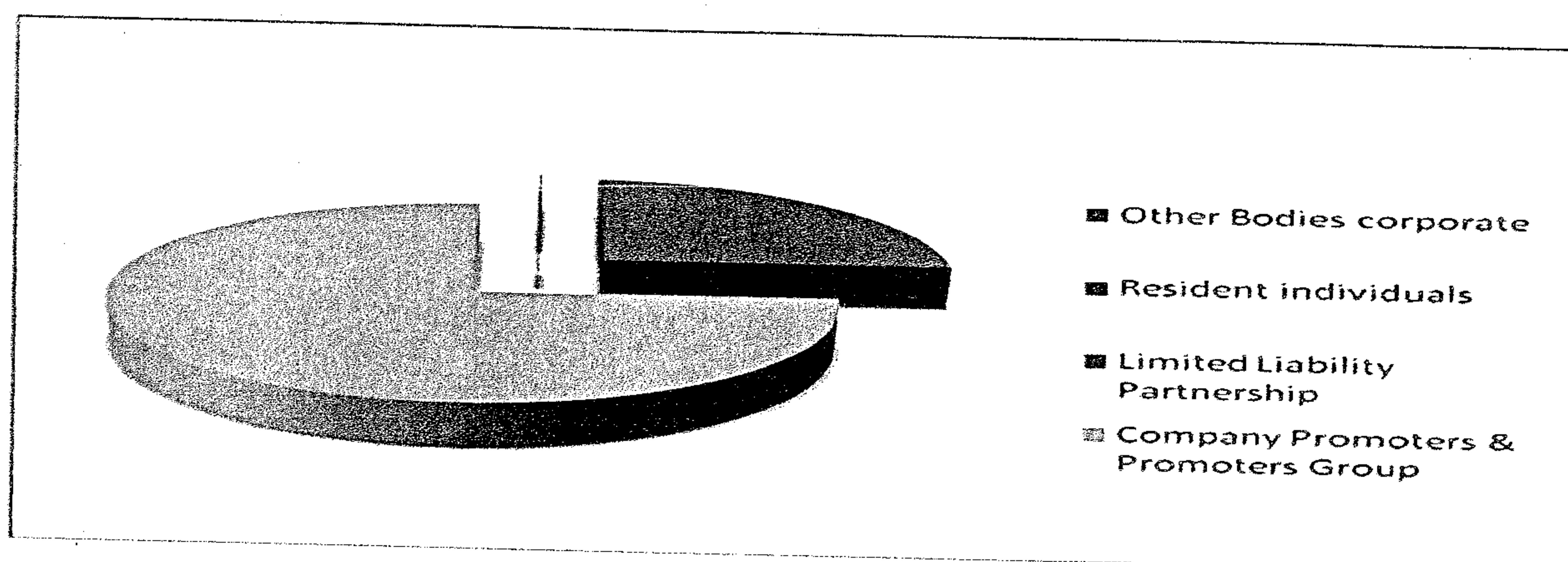
Category (Share)	Shareholders		No of Shares	
	Number	% to total		% to total
1- 500	Nil	Nil	Nil	Nil
501-1000	Nil	Nil	Nil	Nil
1001-2000	Nil	Nil	Nil	Nil
2001-3000	Nil	Nil	Nil	Nil
3001-4000	Nil	Nil	Nil	Nil
4001-5000	Nil	Nil	Nil	Nil
5001-10000	Nil	Nil	Nil	Nil
10001 and above	21	100.0000	46763750	100.0000
Total	21	100.0000	46763750	100.0000



Categories of shareholders as on March 31, 2013

Serial number	Category	Numbers of holders	Number of shares	% to equity
1	Company Promoters & Promoters Group	14	3,50,54,800	74.9615
2	Other Bodies corporate	1	25,000	0.0534
3	Resident individuals	1	43,000	0.0920
4	Limited Liability Partnership	5	1,16,40,950	24.8931
Total		21	4,67,63,750	100.00

Shareholding pattern as on March 31st, 2013.



Listing of shares on stock exchanges with stock code

Stock exchange	Stock code
Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001. Telephone nos : 033-22104470-77 Facsimile no. : 033-22102223 Website : www.cse-india.com ISIN No.-	028188 INE452L01012

The annual listing fee for the year 2013-14 has been paid to the above stock exchange.

Financial calendar tentative

Financial year 2012-13

1	First quarter results	Within August 14, 2013
2	Second quarter and half-year results	Within November 15, 2013
3	Third quarter results	Within February 14, 2014
4	Annual Result	Within 30 th May, 2014



Dividend history

Financial year	Dividend per share (RS.)	Total dividend (Rs. in lakhs)
2012-13	Nil	Nil
2011-12	Nil	Nil
2010-11	1.00	467.64
2009-10	1.00	467.64
2008-09	1.00	2.00
2007-08	1.00	2.00

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity :

Not applicable

Plant location :

Raturia Industrial Area, Angadpur
Durgapur-713 215, West Bengal.
India

Investors correspondence

All queries of investors regarding the Company's shares or other matters may be sent at the following addresses

The Company Secretary
Adhunik Industries Limited
Lansdowne Towers
2/1A, Sarat Bose Road
Kolkata – 700 020
Tel no. 91-33-30517100
Fax no. 91-33-22890285
E Mail: investorsail@adhunikgroup.co.in

or
M/s Maheshwari Datamatics Pvt. Limited.
6, Mangoe Lane, 2nd Floor
Kolkata- 700 001
Tel no. 91-33-22435809
Fax no. 91-33-22484787

For and on behalf of the Board

Registered Office
14, Netaji Subhash Road
Kolkata – 700 001

Date: May 30, 2013

Mahesh Kumar Agarwal
Mahesh Kumar Agarwal
Chairman

Jugal Kishore Agarwal
Jugal Kishore Agarwal
Managing Director



<p align="center">DECLARATION BY CEO ON CODE OF CONDUCT</p>	
<p>To The Members M/s. Adhunik Industries Limited</p>	<p>All the members of the Board and senior management personnel of the Company affirmed due observance of the Code of Conduct, framed pursuant to Clause 49 of the Listing Agreement with stock exchanges, in so far as it was applicable to them and there was no non compliance thereto during the year ended March 31, 2013.</p> <p>Place: Kolkata Date: May 30, 2013.</p> <p>Jugal Kishore Agarwal Managing Director</p> 

Company Secretary Certificate regarding compliance of conditions of Corporate Governance

To the Members of
M/s. Adhunik Industries Limited

Re: Certificate regarding compliance of conditions of Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Adhunik Industries Limited, for the year ended 31.03.2013, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. 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 MR & Associates
Company Secretaries

Place : Kolkata

Date : May 30, 2013

Mohan Ram Goenka
Partner
C P No.: 2551



CEO AND CFO CERTIFICATION

We, Jugal Kishore Agarwal, Managing Director and Bikash Roy Choudhury, Chief Finance Officer, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2013 and confirm that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee :
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Jugal Kishore Agarwal

Jugal Kishore Agarwal

Managing Director

Bikash Roy Choudhury

Bikash Roy Choudhury

Chief Finance Officer

Place : Kolkata

Date : May 30, 2013



Independent Auditor's Report

To the Members of

Adhunik Industries Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of Adhunik Industries Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

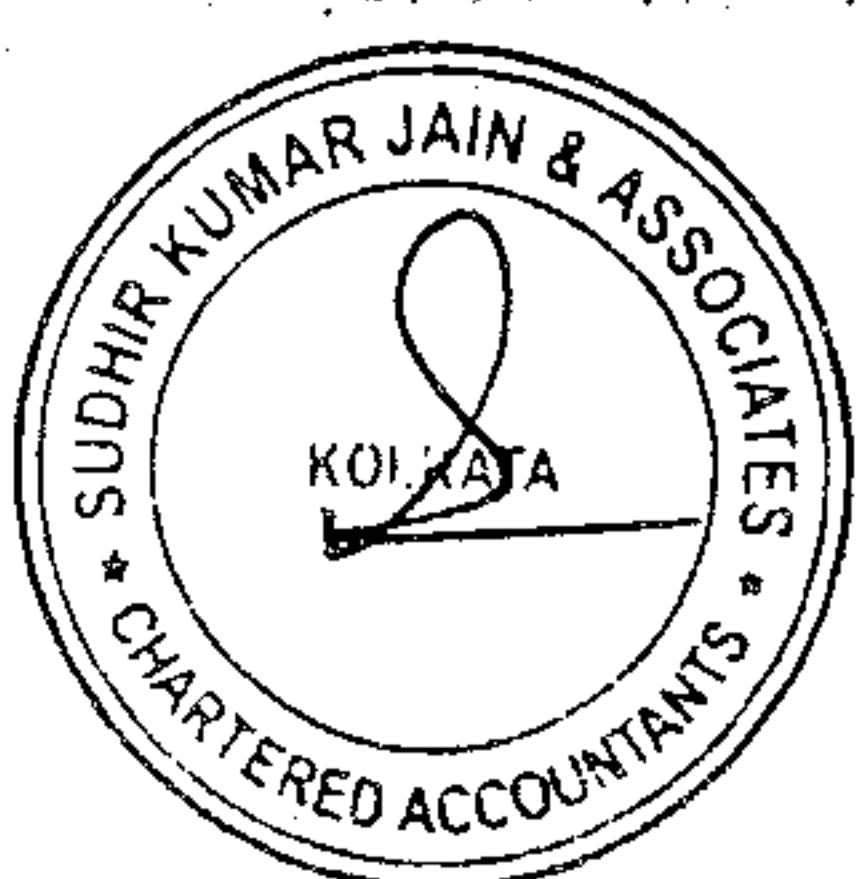
The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit/ 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.

