



Notice

Adhunik Industries Limited

(Note: The business of this Meeting may be transacted through electronic voting system.)

NOTICE IS HEREBY GIVEN THAT THE 35th ANNUAL GENERAL MEETING OF ADHUNIK INDUSTRIES LIMITED WILL BE HELD ON THURSDAY, THE 18TH DAY OF SEPTEMBER, 2014 AT 10.30 AM AT BHARATIYA BHASHA PARISHAD, 36-A, SHAKESPEARE SARANI, KOLKATA – 700 017 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Mr. Mohan Lal Agarwal (DIN: 01047906) as a director who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Mr. Mahesh Kumar Agarwal (DIN: 00507690) as a director who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Sudhir Kumar Jain & Associates, Chartered Accountants (Registration No.- 318016E), be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To approve the remuneration of Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 233B with of the Companies Act, 1956 read with Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof and as amended from time to time) and in

terms of order no. 52/26/CAB-2010 dated 24th January, 2012 issued by Central Government, the remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only) (plus service tax and out-of-pocket expenses) payable to M/s. Dipak Lal & Associates, Cost Accountants, (Registration / Membership No. 28441) Kolkata, be and is hereby appointed as the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15;"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and any other applicable provisions of the Companies Act, 1956 and any applicable provisions of Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, any other applicable laws, regulations, policies or guidelines, the provisions of the Memorandum and Articles of Association of the Company and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, amended upto date (the "SEBI ICDR Regulations"), the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto the regulations/guidelines, if any, prescribed by the Reserve Bank of India ("RBI"), the Foreign Investment Promotion Board ("FIPB"), the Securities and Exchange Board of India ("SEBI"), the Government of India ("GOI") and all other relevant statutory, governmental authorities or departments, institutions or bodies in this regard (collectively, the "Appropriate Authorities" and individually, the "Appropriate Authority") and the listing agreement entered into by the Company with the stock exchanges where the shares of the Company are listed and subject to required approvals, consents, permissions and/or

Registered Office : 14, N.S.Road, 2nd Floor, Kolkata -700001
Phone: 033-3051 7100, **Website:** www.adhunikindustries.com
CIN -L65921WB1979PLC03200

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sanctions of the Appropriate Authorities and subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of them while granting such approvals, consents, sanctions and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (the "Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), and subject to the approval of the shareholders, to create, offer, issue and allot, from time to time, in one or more tranches, through a public issue, private placement and / or any other nature of offerings as may be permitted under applicable laws, equity shares of the Company and/or any instrument convertible into equity shares, whether optionally or otherwise in the course of domestic and / or international offerings, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), Foreign Currency Exchangeable Bonds ("FCEBs"), securities with warrants including any instruments or securities representing either equity shares and/or convertible securities or securities linked to equity shares or equity shares/fully convertible debentures/partly convertible debentures or nonconvertible debentures along with warrants or any securities other than warrants, which are convertible or exchangeable with equity shares at a later date, or a combination of the foregoing, whether rupee denominated or denominated in one or more foreign currency, in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad (hereinafter referred as ("Issue of Securities / Securities"), including but not limited to Qualified Institutional Buyers ("QIBs") as defined under the ICDR Regulations, whether domestic investors / foreign investors through Qualified Institutions Placement ("QIP"), resident and / or permitted non-resident investors, whether institutions and/or incorporated bodies and/or individuals or otherwise and whether or not such investors are shareholders of the Company, foreign institutional investors and non-resident Indians, for an amount not exceeding Rs.250 Crores (Rupees Two Hundred and Fifty Crores only) (the "Issue") through placement documents / offer document and / or prospectus and / or offer letter and / or offering circular, from time to time, in one or more combination, as may be deemed appropriate by the Board, such issue and allotment to be made at such time or times, in one or more tranches, at such price or prices, as may be decided by and deemed appropriate by the Board as per applicable laws including the discretion to determine the categories and combination of investors to whom the offer, issue and allotment

shall be made considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s), financial advisor(s), underwriter(s), legal advisor(s) and / or any other agency, as the Board may in its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT in case of issue of Securities by way of QIP as per Chapter VIII of SEBI ICDR Regulations 2009, as amended from time to time, shall fulfil the following requirements:

- 1) The "relevant date" for pricing of the Securities, will be in accordance with SEBI ICDR Regulations and in case of allotment of equity shares, will be the date of Board meeting in which the Board decides to open the proposed issue and in case of issue of convertible securities it will be the date of board meeting in which it decides to open the proposed issue of such convertible Securities;
- 2) The QIP shall be made at a price not less than the average of the weekly high and low of the closing prices, during the two weeks preceding the relevant date, of the equity shares of the same class quoted on the Stock Exchange in which the highest trading volume in such equity shares has been recorded during aforesaid period;
- 3) No allotment shall be made, either directly or indirectly to any Qualified Institutional Buyers ("QIB") who is a promoter or any person related to promoters; and
- 4) A minimum of 10% of the Securities to be issued and allotted pursuant to Chapter VIII of SEBI ICDR Regulations shall be allotted to Mutual Fund(s) and if the Mutual Fund(s) do not subscribe to said minimum percentage or any part thereof, such minimum portion or part thereof may be allotted to other QIB.
- 5) The prices determined for qualified institutions placement shall be subject to appropriate adjustments if the Company, pending allotment under this resolution:
 - a) makes an issue of equity shares by way of capitalization of profits or reserves, other than by way of dividend on shares;
 - b) makes a rights issue of equity shares;
 - c) consolidates its outstanding equity shares into a smaller number of shares;
 - d) divides its outstanding equity shares including by way of stock split;
 - e) re-classifies any of its equity shares into other securities of the issuer;

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- f) is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, requires adjustments."

"RESOLVED FURTHER THAT in case of issuance of FCCBs, the relevant date for determination of the issue price for the Securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as may be amended from time to time."

"RESOLVED FURTHER THAT the pricing of the equity shares to be issued upon exchange of the warrants (issued simultaneously with non-convertible debentures), shall be in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations and as may be decided by the Board in its sole and absolute discretion."

"RESOLVED FURTHER THAT in addition to all applicable Indian laws, the Issue of Securities in pursuance of this Resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or proposed to be listed or that may in any other manner apply to such Securities or provided in the terms of their issue."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of new securities as may be required, including issue and allotment of equity shares upon conversion of any new securities or as may be necessary in accordance with the terms of the offer, all such equity shares rank pari passu inter-se and with the then existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to engage, appoint and to enter into and execute all such agreement(s)/ arrangement(s) / MOUs /placement agreement(s)/subscription agreement(s)/any other agreements or documents with any consultant(s), lead manager(s), co-lead manager(s), manager(s), advisor(s), registrar(s), authorized representative(s), legal advisor(s) / counsel(s), merchant banker(s), underwriter(s), custodian(s), stabilizing agent(s) and all such advisor(s), professional(s), intermediaries and agencies as may be required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit and permissible, and to authorize any Director(s) or any Officer(s) of the Company, severally, to sign for and on behalf of the Company, offer document(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/ document(s),

give any undertaking(s), affidavit(s), certification(s), declaration(s) including without limitation the authority to amend or modify such document(s) in relation to the aforesaid Issue of Securities."

"RESOLVED FURTHER THAT the Board shall have all powers and authority to modify, reapply, redo, make necessary changes, approach and to do all requisite filings/resubmission of any document(s) and other compliances and to do all such acts and deeds that are necessary to comply with the terms and conditions subject to which approval, sanction, permission etc. would be provided by the Stock Exchange(s), SEBI, FIPB, RBI and any other Appropriate Authority, without being required to seek any further approval of the Members and that the Members shall be deemed to have given their approval thereto for all such acts, deeds, matters and/or things, expressly by the authority of this resolution."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue and allotment of Securities, as aforesaid the Board or committee duly authorized by the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient including fixing of record dates or book closure, deciding on the issue price, issue opening and closing dates and to settle any questions, difficulties or doubts that may arise in regard to any such offer, issue and allotment."

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

"RESOLVED THAT pursuant to the provisions of Section 61, 64 and other applicable provisions, if any, or any other law for the time being in force read with Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modifications or amendment thereto or reenactment thereof for the time being in force) and the applicable clauses of the Articles of Association of the Company, consent of the Members be and is hereby accorded to increase its Authorized Share Capital from Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 10/- (Rupees Ten Only) each to Rs.1,00,00,00,000/- (Rupees One Hundred Crore Only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10/- (Rupees Ten Only) each by creation of 5,00,00,000 (Five Crore) additional equity shares of Rs. 10/- (Rupees Ten Only) each ranking pari passu with the rights and liabilities of the existing equity shares;"

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all

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such acts, deeds, matters and things as they may in their absolute discretion deem necessary to give effect to the aforesaid Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, or any other law for the time being in force read with Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modifications or amendment thereto or reenactment thereof for the time being in force), the consent of the Members be and is hereby accorded for substituting the existing Clause V of the Memorandum of Association of the Company with the following new clause:

Clause V. The Authorized Share Capital of the Company is Rs. 1,00,00,00,000 (Rupees One Hundred Crore) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10 (Rupees Ten) each with such rights, privileges & conditions attaching thereto as are provided by the regulations of the Articles of Association of the Company for the time being, with power to increase and decrease the capital to the company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights privileges or conditions in such manner as may be permitted by the Companies Act 2013, or other applicable laws or provided by the Articles of the company for the time being.