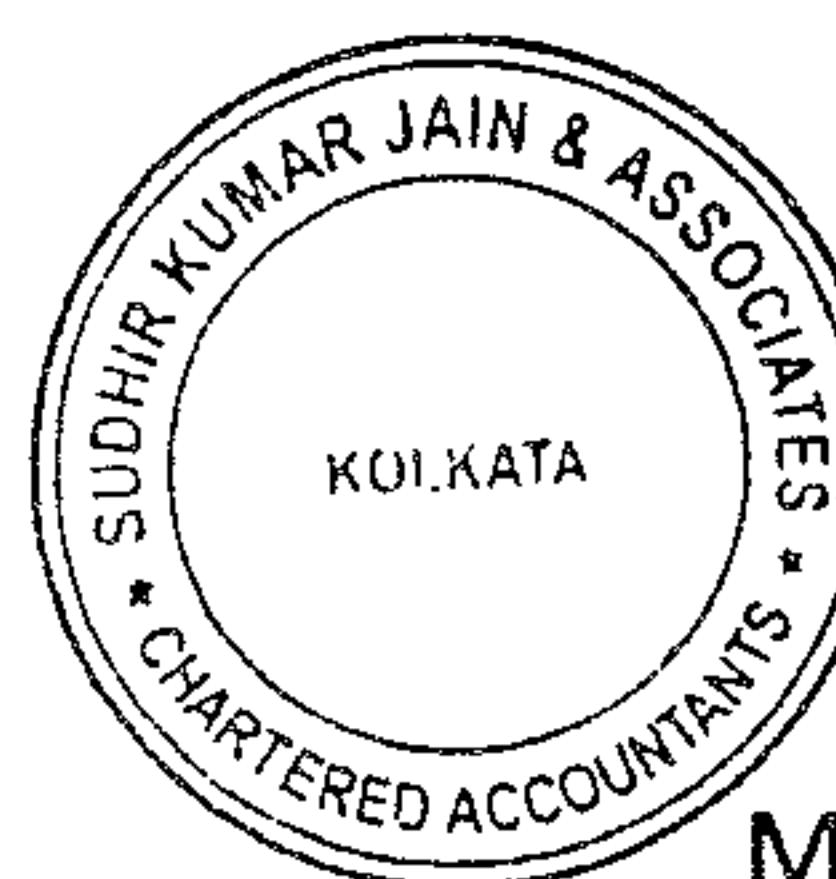
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn No: 318016E

Chartered Accountants



Ravi Kumar
CA. Ravi Kumar
(Partner)

Membership No. 303138

Place: Kolkata

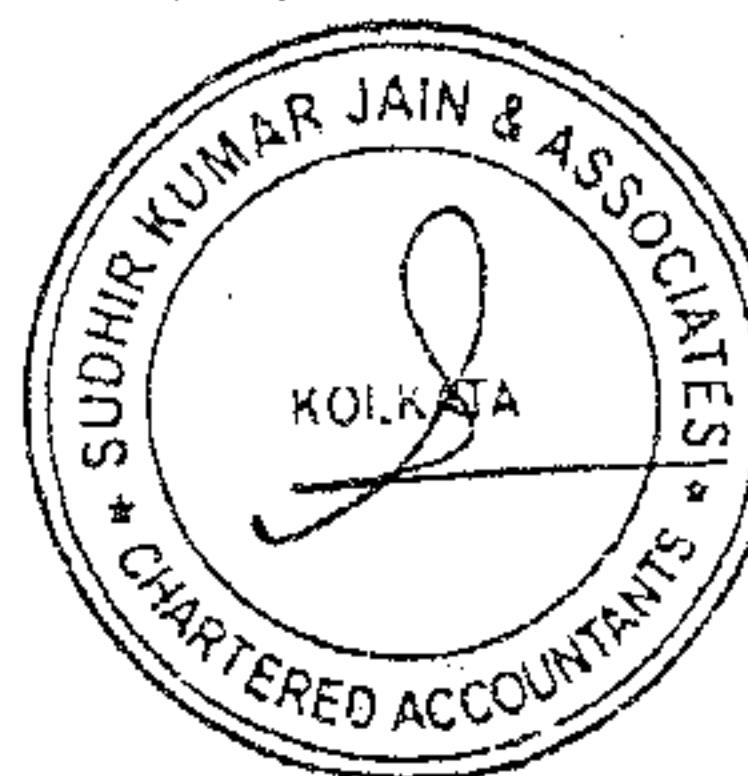
Date: The 30th Day of May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Adhunik Industries Limited on the accounts of the company for the year ended 31st March, 2013.

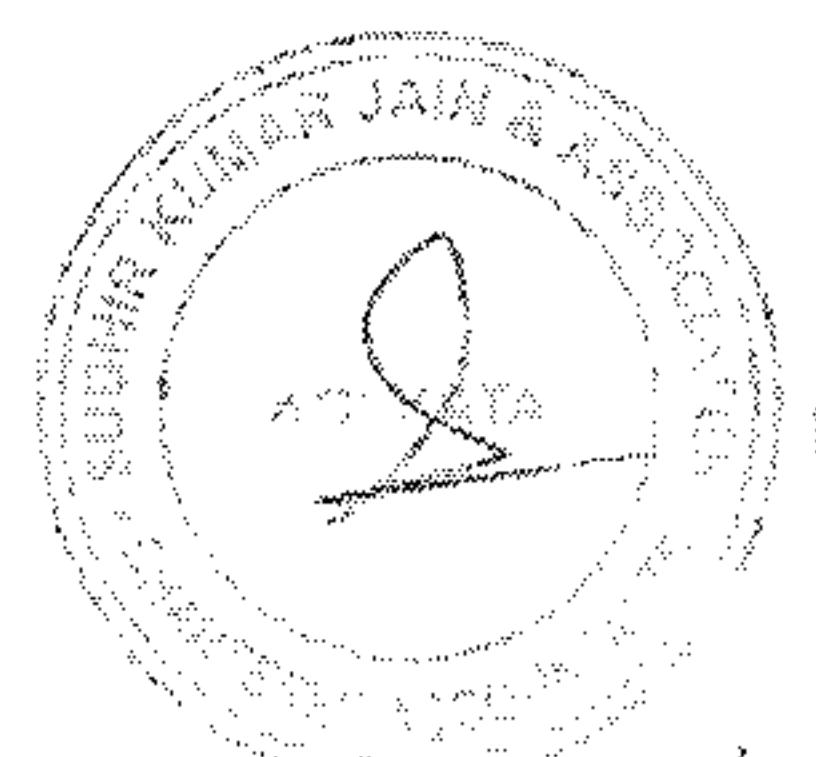
On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) As per the information and explanations given to us, the Company has not disposed off a substantial part of fixed assets during the period so as to affect its going concern status.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of



inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act exceeds five lacs rupees in a financial year have been made at a price which are reasonable having regard to prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

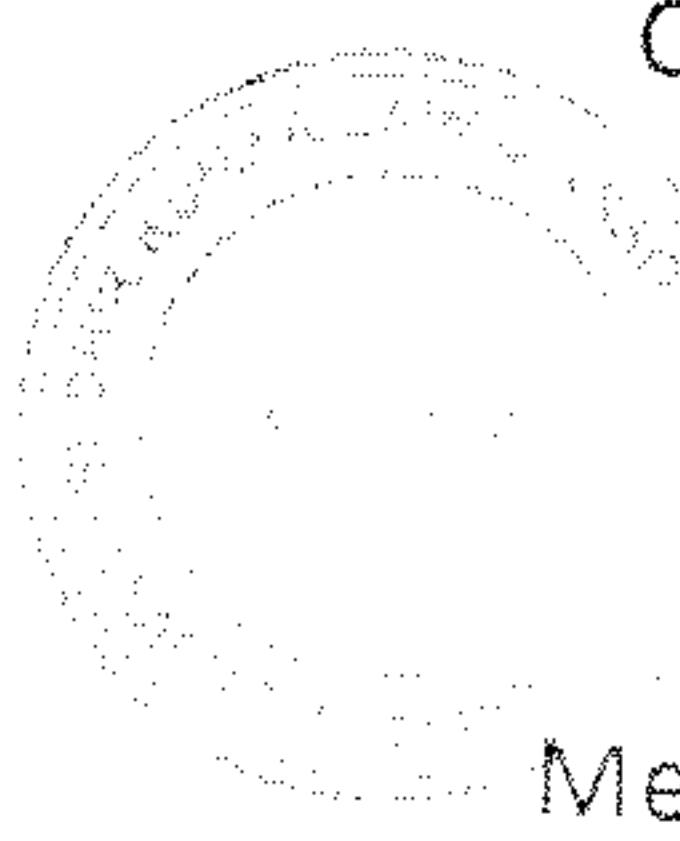


12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Hence the provision of this clause is not applicable to the company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn. No: 318016E

Chartered Accountants



Ravi Kumar

CA. Ravi Kumar

(Partner)

Membership No. 303138

Place: Kolkata

Date: The 30th Day of May, 2013

ADHUNIK INDUSTRIES LTD

BALANCE SHEET AS AT 31ST. MARCH, 2013

	Notes	<u>31st. March 2013</u> (₹)	<u>31st. March 2012</u> (₹)
EQUITY AND LIABILITIES			
A. Shareholders' Funds			
Share Capital	3	46,76,37,500	46,76,37,500
Reserves and Surplus	4	38,68,61,326	34,86,17,979
		85,44,98,826	81,62,55,479
B. Non-current liabilities			
Long Term Borrowing	5	42,54,47,645	58,37,12,749
Deferred Tax Liabilities	6	8,58,07,139	8,29,51,085
Other long term Liabilities	7	1,37,54,637	1,34,14,730
		52,50,09,421	68,00,78,564
C. Current Liabilities			
Short Term Borrowing	8	78,73,79,108	75,26,79,909
Trade Payable	9	32,14,55,570	29,85,13,724
Other short term Liabilities	10	7,34,67,051	6,76,57,082
Short Term provisions	11	18,05,112	1,49,92,642
		1,18,41,06,841	1,13,38,43,357
		2,56,36,15,088	2,63,01,77,400
ASSETS			
A. Non Current Assets			
Fixed Assets			
a) Tangible Asset	12	57,99,27,477	61,70,04,820
b) Capital Work-in-Progress		5,77,16,181	10,14,28,207
Non Current Investments	13	4,00,000	4,00,000
Long Term Loans and Advances	14	51,23,787	64,61,247
		64,31,67,445	72,52,94,274
B. Current Assets			
Inventories	15	71,75,06,526	48,93,45,744
Trade Receivables	16	79,82,84,548	86,23,35,916
Cash & Bank Balances	17	5,94,51,633	6,00,08,495
Short Term Loans and Advances	14	34,52,04,936	49,31,92,971
		1,92,04,47,643	1,90,48,83,126
		2,56,36,15,088	2,63,01,77,400
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn No: 318016E

Chartered Accountants

(Ravi Kumar)