"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary to give effect to the aforesaid Resolution."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri Jugal Kishore Agarwal (DIN:

00227460) as Managing Director of the Company, for a period of 3 (Three) years with effect from November 30, 2014 and will be liable to retire by rotation and on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Jugal Kishore Agarwal, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and deed and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Asit Baran Dasgupta (DIN: 02476594), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for five years with effect from the conclusion of this 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting in the calendar year 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force) and the other applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Asit Baran Dasgupta (DIN: 02476594) be paid such fees, remuneration and profit linked commission as the

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Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Shyam Bahadur Singh (DIN: 01982407), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for five years with effect from the conclusion of this 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting in the calendar year 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force) and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Shyam Bahadur Singh (DIN: 01982407) be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ashok Bector (DIN: 00582126), a non-executive director of the

Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for five years with effect from the conclusion of this 35th Annual General Meeting till the conclusion of the 40th Annual General Meeting in the calendar year 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force) and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Ashok Bector (DIN: 00582126) be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

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

"RESOLVED THAT in supersession of the earlier Resolution passed at the Extraordinary General Meeting held on 11th March, 2011, under Section 293(1)(a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to lease of the whole, or substantially the whole, of the undertaking of the Company; and to create charge/ mortgage/ hypothecation on all or any of the movable and immovable properties, both present and future, of the whole, or substantially the whole, of the undertaking of the Company, ranking pari-passu with or second or subservient or subordinate to the mortgage / charge / hypothecation already created or to be created in further by the company for securing any loans and/or advances and /or guarantees and/ or any financial assistance obtained or may be obtained from financial institutions, banks or machinery suppliers and/or any other persons or institutions providing finance for purchase of assets / business of the Company or for working capital or for purchase of specific items of

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machinery and equipment under any deferred payment scheme or bills rediscounting scheme or in favour of trustees for debenture holders that may be appointed hereafter, as security for the debentures / bonds that may be issued by the Company, with power to take over the management, business and concern thereof in certain events of default, in favour of the Lender(s)/Security Holder(s)/Agent(s)/Trustee(s) for securing the borrowings of the Company availed/to be availed by way of cash credit, advances or deposits, loan(s) (in foreign currency and/or rupee currency), bill discounting and Securities (comprising fully/partly Convertible Debentures including Optionally Fully Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other secured debt instrument(s) including Foreign Currency Convertible Bonds, issued/to be issued by the Company, from time to time, subject to the limit of Rs.500 crores (Rupees Five Hundred Crores only) on such terms and conditions and at such times and in such form and manner as the Board of Directors may deem fit, together with interest thereon at the respective agreed rates, additional interest, compound interest, in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of the Agent(s)/Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s)/ Heads of Agreement(s)/Arrangements, Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Security Holder(s)/Agent(s) and Trustee(s), in respect of the said loans/borrowings/debentures, etc. and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s)/Security Holder(s)/Agents)/Trustee(s).

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorize to cause and to prepare, finalize, approve and execute on behalf of the Company with the buyers, lenders, banks, machinery suppliers, persons, institutions and trustees for the Debenture/Bond holders, such documents, deeds, agreements, declarations, undertakings and writings as may be necessary and are expedient for giving effect to the foregoing resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all

such acts and deeds as may be required to give effect to the above resolution from time to time."

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

"RESOLVED THAT in supersession of the earlier Resolution passed at the Extraordinary General Meeting held on 11th March, 2011, under Section 293(1)(d) of the Companies Act, 1956 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the members of the Company be and is hereby accorded under the, to the Board of Directors [hereinafter to be referred to as "the Board" which term shall be deemed to include any committee(s) constituted/to be constituted by the Board of Directors to exercise its powers including the powers vested and conferred by this Resolution] to borrow from time to time such sum or sums of money both in Indian Currency and in Foreign Exchange for the purpose of the business of the Company subject to obtaining necessary approvals from the Reserve Bank of India and/or any other statutory authority(ies) as may be necessary , notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 500 Crore (Rupees Five Hundred Crore)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to the above resolution."

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

"RESOLVED THAT pursuant to all applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for

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the time being in force and as may be enacted hereinafter, provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement(s), the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as may be amended from time to time or re- enactment thereof for the time being in force (the "SEBI Delisting Regulations") and pursuant to the provisions of Regulation 6 and 7 of the SEBI Delisting Regulations and such other applicable laws, rules and regulations and guidelines and subject to such approvals, permissions and sanctions, including those from the Stock Exchanges where the equity shares of the Company are listed, as may be necessary, approval of the Company be and is hereby accorded to the Board of Directors of the Company (the "Board") which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this resolution to seek voluntary delisting of equity shares of the Company from Calcutta Stock Exchange Limited, where the equity shares of the Company are listed, in terms of SEBI Delisting Regulations and other applicable provisions of law."

"RESOLVED FURTHER THAT for the purpose of giving effect to the voluntary delisting, the Board be and is hereby authorized to do all such acts, deeds, matters and things at in its sole and absolute discretion it may deem necessary or desirable to give effect to the aforesaid resolution, including making applications to the Stock Exchanges seeking their in- principle and final approval for the proposed voluntary delisting of the equity shares of the Company, and to execute all such deeds and documents and to settle all questions, difficulties and doubts that may arise in this regard, as it may consider necessary and expedient."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred upon it to any Committee of Directors or to any Director or Directors or any other officers / authorized representative of the Company to give effect to this resolution."