Partner

Membership No. 303138

Place : Kolkata

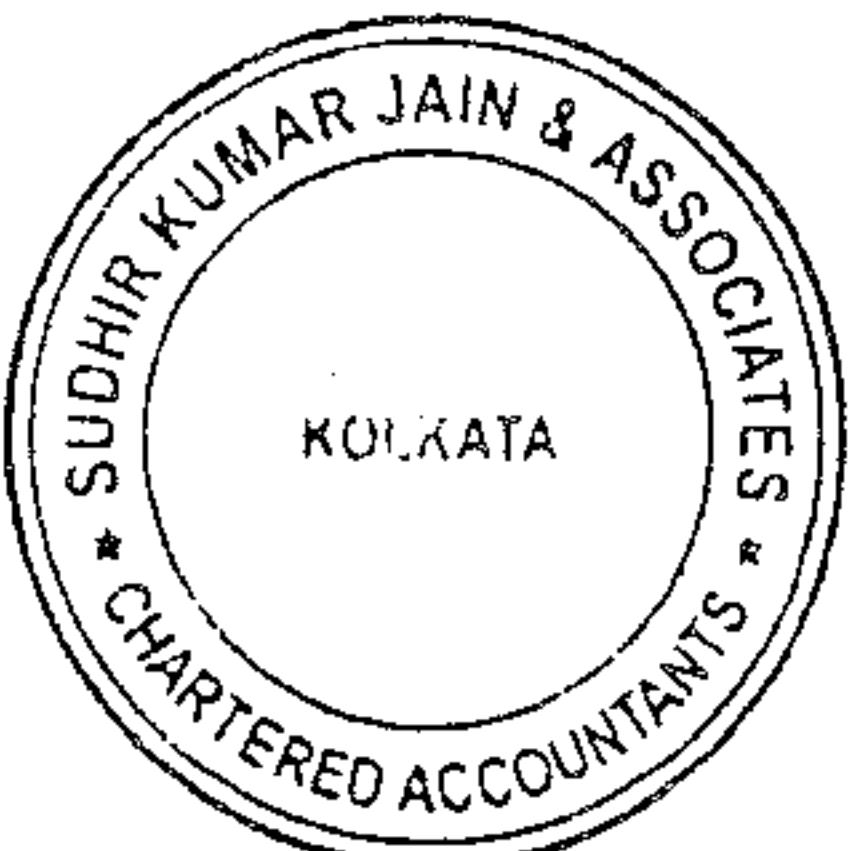
Date : 30th May, 2013

 For & on behalf of the Board of Directors of
 Adhunik Industries Limited

Managing Director

Director

Bhavat Agarwal.



ADHUNIK INDUSTRIES LTD
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2013

	Notes	<u>31st March 2013</u> (₹)	<u>31st March 2012</u> (₹)
INCOME			
Revenue from Operations (Gross)	18	4,49,75,47,824	3,71,12,62,300
Less: Excise Duty	18	36,07,19,511	17,37,35,018
Revenue from Operations (Net)		4,13,68,28,313	3,53,75,27,282
Other Income	19	92,15,078	1,69,87,996
Total Revenue (A)		4,14,60,43,391	3,55,45,15,278
EXPENSES			
Purchases & Raw Materials Consumed	20	3,69,50,13,669	2,90,64,05,104
(Increases)/Decrease in Inventories	21	(1,39,66,237)	17,76,88,974
Employee Benefit Scheme	22	1,47,45,655	1,56,22,650
Other Expenses	23	16,42,15,409	15,26,69,204
Total Expenses (B)		3,86,00,08,496	3,25,23,85,932
Earning before Interest, Tax, Depreciation, and Amortization (EBITDA)		28,60,34,895	30,21,29,346
(A)-(B)			
Depreciation and Amortization Expenses	12	3,72,20,946	3,68,14,510
Finance Costs	24	19,70,10,384	18,78,27,307
Profit / (Loss) Before Extraordinary & Exceptional Item and Taxes		5,18,03,565	7,74,87,529
Exceptional & Extraordinary Item			
Profit / (Loss) Before Taxes		5,18,03,565	7,74,87,529
Tax Expenses			
Current Tax		1,03,64,728	1,59,78,445
Deferred Tax		28,56,054	26,79,556
Income Tax for earlier years		3,39,436	-
Total Tax Expenses		1,35,60,218	1,86,58,001
Profit/(Loss) for the year from Continuing Operation		3,82,43,347	5,88,29,528
Earning per Equity Share (Nominal Value of share Rs. 10)			
Basic		0.82	1.26
Diluted		0.82	1.26
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn No: 318016E

Chartered Accountants

Ravi Kumar
(Ravi Kumar)

Partner

Membership No. 303138

Place : Kolkata

Date : 30th May, 2013

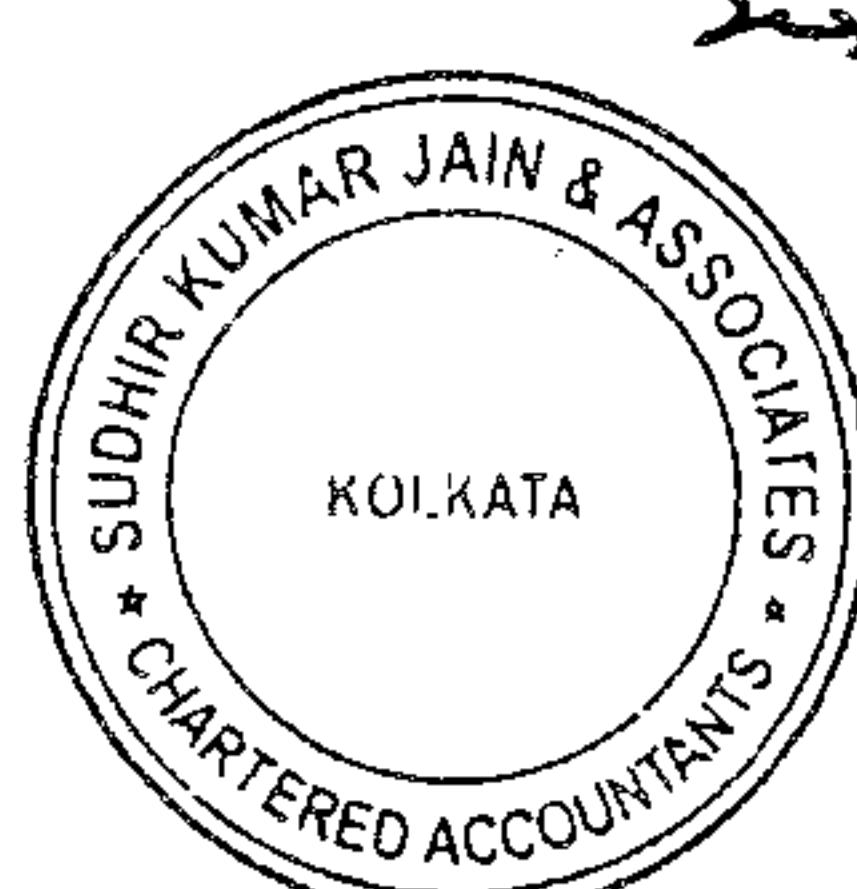
For & on behalf of the Board of Directors of
Adhunik Industries Limited

Managing Director

Director

Bhawat Agarwal

Company Secretary



ADHUNIK INDUSTRIES LTD

Cash Flow Statement for the year ended 31st March'2013

	Figures for the year ended 31st March, 2013 (₹)	Figures for the year ended 31st March, 2012 (₹)
A. Cash Flow from Operating Activities		
Net Profit before Tax and extra ordinary item	5,18,03,565	7,74,87,529
Adjustment for :		
Depreciation	3,72,20,946	3,68,14,510
Profit on sale of Fixed Assets	(1,360)	
Gratuity	12,02,779	1,04,681
Interest Income	(75,86,068)	(1,58,50,864)
Interest Paid	19,70,10,384	18,78,27,307
Dividend Income	(60,000)	
	<u>22,78,46,681</u>	<u>20,88,35,634</u>
Operating Profit before working Capital changes	27,96,50,246	28,63,23,163
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivable	22,45,18,526	(40,88,95,589)
(Increase)/Decrease in Inventories	(22,81,60,782)	11,09,80,688
Increase/(Decrease) in Trade Payables & Liabilities	<u>1,20,41,119</u>	<u>(3,08,42,362)</u>
	<u>83,98,864</u>	<u>(32,87,57,263)</u>
Cash Generated from Operations	28,80,49,110	(4,24,34,100)
Income Tax (Paid) / Refund	(3,62,36,137)	(1,20,24,270)
Cash Flow before extraordinary items	25,18,12,973	(5,44,58,370)
Extra-Ordinary items		
Net Cash used in Operating Activities	A	25,18,12,973
		(5,44,58,370)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(2,38,399)	(6,67,91,420)
Decrease in CWIP	4,37,12,027	
Sale of Fixed Assets	96,154	
Interest Income	75,86,068	1,58,50,864
Fixed Deposit made / matured during the year	(51,06,003)	2,37,61,429
Dividend Income	-	60,000
Net Cash used in investing Activities	B	4,60,49,847
		(2,71,19,127)
C. Cash Flow from Financing Activities		
Share Application money (net)		(5,27,00,000)
Interest Paid	(19,70,10,384)	(18,78,27,307)
Increase in Secured Loan	(85,63,540)	33,75,49,711
Increase in Unsecured Loan	(9,79,51,761)	96,35,525
Dividend Paid		(4,66,95,750)
Tax on Dividend		(79,47,499)
Net Cash from financing Activities	C	(30,35,25,685)
		5,20,14,678
Net Increase / (Decrease) in Cash and Cash Equivalents	(56,62,865)	(2,95,62,819)
Cash and Cash Equivalent as at the Opening of the year	1,37,33,977	4,32,78,795
Cash and Cash Equivalent as at the close of the year	80,71,112	1,37,33,977

Note : 1) Cash and Cash Equivalent comprises of :

Cash in Hand	46,90,907	32,69,474
Balance with Scheduled Banks (including Bank Overdrawn)	<u>33,80,205</u>	<u>1,04,64,503</u>
	<u>80,71,112</u>	<u>1,37,33,977</u>

2) This Cash Flow Statement has been prepared under Indirect method.

3) Previous Year Figure have been regrouped wherever necessary.

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn No: 318016E

Chartered Accountants

(Ravi Kumar)

Partner

Membership No. 303138

Place : Kolkata

Date : 30th May, 2013

For & on behalf of the Board of Directors of

Adhunik Industries Limited

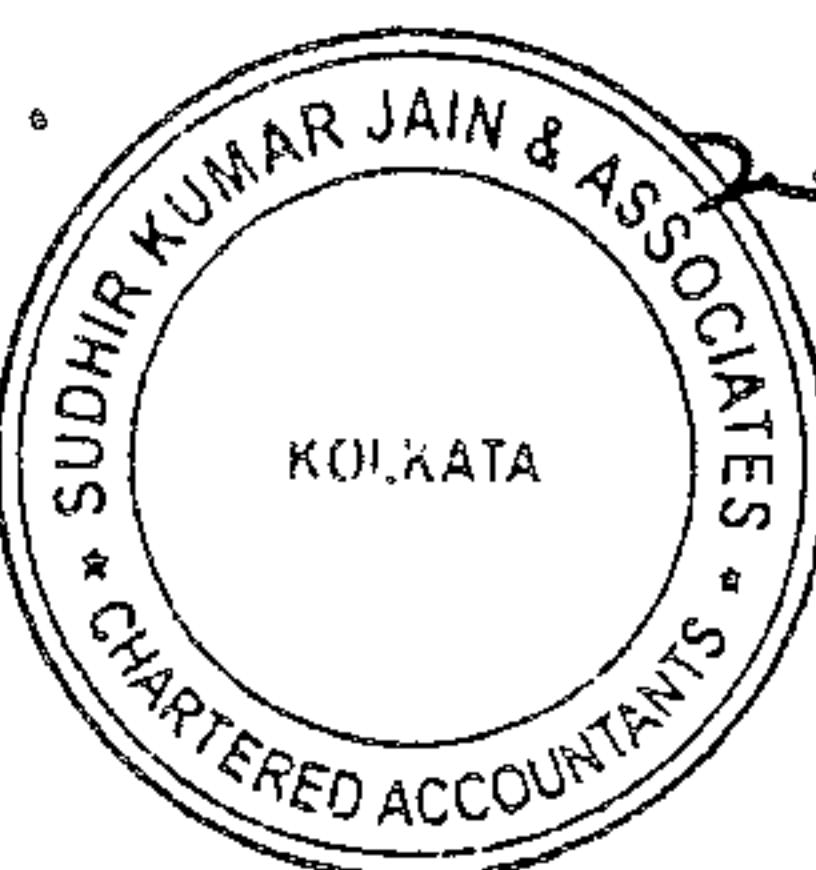
Mahesh Devaraj

Managing Director

Director

Bhawat Agarwal

Company Secretary



ADHUNIK INDUSTRIES LTD

NOTES TO FINANCIAL STATEMENTS

1) CORPORATE INFORMATION

Adhunik Industries Ltd, having manufacturing facilities at Durgapur, West Bengal is primarily engaged in the manufacture & sale of steel products.

2) SIGNIFICANT ACCOUNTING POLICIES:

(I) Basis of Accounting :

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards by the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis under the historical cost convention. Except otherwise mentioned, the accounting policies applied by the Company are consistent with those used in the previous year.

(II) Presentation and disclosure of financial statement :

The Company has prepared financial statements as per revised schedule VI notified under the Companies Act 1956. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(III) Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and result of operation during the reported year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

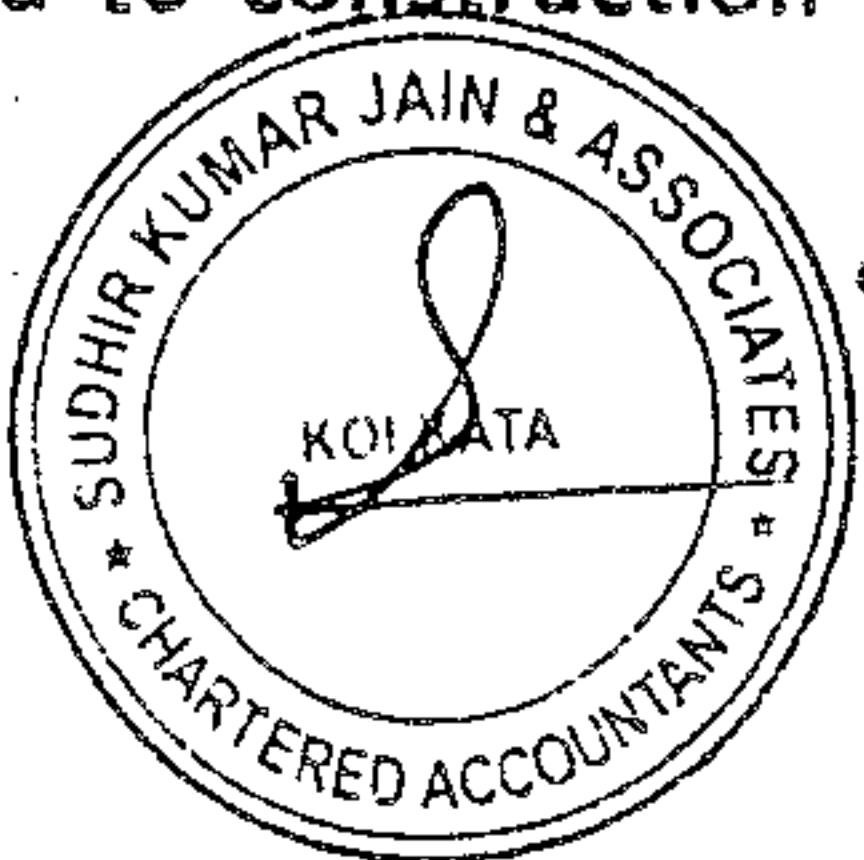
(IV) Revenue Recognition:

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

- (a) Revenue from sale of goods and services rendered is recognised when significant risks and rewards of ownership of products and services have passed to the customers.
- (b) Claims made in respect thereof is accounted as income in the year of receipts or acceptance by the client or evidence of acceptance received by the client.
- (c) Dividend is recognized on cash basis.
- (d) Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(V) Fixed Assets :

- (a) Fixed assets are stated at cost, less accumulated depreciation / amortization and impairment if any. Cost comprises the purchase price inclusive of duties (net of CENVAT & VAT), taxes, incidental expenses, erection/commissioning expenses, and interest etc. upto the date the asset is put to use
- (b) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual useful life of the respective assets.
- (c) Expenditure on New Projects and Substantial Expansion: Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction activity or is incidental thereto. Other



ADHUNIK INDUSTRIES LTD

NOTES TO FINANCIAL STATEMENTS

indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(VI) Depreciation :

- (a) The Classification of Plant and Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- (b) Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 or estimated useful life whichever is higher.
- (c) Depreciation Includes the amount written off in respect of leasehold land over the respective lease period.
- (d) Depreciation on fixed assets added / disposed off during the year, is provided on pro-rata basis with reference to the month of addition / disposal.
- (e) Discarded Fixed Assets awaiting disposal are valued at estimated realisable value and disclosed separately.
- (f) Depreciation on Insurance Spares / standby equipments is provided over the useful lives of the respective mother assets.

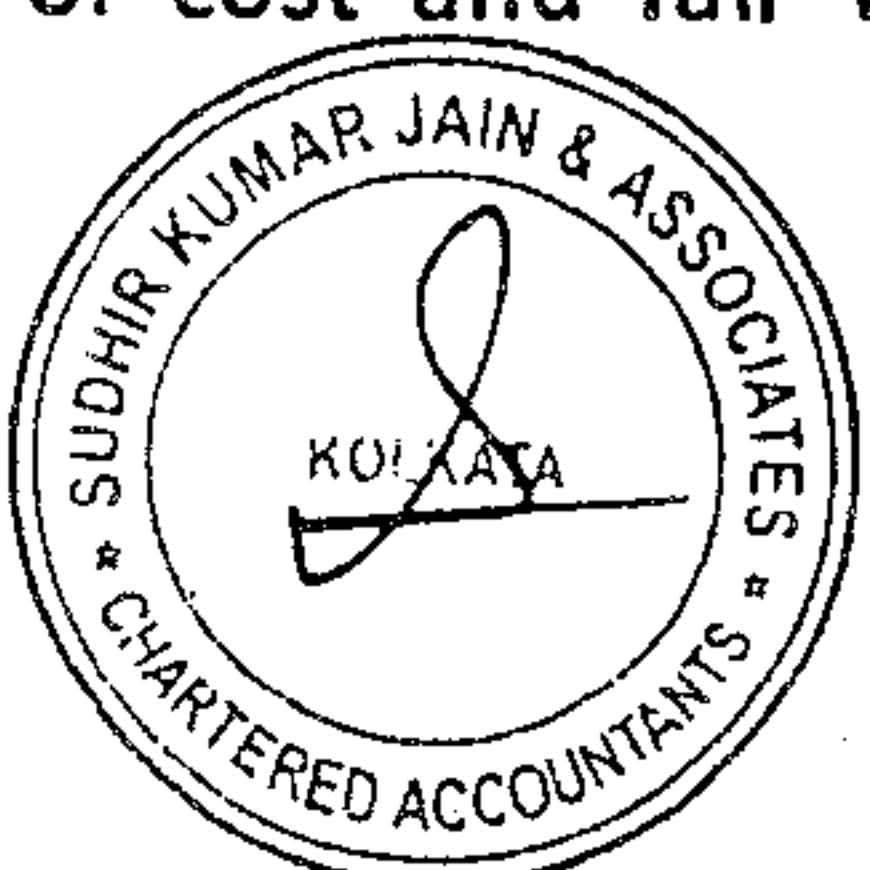
(VII) Fixed Assets acquired under lease :

- (a) Finance Lease
 - (i) Assets acquired under lease agreements which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payment after discounting them at an appropriate discount rate at the inception of the lease term and disclosed as leased assets. Lease Payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to expenses account.
 - (ii) Lease assets capitalised , if any, are depreciated over the shorter of the estimated useful life of the asset or the lease term.
- (b) Operating Lease

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss Account on a straight line basis over the lease term.

(VIII) Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual



ADHUNIK INDUSTRIES LTD

NOTES TO FINANCIAL STATEMENTS

investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(IX) Inventories :

- (a) Raw Materials, Stores & Spares & Packing Materials are valued at lower of cost computed on FIFO basis and net realisable value.
- (b) Finished Goods are valued at lower of cost computed on weighted average basis and net realisable value. Cost of finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- (c) By-products are valued at net realisable value.
- (d) Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(X) Cash & Cash Equivalents :

Cash and cash equivalents in the Cash Flow comprise cash at bank and in hand (including cheques / drafts in hand), balance lying in banks in current account (including overdraft).

(XI) Excise Duty :

Excise Duty on Finished Goods stock lying at the factories is accounted for at the point of manufacture of goods and is accordingly considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date.

(XII) Employees Benefits :

- i. Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when these are due.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of Financial Year.
- iii. Actuarial gain/losses are immediately taken to the Profit & Loss Account and are not deferred.