By Order of the Board of Directors

Regd. Office: 14, N.S.Road, 2nd Floor
Kolkata-700 001.

Jugal Kishore Agarwal

Managing Director

Dated: 13.08.2014.

NOTES:

1. ***A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Proxy form duly completed in order to be effective, must be received by the company at the registered office not less than 48 hours before the commencement of the meeting.***

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

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members/proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting are annexed hereto.
5. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declaration for their appointment/re-appointment.
6. Electronic copy of the Annual Report 2014 is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2014 is being sent in the permitted mode.
7. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the

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Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

8. Members may also note that Notice of the Annual General Meeting and the Annual Report 2014 will also be available on the Company's website www.adhunikindustries.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection between 10.00A.M. to 4.00 P.M. on all working days except Saturdays.
9. Relevant documents referred to in the accompanying Notice and the statement are available for inspection to the members of the Company at the Registered office of the Company between 10.00A.M. to 4.00 P.M. on all working days except Saturdays up to the date of the Meeting.
10. In case of joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
11. The Register of Members and Share Transfer Books will remain closed from 11th September, 2014 to 18th September, 2014 (both day inclusive).
12. Members are requested to quote their folio number / DP ID, Client ID in all correspondences.
13. Members holding Company's shares in electronic form are required to bring details of Depository Account such as DP ID, Client ID number for their identification.
14. Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agent, Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Kolkata -700001.
15. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with the companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th September, 2013 (Date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs.
16. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.
17. You are thus requested to kindly submit your e-mail ID vide the e-mail registration form attached in this Annual Report by filling up and signing at the appropriate place in the said form and return the same to the Company. The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the Registrar & Share Transfer Agent of the Company.
18. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**
19. Voting through electronic means
 - I. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).
The instructions for e-voting are as under-
 - (i) The voting period begins on Thursday, 11th September, 2014 (9.00 a.m. IST) and ends on Saturday, 13th September, 2014 (5:30 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 16th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on "Shareholders" tab.
 - (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.

Notice (Continued)

- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login

password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

Notice (Continued)

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

- II. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 13th August, 2014.
- III. Mr. Mohan Ram Goenka, Practicing Company Secretary (Membership No. 2551) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- V. The Results shall be declared on or after the AGM of the Company. The Results declared along with Scrutinizer's Report shall be placed on the Company's website www.adhunikindustries.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

Pursuant to the provisions of Section 233B with of the Companies Act, 1956 read with Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof and as amended from time to time) and in terms of order no. 52/26/CAB-2010 dated 24th January, 2012 issued by Central Government, the remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand only) (plus service tax and out-of-pocket expenses) payable to M/s. Dipak Lal & Associates, Cost Accountants, (Registration / Membership No. 28441) Kolkata, be and is hereby appointed as the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15.

M/s. Dipak Lal & Associates, Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. M/s. Dipak Lal & Associates, Cost Accountants have vast experience in the field of cost audit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

Given the Company's future growth plans the Board considers it necessary to augment the long term resources of the Company by way of issuance of securities including equity shares, secured or unsecured debentures, bonds, warrants, or any other securities whether convertible or exchangeable into equity share or not, or any other equity related instrument of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible or exchangeable into equity shares or not, and issue new foreign currency convertible bonds

Notice (Continued)

considering the prevailing market conditions and other relevant factors up to an aggregate amount of Rs. 250 Crores, so however that issue of equity shares or of securities convertible or exchangeable into equity share cannot exceeds Rs.250 crores.

The Directors intend to deploy the net proceeds from the issue of further capital for funding any one or more of, (i) capital expenditure, (ii) general corporate purpose, (iii) strategic acquisitions, or (iv) new Projects including Government projects.

Since issue of Securities representing underlying equity shares involves issue of equity shares to persons other than existing members, consent of the members is being sought pursuant to the provisions of Section 62(1)(c) of the Companies Act, 2013 and the Listing Agreements executed by the Company with the stock exchanges where the Company's equity shares are listed.

To enable the company to raise further funds by issuance of the long term securities under Section 62(1)(c) of the Companies Act 1956 and any applicable provisions of Companies Act, 2013 a special resolution to that effect is required to be passed by the shareholders of the Company at the general meeting. Besides, the Company is required to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Company for the purpose of this issue/offering may have to seek approval from relevant regulatory authorities being; the SEBI, the RBI, FIPB, Ministry of Finance (Department of Economic Affairs) and/ or any other ministry/ department of the GOI.

The said resolution is also an enabling resolution conferring authority on the Board to do all acts and deeds, which may be required to issue/offering Securities of appropriate nature at such appropriate time, including the size, structure, price and timing of the issue(s)/offer(s) at the appropriate time(s). The detailed terms and conditions of the domestic/international offering will be determined in consultation with the lead managers, merchant bankers, global business coordinators, book runners, guarantors, consultants, advisors, underwriters and/or such other intermediaries as may be appointed for the Issue/offering.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Accordingly, the Board recommends passing of a Special Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No. 7

The existing Authorized Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 10/- each (Rupees Ten Only) each. In order to issue further shares on account of funding of various expansion plans and acquisition plans in the pipeline of the Company and to strengthen its financial position further, it is considered necessary to increase the Authorized Share Capital of the Company from Rs. 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crore) equity shares of Rs. 10/- each (Rupees Ten Only) each to Rs. 1,00,00,00,000/- (Rupees One Hundred Crores Only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10/- each (Rupees Ten Only) each ranking pari passu with the rights and liabilities of the existing equity shares.