(XIII) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

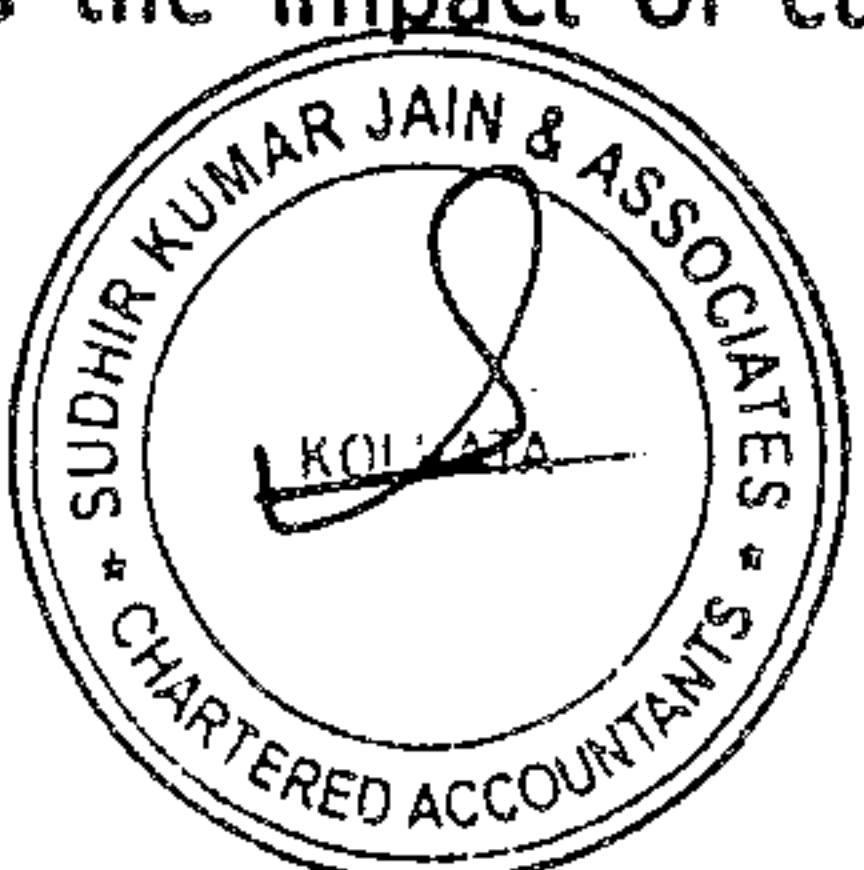
(XIV) Provisions:

A provision is recognised when an enterprise 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 made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(XV) Taxation:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between



ADHUNIK INDUSTRIES LTD

NOTES TO FINANCIAL STATEMENTS

taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is 'reasonable certainty' that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account 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 Company will pay normal income tax during the specified period.

(XVI) Segment Reporting:

The Company has identified Iron & Steel products as its sole operating segment and the same has been treated as primary segment.

(XVII) Contingencies:

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of Notes to the Accounts.

(XVIII) Earning per share:

Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year.

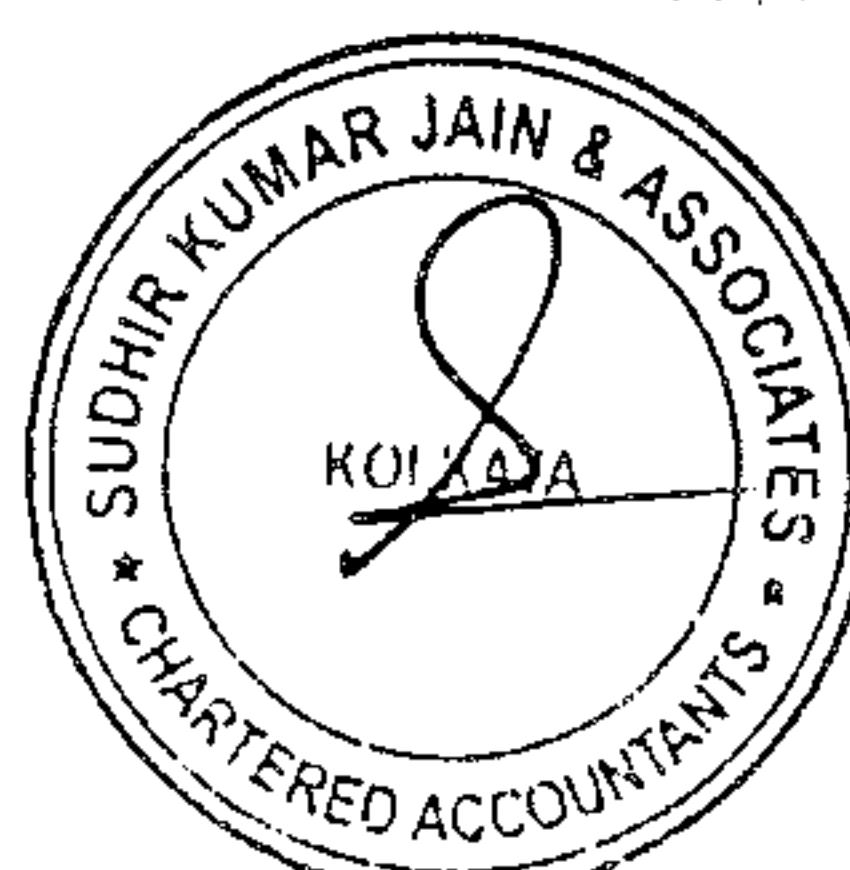
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

(XIX) Impairment of Assets:

- i. 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 impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(XX) Miscellaneous Expenditure

Preliminary expenses are amortized over a period of five years.



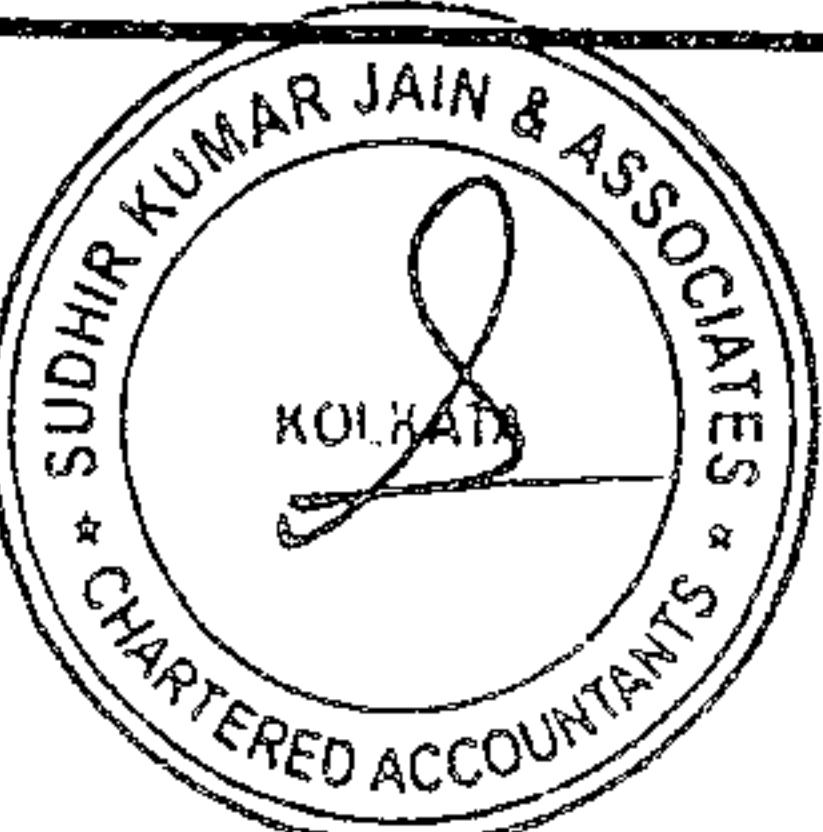
NOTES TO FINANCIAL STATEMENTS

NOTE 3 : SHARE CAPITAL			31st. March 2013 (₹)	31st March 2012 (₹)
a) Authorised Shares				
50,00,000 (Pr.Yr. 50,00,000) Equity Shares of ₹ 10/- each			50,00,00,000	50,00,00,000
Issued, Subscribed and Fully Paid Up Share			50,00,00,000	50,00,00,000
46,763,750 (46,763,750) Equity Shares of ₹ 10 each fully paid up			46,76,37,500	46,76,37,500
Total Issued, subscribed and fully paid up equity share capital			46,76,37,500	46,76,37,500
b) Reconciliation of the number of Equity shares		31st. March 2013		31st March 2012
	No. Of Share	Amount	No. Of Share	Amount
Outstanding at the beginning of the year	4,67,63,750	46,76,37,500	4,67,63,750	46,76,37,500
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding at the end of the year	4,67,63,750	46,76,37,500	4,67,63,750	46,76,37,500
c) Details of Shareholders holding more than 5 percent of equity shares				
Name of Shareholder		31st. March 2013		31st March 2012
	No. of Shares	% of Holding	No. of Shares held	% of Holding
Mahananda Suppliers Limited	1,66,00,000	35.50	1,66,00,000	35.50
Sungrowth Share & Stocks Limited	1,48,83,750	31.83	1,48,83,750	31.83
Adharshila Venture Capital Fund Ltd.	-	-	1,16,40,950	24.89
Padmalaya Advisory Services LLP	68,50,000	14.65	-	-
d) Terms/ Rights attached to Equity Share				
The Company has only one class of issued shares i.e. equity shares having nominal value of ₹10 per share. Each holder of equity share is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after payment of all the preferential amounts, in proportion to their shareholding.				

NOTE 4 : RESERVES AND SURPLUS			31st. March 2013 (₹)	31st March 2012 (₹)
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statement			34,86,17,979	28,97,88,451
Add : Net Profit for the year as per Statement of Profit and Loss			3,82,43,347	5,88,29,528
Net Surplus/(Deficit) in the statement of Profit and Loss			38,68,61,326	34,86,17,979
Total Reserve and Surplus			38,68,61,326	34,86,17,979

NOTE 5 : LONG TERM BORROWING	Non Current Portion		Current Maturities	
	31st. March 2013 (₹)	31st March 2012 (₹)	31st. March 2013 (₹)	31st March 2012 (₹)
(a) Term loans				
Indian rupee loan from banks (secured)	24,40,62,000	30,43,75,343	5,84,48,605	4,13,98,000
(b) Other loans and advances				
From Bodies Corporate (Unsecured)	18,13,85,645	27,93,37,406	-	-
Total Long Term Borrowings	42,54,47,645	58,37,12,749	5,84,48,605	4,13,98,000
Indian Rupee Term loan from Banks are secured by way of:				
a The rupee term loan from banks are secured by way of pari pasu first charge over all the fixed assets of the company both present and future at factory at Angadpur Durgapur, West Bengal and first charge by way of hypothecation of the Company's movable properties, save and except asset purchased on lease and hire purchase basis. This loan includes ₹ 10,965,154/- (P.Y. ₹ 21,925,690/-) taken from State Bank of Mysore which is secured by way of hypothecation charge over wind mill in Dhule, Maharashtra.				
b Guarantee and certain collateral securities have been provided by the Promoters / Directors in their personal capacity.				

NOTE 6 : DEFERRED TAX LIABILITIES (NET)		
The Company has recognised deferred tax arising on account of timing difference being the difference between the accounting income, that originate in one period and is capable of reverse in or more subsequent periods in compliance with Accounting Standard (AS 22) - Accounting for taxes on income		
The major component of deferred tax liabilities arising on account of timing difference are as follows:		
a) Difference between WDV of Fixed Assets as per Company Act and IT Act	31st. March 2013 (₹)	31st March 2012 (₹)
b) Others	8,63,92,808	8,31,46,542
Total Deferred Tax Liabilities (Net)	(5,85,669)	(1,95,457)
	8,58,07,139	8,29,51,085



ADHONIK INDUSTRIES LTD**NOTES TO FINANCIAL STATEMENTS**

NOTE 7 : OTHER LONG TERM LIABILITIES	31st. March 2013 (₹)	31st March 2012 (₹)
Trade Payables (including Acceptance)	1,37,54,637	1,34,14,730
Total Other Long Term Liabilities	1,37,54,637	1,34,14,730

NOTE 8 : SHORT TERM BORROWING	31st. March 2013 (₹)	31st March 2012 (₹)
Cash Credit from Banks (Secured)	78,73,79,108	75,26,79,909
Total Short Term Borrowings	78,73,79,108	75,26,79,909

Cash Credit from banks are secured by way of :

- a. First charge by way of hypothecation of stock, book debts and other current assets of the company related to factory at Andagpur, Durgapur
- b. Second charge on other assets on which first charge has been created in favour of Term Loan Lenders for term loans provided by them of the company related to factory at Andagpur, Durgapur.
- c. Guarantee and certain collateral securities have been provided by the Directors in their personal capacity.

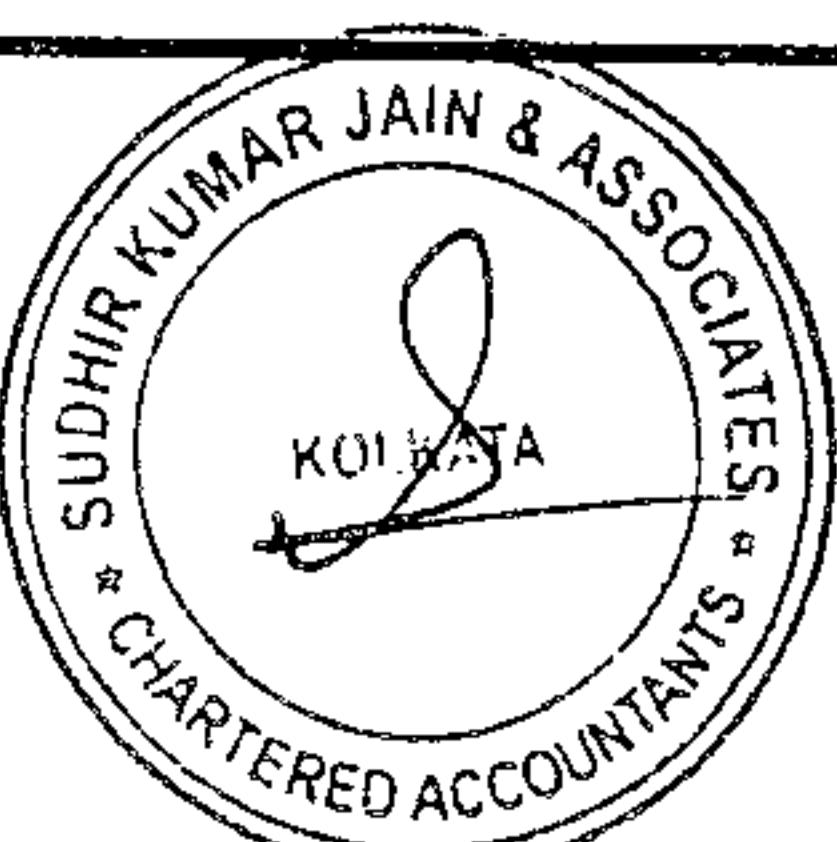
NOTE 9 : TRADE PAYABLES	31st. March 2013 (₹)	31st March 2012 (₹)
a) Due to Micro, Small & Medium Enterprises	-	-
b) Trade Payable (Including Acceptance)	32,14,55,570	29,85,13,724
Total Trade Payable	32,14,55,570	29,85,13,724

Trade Payable include ₹ NIL (₹ NIL) due to small scale and ancillary industry undertakings (SSI) to the extent such parties have been identified from the available documents / informations

As per information available with the Company, none of the parties from whom the Company procure the goods or receives services are enterprises covered under The Macro, Small and Medium Enterprise Development Act,2006(the Act)

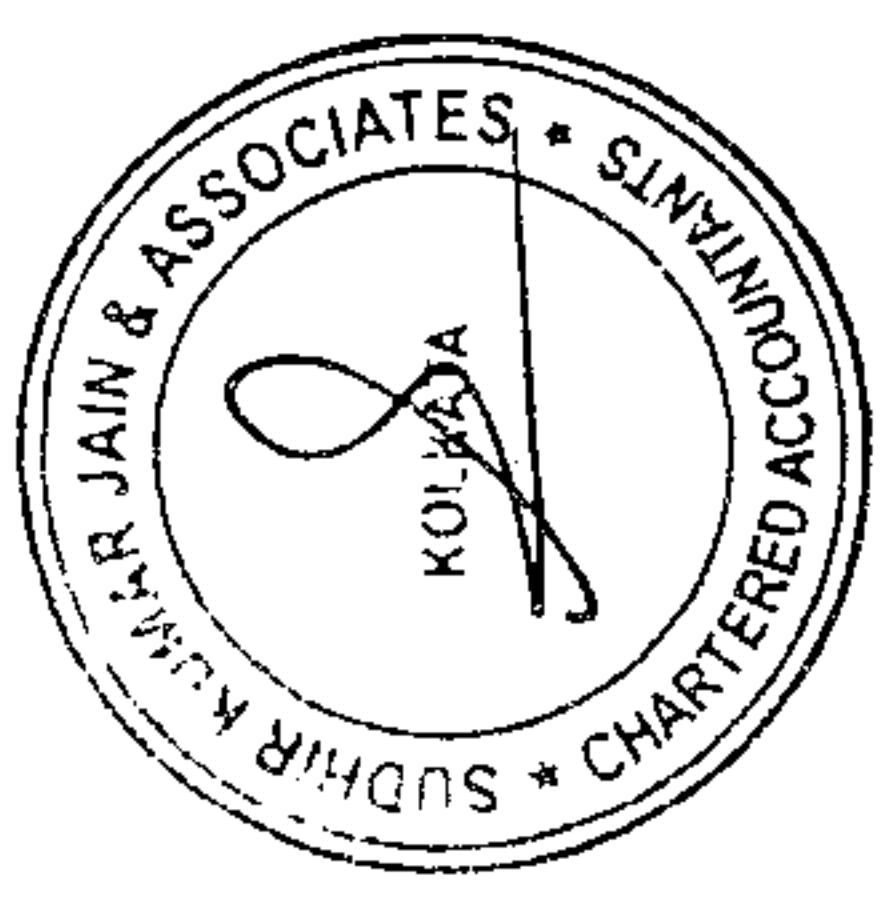
NOTE 10: OTHER CURRENT LIABILITIES	31st. March 2013 (₹)	31st. March 2012 (₹)
a) Current maturities of long-term debt (Refer Note 5)	5,84,48,605	4,13,98,000
b) Advance from customers	65,95,169	52,19,446
c) Unpaid/Unclaimed Dividends	2,72,000	2,72,000
d) Statutory Dues		
- Service Tax	74,21,670	1,91,78,730
- TDS	7,29,607	15,88,906
Total Other Current Liabilities	7,34,67,051	6,76,57,082

NOTE 11 : SHORT TERM PROVISION	31st. March 2013 (₹)	31st March 2012 (₹)
Provision for Employee Benefits		
Provision for gratuity	18,05,112	6,02,333
Other Provision		
Provision for Income Tax (Net of Advance Tax)		1,43,90,309
Total Short Term Provision	18,05,112	1,49,92,642



ADHUNK INDUSTRIES LTD
NOTES TO FINANCIAL STATEMENTS
Note 12: Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2012 (₹)	Addition During the Year (₹)	Sale/ Adjustment (₹)	As at March, 2013 (₹)	As at 1st April, 2012 (₹)	For the Year (₹)	Sale/ Adjustment (₹)	As at March, 2013 (₹)	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)
Tangible Assets										
Leasehold Land	84,29,270	-	-	84,29,270	7,87,096	98,387	-	8,85,483	75,43,787	76,42,174
Freehold Land	17,00,000	-	-	17,00,000	-	-	-	-	17,00,000	17,00,000
Factory Building	17,19,70,950	-	-	17,19,70,950	2,39,04,095	57,43,830	-	2,96,47,925	14,23,23,025	14,80,66,855
Plant & Machinery	57,89,88,037	2,10,399	-	57,91,98,436	12,50,33,088	3,03,84,914	-	15,54,18,002	42,37,80,434	45,39,54,949
Furniture	6,63,212	-	-	6,63,212	2,89,590	41,981	-	3,31,571	3,31,641	3,73,622
Office Equipment	31,25,767	28,000	-	31,53,767	9,20,701	1,54,522	-	10,75,223	20,78,544	22,05,066
Vehicle	46,92,144	-	8,36,417	38,55,727	21,04,053	4,05,250	7,41,623	17,67,680	20,88,046	25,88,091
Computer	25,13,455	-	-	25,13,455	20,39,393	3,92,062	-	24,31,455	82,000	4,74,062
Total	77,20,82,835	2,38,399	8,36,417	77,14,84,817	15,50,78,016	3,72,20,946	7,41,623	19,15,57,340	57,99,27,477	61,70,04,819
Previous Year's Total	75,53,70,503	1,67,12,332	-	77,20,82,835	11,82,63,506	3,68,14,510	-	15,50,78,016	61,70,04,819	