The proposed Resolution requires your approval in General Meeting, hence the Board of Directors recommends the above matter to be passed through Special Resolution.

A Copy of the Memorandum & Articles of Association and relevant documents are available for inspection at the registered office of the company in working hours.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Accordingly, the Board recommends passing of an Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 8

Considering the growth of the Company, it is proposed to alter the Memorandum of Association of the Company so that the Company could alter the Clause V with respect to increase in Authorised Share Capital by creation of new 5,00,00,000 (Five Crore) equity shares of Rs. 10/- each. The above have been proposed in order to meet the financial requirements of the Company if required due to expansion and acquisition plans in the area of the business.

The proposed increased thereof require the approvals of the member in the general meeting. Consequent to the increase in Authorized Share Capital it is proposed to make appropriate alteration in the Clause V of Memorandum of Association to reflect the changes in Authorized Share Capital of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

Accordingly, the Board recommends passing of an Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Notice (Continued)

Item No. 9

Mr Jugal Kishore Agarwal is an Industrialist with more than 30 years of vast experience in the Steel sector. The Company will be immensely benefited by his re-appointment as the Managing Director, as the Board feels that the Company would achieve new high of success under his dynamic leadership, guidance and would increase the stakeholder's value.

The Board of Directors of the Company (the 'Board'), at its meeting held on 13th August, 2014 has, subject to the approval of members, re-appointed Shri Jugal Kishore Agarwal as Managing Director, for a period of 3 (three) years from the expiry of his present term on November 29, 2014. The remuneration has been recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Shri Jugal Kishore Agarwal as Managing Director in terms of applicable provisions of the Act.

Subject to the ceiling laid down in Section 197 of the Companies Act, 2013, remuneration by way of salary, bonus and perquisites to the Managing Director shall be paid as follows:

- a) **Basic Salary:** Rs. 1,25,000/- (Rupees one lakh twenty five thousand only) per month.
- b) **Bonus/Ex-gratia:** Two months Basic Salary will be paid as a bonus for each completed year of service.
- c) **Perquisites:** Reimbursement like Credit Card expenses, tour expenses including foreign tour, professional encouragement, uniform allowances, Club expenses, children education allowances including hostel expenses, medical allowances, other allowances subject to ceiling to Rs. 12,50,000/- (Rupees Twelve Lakhs Fifty Thousand only) p.a. as under-
 - i) **Gas, Electricity, Water and Furnishings:** The expenditure incurred by the Company on Gas, Electricity, Water and furnishings shall be valued as per the Income Tax Rules, 1962 and shall be subject to the ceiling of the salary.
 - ii) **Medical Reimbursement:** Reimbursement of medical expenses incurred by the Managing Director on himself and his family members.

iii) **Leave and Leave Travel Concession:** Leave as per the rules of the Company including encashment of leave. Leave Travel Concession for self and his family once in a year incurred in accordance with the service rules of the Company.

iv) **Club Fees:** Monthly subscription of maximum two clubs will be paid at actual.

v) **Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 10,000/.

d) Other Payments and Provisions:

- i) **Contribution to Superannuation Fund and Provident Fund:** Contribution towards Provident Fund will be subject to a ceiling of 10% of the salary. Contribution to the Pension/Superannuation fund together with provident fund shall not exceed 25% of the salary. Contribution towards Provident fund, Superannuation fund and annuity fund will not be included in the computation of the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. The above provision will be subject to the Company's policy.
- ii) **Gratuity:** Gratuity payable shall be equal to one half month salary for each completed year of service.
- iii) **Car:** Provision for cars for use on Company's business purposes. The use of the Company's car for the business purposes will not be considered as a Perquisites.
- iv) **Telephone:** Provision of telephone at residence will not be considered as perquisites but personal long distance calls shall be billed by the Company.

The overall amount of Bonus as mentioned in Clause (B) of this and all other perquisites shall not exceed more than one month of Basic Salary i.e. total salary inclusive of all other allowances and perquisites shall not exceed Rs. 30,00,000/- per annum.

- e) **Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of the Managing Director the Company has no profits or its profits are inadequate, the Company will pay remuneration in terms of the provisions of schedule V of the Companies Act, 2013.

Notice (Continued)

Mr. Jugal Kishore Agarwal, Mr. Mahesh Kumar Agarwal and Mr. Mohan Lal Agarwal is interested and concerned in the Resolution mentioned at in item no. 8 of the Notice. Other than Mr. Jugal Kishore Agarwal, Mr. Mahesh Kumar Agarwal and Mr. Mohan Lal Agarwal, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

The above may be treated as a written memorandum setting out the terms of re-appointment of Sri Jugal Kishore Agarwal under section 190 of the Companies Act, 2013.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Item No. 10

Mr. Asit Baran Dasgupta has been a Non-Executive Director of the Company since 26th June, 2013 and is considered as an Independent Director under Clause 49 of the Listing Agreement. He is an expert in finance and banking sector.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Asit Baran Dasgupta has given a declaration that he meets the criteria of the independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Asit Baran Dasgupta as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director up to 17th September, 2019, when he will retire as per the Policy adopted by the Company.

In the opinion of the Board, Mr. Asit Baran Dasgupta fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

Under Section 160 of the Companies Act 2013, a notice in writing has been received from a member signifying his intention to propose Mr. Asit Baran Dasgupta, as a Director of the Company along with the deposit of requisite amount as required under the aforesaid Section.

Mr. Asit Baran Dasgupta is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received the consent to act as director and requisite Form from him, confirming his eligibility for such appointment.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Asit Baran Dasgupta as Independent Director is now being placed before the members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the

Registered Office during normal business hours on any working day of the Company between 10:00 A.M. to 04:00 P.M. except Saturdays.

Mr. Asit Baran Dasgupta is interested and concerned in the Resolution mentioned at in item no.9 of the Notice. Other than Mr. Asit Baran Dasgupta, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 10 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

Item No. 11

Mr. Shyam Bahadur Singh has been a Non-Executive Director of the Company since 19th April, 2013 and is considered as an Independent Director under Clause 49 of the Listing Agreement. He is an expert in iron and steel industry.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Shyam Bahdur Singh has given a declaration that he meets the criteria of the independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Shyam Bahadur Singh as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director up to 17th September, 2019, when he will retire as per the Policy adopted by the Company.

In the opinion of the Board, Mr. Shyam Bahadur Singh fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

Under Section 160 of the Companies Act 2013, a notice in writing has been received from a member signifying his intention to propose Mr. Shyam Bahadur Singh, as a Director of the Company along with the deposit of requisite amount as required under the aforesaid Section.

Mr. Shyam Bahadur Singh is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received the consent to act as director and requisite Form from him, confirming his eligibility for such appointment.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Shyam Bahdur Singh as Independent Director is now being placed before the members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the

Notice (Continued)

Registered Office during normal business hours on any working day of the Company between 10:00 A.M. to 04:00 P.M. except Saturdays.

Mr. Shyam Bahdur Singh is interested and concerned in the Resolution mentioned at in item no.10 of the Notice. Other than Mr. Shyam Bahadur Singh, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 11 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

Item No. 12

Mr. Ashok Bector has been a Non-Executive Director of the Company since 3rd April, 2012 and is considered as an Independent Director under Clause 49 of the Listing Agreement. He is an expert in iron and steel industry.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1st April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Mr. Ashok Bector has given a declaration that he meets the criteria of the independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Ashok Bector as Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director up to 17th September, 2019, when he will retire as per the Policy adopted by the Company.

In the opinion of the Board, Mr. Ashok Bector fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

Under Section 160 of the Companies Act 2013, a notice in writing has been received from a member signifying his intention to propose Mr. Ashok Bector, as a Director of the Company along with the deposit of requisite amount as required under the aforesaid Section.

Mr. Ashok Bector is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received the consent to act as director and requisite Form from him, confirming his eligibility for such appointment.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Ashok Bector as Independent Director is now being placed before the members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the

Registered Office during normal business hours on any working day of the Company between 10:00 A.M. to 04:00 P.M. except Saturdays.

Mr. Ashok Bector is interested and concerned in the Resolution mentioned at in item no.11 of the Notice. Other than Mr. Ashok Bector, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 12 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

Item No. 13

The members of the Company at their Extra Ordinary General Meeting held on 11th March, 2011 approved by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, the Company accorded consent to the Board of Directors for creating mortgage or charge on its movable or immovable properties for an amount not exceeding Rs. 250 Crore (Rupees Two Hundred Fifty Crore).

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, which has been made effective from September 12, 2013, it is necessary for the Company to take the approval of Members by way of a Special Resolution, for enabling the Board to exercise the power to mortgage, hypothecate, pledge and/or create charge, security on the moveable and/or immoveable, tangible and/or intangible properties of the Company, from time to time.

Keeping in view the above, Pursuant to section 180(1)(a) and other applicable provisions of the companies Act 2013, if any, the Company can lease/charge/mortgage/hypothecation/pledge/create security/ on all or any of the immovable/movable properties of the Company, both present and future or the whole or substantially the whole of the undertaking(s) of the Company only with the approval of the shareholders accorded by way of a special resolution.

The company intends to lease / create charge and/or mortgage all or any of the immovable and movable property of the company where so ever situated, present & future, and the whole of the undertaking of the company in favor of any other Person/Banks/Financial Institution /NBFCs or otherwise, to secure the repayment of the fund and /or non-fund based credit facilities availed or to be availed by the Company, for a sum of money not exceeding Rs. 500 Crore (Rupees Five Hundred Crore).