ADHUNIK INDUSTRIES LTD
NOTES TO FINANCIAL STATEMENTS

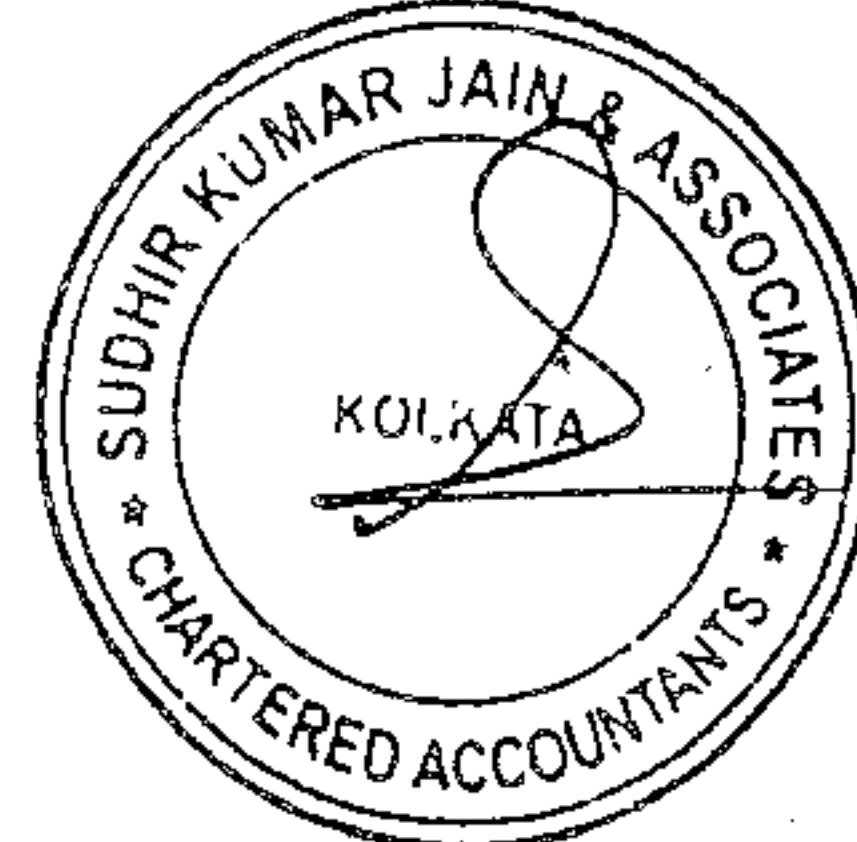
NOTE 13: NON CURRENT INVESTMENT	Number of Shares	Face Value per Share (₹)	31st. March 2013 (₹)	31st March 2012 (₹)
Long Term, Quoted (Other than Trade)				
Fully Paid Equity 5shares				
- In Adhunik Metaliks Ltd (The market value is ₹. 11,62,000)	40,000	10	4,00,000	4,00,000
Total Non Current Investment			4,00,000	4,00,000

NOTE 14 : LOANS AND ADVANCES	Non Current		Current	
	31st March 2013 (₹)	31st March 2012 (₹)	31st. March 2013 (₹)	31st March 2012 (₹)
a. Security Deposits				
Unsecured, considered good	51,23,787	64,61,247	7,50,00,000	5,25,00,000
A	51,23,787	64,61,247	7,50,00,000	5,25,00,000
b. Advances recoverable in cash or in kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	4,70,62,592	15,48,00,540
B	-	-	4,70,62,592	15,48,00,540
c. Other loans and advances				
Prepaid Expenses	-	-	1,44,412	1,10,930
Advance Payment to Supplier	-	-	11,41,72,054	19,05,74,277
Balance with IT Authorities (Net of Provision for Taxation)	-	-	1,11,41,664	-
Balance with statutory/government authorities	-	-	9,76,84,214	9,52,07,224
C	-	-	22,31,42,344	28,58,92,431
(A+B+C) Total Loans and Advances	51,23,787	64,61,247	34,52,04,936	49,31,92,971

NOTE 15 : INVENTORIES	31st. March 2013 (₹)	31st March 2012 (₹)
Raw Materials and Components	49,73,13,856	28,41,71,671
Finished Goods and Rejected Materials	20,18,46,573	18,78,80,335
Stores & Spares	1,83,46,097	1,72,93,738
Total inventories	71,75,06,526	48,93,45,744

NOTE 16 : TRADE RECEIVABLE	31st. March 2013 (₹)	31st March 2012 (₹)
Unsecured, considered good unless stated otherwise		
Outstanding for the period exceeding six months from the date they are due for payment		
Unsecured, considered good	3,68,54,360	3,54,42,647
Doubtful		
(A)	3,68,54,360	3,54,42,647
Other receivables		
Unsecured, considered good	76,14,30,188	82,68,93,269
Doubtful	-	-
(B)	76,14,30,188	82,68,93,269
(A+B) Total Trade Receivable	79,82,84,548	86,23,35,916

NOTE 17 : CASH AND BANK BALANCES	31st. March 2013 (₹)	31st March 2012 (₹)
Cash and cash equivalents		
Balances with banks		
On Current Accounts	33,80,205	1,04,64,503
Deposit with original maturity less than three months	5,13,80,521	4,62,74,518
Cash on Hand	46,90,907	32,69,474
Total Cash and Bank Balance	5,94,51,633	6,00,08,495



NOTES TO FINANCIAL STATEMENTS

NOTE 18 : REVENUE FROM OPERATION	31st March 2013 (₹)	31st March 2012 (₹)
Sales	4,30,55,56,245	3,53,31,06,552
Business & Other Service Income	19,19,91,579	17,81,55,748
Revenue from Operation (Gross)	4,49,75,47,824	3,71,12,62,300
Less: Excise Duty	36,07,19,511	17,37,35,018
Total Revenue from Operation (Net)	4,13,68,28,313	3,53,75,27,282

DETAILS OF REVENUE FROM OPERATION	31st March 2013 (₹)	31st March 2012 (₹)
Sales		
Iron & Steel product	4,30,55,56,245	3,53,31,06,552
	4,30,55,56,245	3,53,31,06,552
Details of Services Rendered		
Business & Other Service Income	19,19,91,579	17,81,55,748
	19,19,91,579	17,81,55,748

NOTE 19: OTHER INCOME	31st March 2013 (₹)	31st March 2012 (₹)
Interest Income On		
- Bank Deposits	75,86,068	15,13,984
- Others		1,43,36,880
Dividend Income On		
- Investment in Adhunik Metaliks Limited		60,000
Unspent liabilities and provisions no longer required written back	16,27,650	56,999
Profit on Sale of Car	1,360	
Foreign Exchange Gain		10,20,133
Total Other Income	92,15,078	1,69,87,996

NOTE 20 : PURCHASES & RAW MATERIAL CONSUMED	31st March 2013 (₹)	31st March 2012 (₹)
Inventory at the beginning of the year	28,41,71,671	21,40,31,695
Add. Purchases	3,86,79,13,821	2,95,58,94,144
Frieght	4,02,42,032	2,06,50,936
	4,19,23,27,524	3,19,05,76,775
Less: Inventory at the end of the year	49,73,13,856	28,41,71,671
Total Purchases & Raw Material Consumed	3,69,50,13,669	2,90,64,05,104

DETAILS OF PURCHASES	31st March 2013 (₹)	31st March 2012 (₹)
Purchase		
Iron & Steel product	3,86,79,13,821	2,95,58,94,144
	3,86,79,13,821	2,95,58,94,144

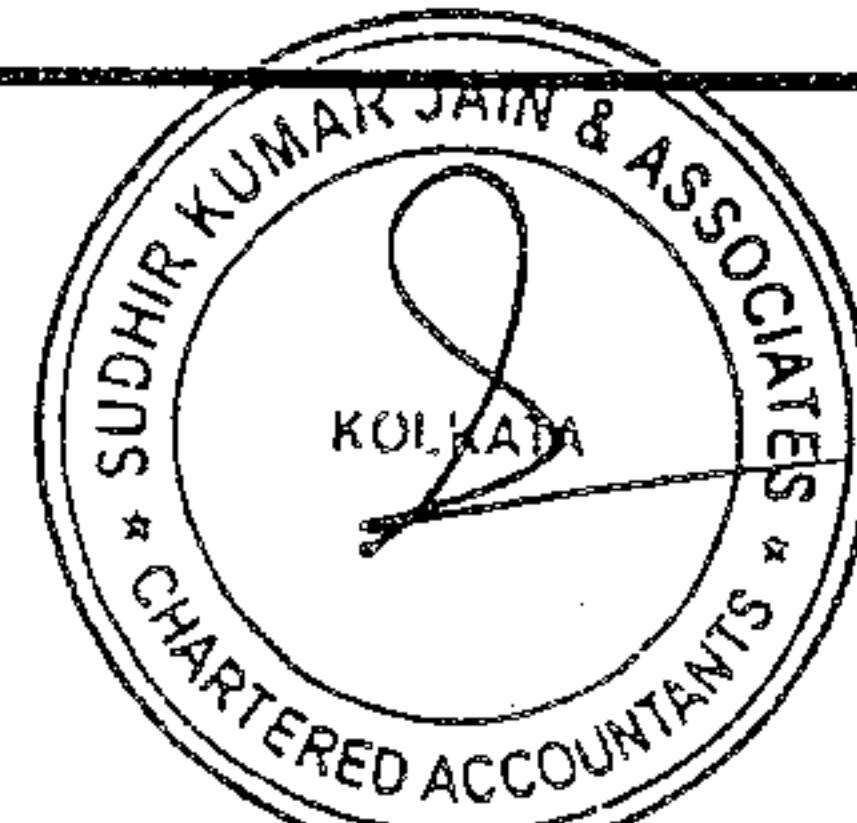
NOTE 21 : (INCREASES)/DECREASE IN INVENTORIES	31st March 2013 (₹)	31st March 2012 (₹)
Inventory at the end of the year		
Finished Goods	20,18,46,572	18,78,80,335
Less: Inventory at the beginning of the year		
Finished Goods	18,78,80,335	36,55,69,309
Total (Increases)/Decrease In Inventories	(1,39,66,237)	17,76,88,974

NOTE 22 : EMPLOYEE BENEFIT EXPENSES	31st March 2013 (₹)	31st March 2012 (₹)
Salaries & Bonus	1,22,29,580	1,12,44,691
Contribution to Provident Fund	13,13,296	12,73,278
Gratuity	12,02,779	1,04,681
Managing Directors' Remuneration		30,00,000
Total Employee Benefit Expenses	1,47,45,655	1,56,22,650