The Company would be borrowing monies from time to time, for the purpose of its business, by way of loans, debentures, bonds, commercial papers and other financial assistance / credit facilities from various financial/investment institution(s), banks(s), mutual fund(s), trusts, bodies corporate and other persons / investors apart from the working capital facilities obtained/to be obtained from banks,

Notice (Continued)

bill discounting and Securities (comprising fully/partly Convertible Debentures including Optionally Fully Convertible Debentures and/or Non Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other secured debt instrument(s) including Foreign Currency Convertible Bonds as may be issued by the Company from time to time.. This, in turn, would necessitate further creation of security by way of suitable mortgages, hypothecation, pledge and/or charges on all or some of the moveable and/ or immoveable, tangible and/or intangible assets of the Company, both present and/or future, in favour of various lenders / trustees etc.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 13 of the Notice except to the extent that it is proposed to authorize them to mortgage and/or create charge etc. as stated in the Resolution..

The Board commends the Special Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

Item No. 14

The members of the Company at their Extra Ordinary General Meeting held on 11th March, 2011 approved by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital

and free reserves of the Company provided that the total amount of such borrowings together with amount already borrowed and outstanding at any point of time shall not be in excess of Rs. 250 Crore (Rupees Two Hundred and Fifty Crore).

The borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 250 Crore (Rupees Two Hundred and Fifty Crore).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 8 of the Notice, in supersession of all the earlier resolution, to enable to the Board of Directors to borrow money from time to time both in Indian Currency and in Foreign Exchange in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 500 Crore (Rupees Five Hundred Crore) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14 of the Notice except to the extent that it is proposed to authorize them to borrow moneys as stated in the Resolution..

The Board commends the Special Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

Item No. 15

According to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "SEBI Delisting Regulation"), a Company may voluntary delist its equity shares from the Stock Exchange where its shares are listed.

The Board of Directors of the Company believe that no particular benefit is available to the shareholders of the Company by continuing the listing of its equity shares on the Stock Exchanges as the equity shares of the Company are thinly traded and no trade has been registered in the Stock Exchanges for last few years. Accordingly, the Board of Directors has decided to approve the proposal of voluntary delisting.

The equity shares also got listed with BSE Limited (BSE) with effect from May 26, 2014. Since, BSE is having vast nationwide terminal over the entire country, it was suggested by the Board of Directors of the Company to delist its shares from CSE and to continue the trading activities with BSE only.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 15 of the Notice.

The Board commends the Special Resolution set out at Item No. 15 of the Notice for approval by the shareholders.






Notice (Continued)

Brief resume of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided below-

Name of the Director	Mohan Lal Agarwal	Mahesh Kumar Agarwal	Jugal Kishore Agarwal
Date of Birth	10/05/1965	07/03/1966	05/10/1951
Date of Appointment	27/08/2003	27/08/2003	30/11/2009
Qualification	Graduate in Commerce	Graduate in Commerce	Graduate in Commerce and Law
Expertise in specific functional area	He has expertise in Iron & Steel industry.	He has expertise in Iron & Steel industry.	He has expertise in Iron & Steel industry.
List of Public Companies in which holds directorship	<ul style="list-style-type: none"> ♦ Adhunik Metaliks Limited ♦ Adhunik Corporation Limited ♦ Adhunik Alloys & Power Limited ♦ Sungrowth Share & Stocks Limited ♦ Mahananda Suppliers Limited ♦ Orissa Manganese & Minerals Limited ♦ Adhunik Power & Natural Resources Limited ♦ Adhunik Steels Limited ♦ Adhunik Shristi and Power Trading Company Limited ♦ Futuristic Steel Limited ♦ Zion Steel Limited ♦ Performance Marketing Limited 	<ul style="list-style-type: none"> ♦ Adhunik Metaliks Limited ♦ Adhunik Corporation Limited ♦ Adhunik Alloys & Power Limited ♦ Sungrowth Share & Stocks Limited ♦ Mahananda Suppliers Limited ♦ Orissa Manganese & Minerals Limited ♦ Adhunik Power & Natural Resources Limited ♦ Moira Madhujore Coal Limited ♦ Arena Textiles and Industries Limited 	<ul style="list-style-type: none"> ♦ Adhunik Metaliks Limited ♦ Adhunik Corporation Limited ♦ Adhunik Alloys & Power Limited ♦ Adhunik Infotech Limited ♦ Sungrowth Share & Stocks Limited ♦ Mahananda Suppliers Limited ♦ Orissa Manganese & Minerals Limited ♦ Adhunik Power & Natural Resources Limited ♦ Adhunik Steels Limited ♦ Swarnrekha Steel Industries Limited ♦ Moira Madhujore Coal Limited ♦ Hanuman Advisory Limited ♦ Gajeshwar Advisory Limited
Chairman/Member of the committees of Directors of other public Companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	♦ Mahananda Suppliers Limited	♦ Adhunik Metaliks Limited	<ul style="list-style-type: none"> ♦ Adhunik Alloys & Power Limited ♦ Adhunik Metaliks Limited ♦ Mahananda Suppliers Limited
Shareholdings in the Company	4,41,500	5,24,000	4,94,500