NOTES TO FINANCIAL STATEMENTS

NOTE 23 : OTHER EXPENSES	31st March 2013 (₹)	31st March 2012 (₹)
Consumption of Stores and Spares	1,19,60,290	1,87,42,768
Excise Duty on Inventory.	2,15,00,220	1,97,52,386
Power and Fuel	8,31,03,405	7,13,69,387
Oil and Lubricant Expenses	12,590	1,22,772
Water Charges	6,97,056	7,32,980
Operation & Maintenance Charges	32,49,200	25,77,600
Freight and Forwarding Charges	1,48,80,811	67,43,870
Rent	29,66,304	29,17,920
Rates and Taxes	4,65,034	3,64,596
Donation	6,45,800	2,82,000
Fees and Subscription	11,90,137	21,48,335
Insurance	2,58,277	1,62,960
Repair & Maintenance	3,72,398	10,24,753
Motor Vehicle & Travelling Expenses	18,21,595	17,79,859
Printing & Stationery Expenses	4,47,613	6,31,791
Sales Promotion Expenses	92,515	8,30,982
Advertisement Expenses	6,33,668	25,61,761
Postage & Communication Costs	3,03,233	3,11,227
Accounts & Finance Maintenance Charges	19,80,000	19,80,000
Payment to auditor (Refer details below)	1,00,000	1,00,000
Commission Charges	92,952	13,17,358
Consultancy Charges	7,11,852	7,20,000
Bank Commission, Letter of Credit and Charges	1,42,51,018	1,23,25,398
Registrar Fees	21,070	33,917
Listing Fees	58,989	59,325
Loss on Sale of Share	3,85,713	
Miscellaneous Expenses	20,13,669	30,75,259
Total Other Expenses	16,42,15,409	15,26,69,204
PAYMENT TO AUDITOR	31st March 2013 (₹)	31st March 2012 (₹)
As Auditor		
- Audit Fees	75,000	75,000
- Tax Audit Fees	25,000	25,000
	1,00,000	1,00,000
NOTE 24 : FINANCE COST	31st March 2013 (₹)	31st March 2012 (₹)
Interest to Banks on Term Loans	4,43,92,006	4,63,83,972
Others	15,26,18,378	14,14,43,335
Total Finance Cost	19,70,10,384	18,78,27,307
NOTE 25 : DIRECTOR REMUNERATION	31st March 2013 (₹)	31st March 2012 (₹)
a) Director Remuneration Paid		
Basic	-	15,00,000
House Rent Allowance	-	2,90,000
Bonus	-	2,50,000
Other	-	9,60,000
	30,00,000	
b) Computation of Profit for the purpose of Directors Remuneration		
Profit before tax as per profit & loss account	5,18,03,565	7,74,87,529
Add : Depreciation	3,72,20,946	3,68,14,510
Directors' Remuneration	-	30,00,000
	8,90,24,511	11,73,02,039
Less : Depreciation (u/s 350 of the Companies Act, 1956)	3,72,20,946	3,68,14,510
Directors' Remuneration	-	30,00,000
Profit for the year	5,18,03,565	7,74,87,529
Net profit under section 349 of the Companies Act, 1956	5,18,03,565	7,74,87,529
NOTE 26 : EARNING PER SHARE	31st March 2013 (₹)	31st March 2012 (₹)
Net Profit after tax (₹)	3,82,43,347	5,88,29,528
Weighted average No of Equity Shares outstanding in calculation of Basic EPS	4,67,63,750	4,67,63,750
Basic Earnings per Share (in Rupees)	0.82	1.26
Weighted average No. of Equity Shares outstanding in calculation of Diluted EP5	4,67,63,750	4,67,63,750
Diluted Earning per Share (in Rupees)	0.82	1.26
Nominal Value of Share	10	10



ADHUNIK INDUSTRIES LTD

NOTES TO FINANCIAL STATEMENTS

NOTE 27 : Related Party

Related party disclosure is identified by the management in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

(a) Name of the related parties

Key Management Personnel

Mr. Jugal Kishore Agarwal
Mr. Mohan Lal Agarwal
Mr. Mahesh Kumar Agarwal
Mr. Ashok Bector
Mr. Nand Kishore Singhai

Relatives of Key Management personnel

Mr. Ghanshyam Das Agarwal(Brother of Director)
Mr. Manoj Kumar Agarwal (Brother of Director)
Mr. Nirmal Kumar Agarwal (Brother of Director)
Mr. Sachin Agarwal (Son of Mr. Jugal Kishore Agarwal)
Mr. Naveen Agarwal (Son of Mr. Jugal Kishore Agarwal)

Enterprises over which Key Management Personnel / Relatives have significant influence

Adhunik Corporation Ltd.
Adhunik Power & Natural Resource Ltd
Adhunik Alloys & Power Ltd.
Zion Steel Limited

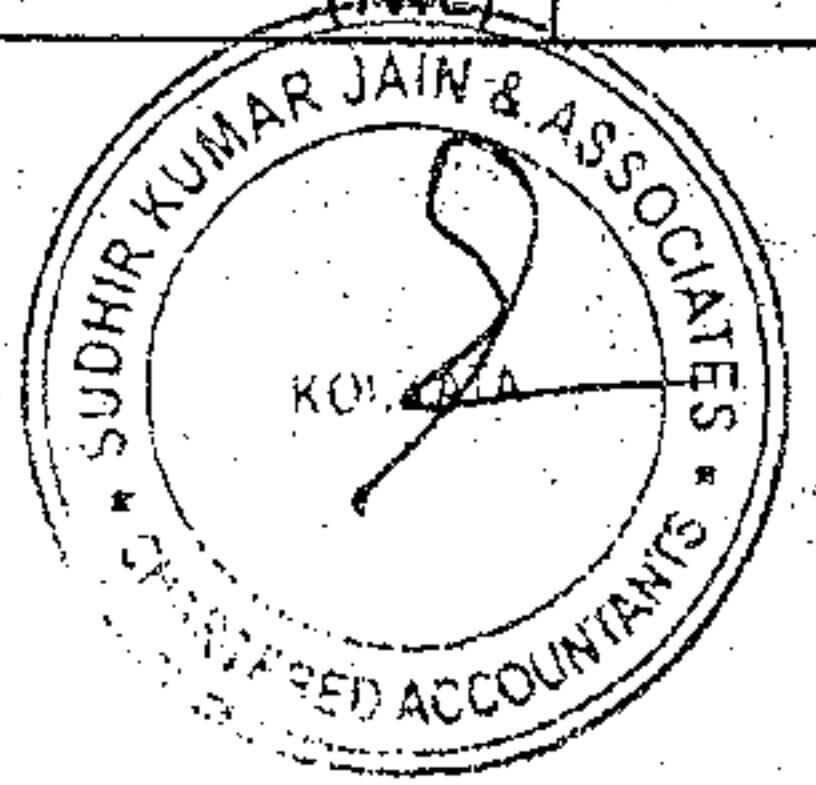
Sungrowth Shares & Stock Ltd.

Mahananda Suppliers Ltd.
Adhunik Meghalaya Steels Private Limited
Futuristic Steels Limited
Adhunik Metaliks Ltd. & its subsidiary
Adhunik Infotech Ltd.

b) Aggregated Related Party Disclosures:

(in Rs.)

Nature of Transactions	Key Managerial Persons/ Relatives of Key Management Personnel	Enterprises over which key Management Personnel/Relatives have significant influence	Total Amount
Dividend Received	NIL (NIL)	NIL (60,000)	NIL (60,000)
Expenditure for services/others	6,000 (6,000)	5,191,032 (5,101,860)	5,197,032 (5,107,860)
Director's Remuneration	NIL (30,00,000)	NIL (NIL)	NIL (30,00,000)
Sales	NIL (NIL)	164,432,500 (150,265,718)	164,432,500 (150,265,718)
Purchases	NIL (NIL)	687,482,184 (296,233,471)	687,482,184 (296,233,471)
Balance outstanding as at the year-end – Debit	NIL (NIL)	10,861,758 (6,466,694)	10,861,758 (6,466,694)
Balance outstanding as at the year-end – Credit	NIL (NIL)	1,0,234,950 (3,908,122)	1,0,234,950 (3,908,122)



ADHUNIK INDUSTRIES LTD

NOTES TO FINANCIAL STATEMENTS

NOTE 28: In the opinion of the management, current assets, loans and advances have the value at which these are stated in the balance sheet, if realized in the ordinary course of business, unless otherwise stated and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required

NOTE 29: The outstanding balances of Sundry debtors / creditors are subject to confirmation as letters of confirmation of balances from several parties have not been received and hence the balances are subject to adjustments, if any, on reconciliation / settlement of account

NOTE 30: In the opinion of the management, leave is meant to be availed of and the employees has been advised to plan their leave in advance while in service and also immediately before superannuation. Accordingly, leave encashment liability for the year has been recognised and provided for only when such encashment was allowed

NOTE 31: Revenue in respect of rejected/scrapped materials is recognized as and when these are sold or amount there against is ascertained.

NOTE 32: Raw materials consumed are accounted after adjustment of normal shortage/surplus of raw materials and rejected raw materials.

Signatories to Schedules 1 to 32:

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn No: 318016E

Chartered Accountants

Ravi Kumar

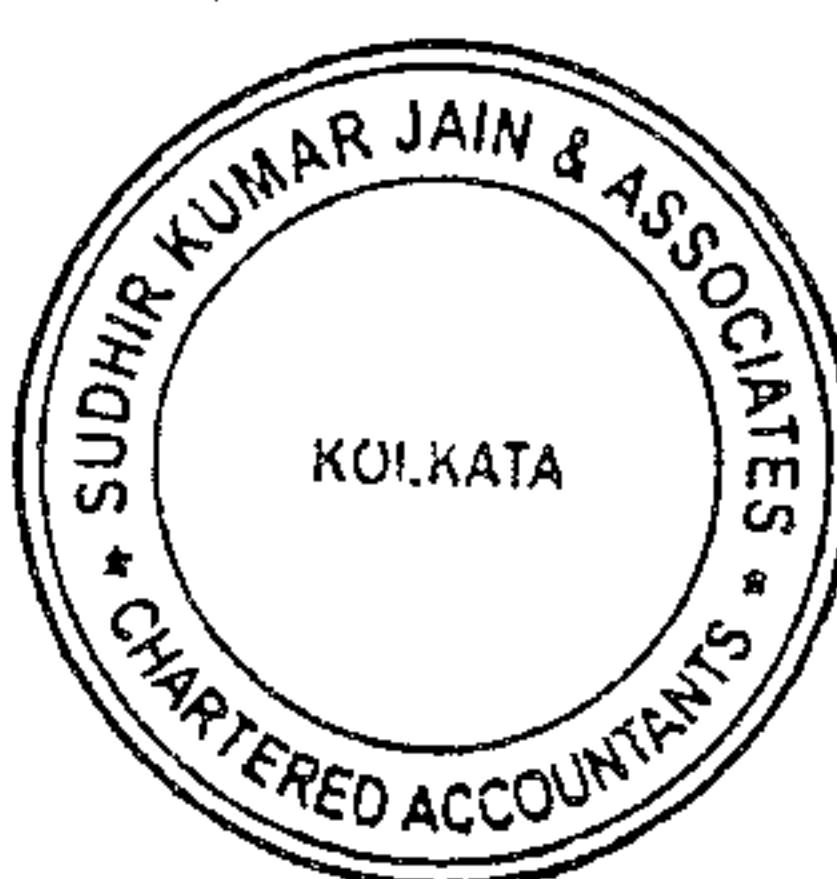
(Ravi Kumar)

Partner

Membership No. 303138

Place : Kolkata

Date : 30th May 2013



For & on behalf of the Board of Directors of
Adhunik Industries Limited

Managing Director

Director

Bharat Agarwal.

Company Secretary