Name of the Director	Shyam Bahadur Singh	Ashok Bector	Asit Baran Dasgupta
Date of Birth	01/04/1941	04/06/1952	01/01/1941
Date of Appointment	19/04/2013	03/04/2012	26/06/2013
Qualification	B.Sc. (Metallurgical Engineering)	Graduate in Commerce	B. Com, ICWA (Inter) CAIIB
Expertise in specific functional area	He has expertise in Iron & Steel industry.	He has expertise in Iron & Steel industry.	He has expertise in finance and banking
List of Public Companies in which holds directorship	<ul style="list-style-type: none"> ♦ Skipper Limited ♦ Jai Balaji Industries Limited 	♦ Neepaz Infrastructure and Developers Ltd.	NIL
Chairman/Member of the committees of Directors of other public Companies (includes only Audit Committees and Shareholders'/ Investors' Grievance Committee)	♦ Jai Balaji Industries Limited	NIL	NIL
Shareholdings in the Company	NIL	NIL	NIL

FORM-A
(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1	Name of the Company	Adhunik Industries Limited
2	Annual Financial Statements for the year ended	31 st March, 2014
3	Type of Audit Observation	Un-qualified
4	Frequency of Observation	Not Applicable
5	To be signed by-	
	<ul style="list-style-type: none"> CEO/Managing Director 	Mr. Jugal Kishore Agarwal 
	<ul style="list-style-type: none"> CFO 	Mr. Bikash Roy Choudhury 
	<ul style="list-style-type: none"> Auditor of the Company 	<p>For Sudhir Kumar Jain & Associates Chartered Accountants (Firm Registration No.- 318016E)</p>  (CA S. Jain) (Partner) (Membership No.- 053537) Kolkata, 29 th May, 2014. 
	<ul style="list-style-type: none"> Audit Committee Chairman 	Mr. Asit Baran Dasgupta 

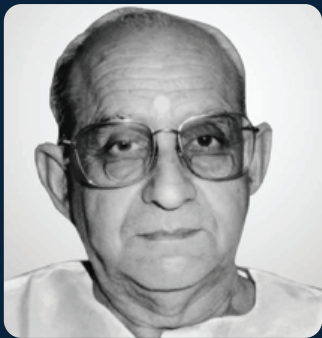
Annual Report 2013 - 14



Strengthening Trust
Meeting Excellence



The Man Who Showed The Way To Excel



Sri Mahadeo Prasad Agarwal
(24 October 1925 – 13th May 2002)

Respected Sri Mahadeo Prasad Agarwal, the visionary behind Adhunik laid the foundation stone of the Group which has now flourished to be known as Adhunik Group. What started as a trickle – is now developing into a potent economic force – a force to reckon with. The roots of Adhunik are steel strong. The sure-footed way in which the group is embarking upon a journey is comprehended as one of the finest examples of how a group can grow with values, determination, technological excellence and care for its customers.

We dedicate ourselves to the ideas and values cherished and nurtured by him and commit ourselves to the organization's building task.

Seek to attain leadership in businesses through a relentless pursuit of excellence, while delivering superior value to customers & stakeholders.

- Sri Mahadeo Prasad Agarwal

Inside this Report

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Adhunik Group at a Glance

A Yardstick of Excellence

Excellence is an art won by training and habituation. The will to win, the desire to succeed, the urge to reach the full potential...these are the keys that unlock the door to it.

Adhunik Group has taken itself to the zenith of Trust, Value and Service by virtue of its passion for delivering excellence. An INR 5000 crore conglomerate today, this is one of India's fastest growing industrial entities - a potent economic force. Applying latest innovations and state of the art & technology in manufacturing of the finest quality of iron and steel products have helped Adhunik to hold in premium quality for over a period of four decades.

Steel - The Group has steel manufacturing facilities in West Bengal, Orissa and Jharkhand. It has set up an integrated steel plant of 0.45 million ton at Sundergarh, Orissa, with state-of-the-art technology. It has been allotted a captive iron ore mine at Keonjhar and captive coal mines at Talcher and Angul in Orissa. The Group has also started operations and dispatches from its captive iron ore mines.

Mining - In the mining sector, it has iron ore and manganese ore mines in Jharkhand and Orissa, respectively. The Group has mining resources including iron ore, coal and manganese ore which are the key inputs of Steel production. The Group has also set up 1.2 Million ton Pellet and Beneficiation plant in Jharkhand to utilize the low grade iron ore fines and convert them into value added product Pellet.

Power - The Group has embarked upon an ambitious expansion plan in the power sector. It had implemented a 540 MW power plant in Jharkhand. The Group has also secured captive coal block for this plant.

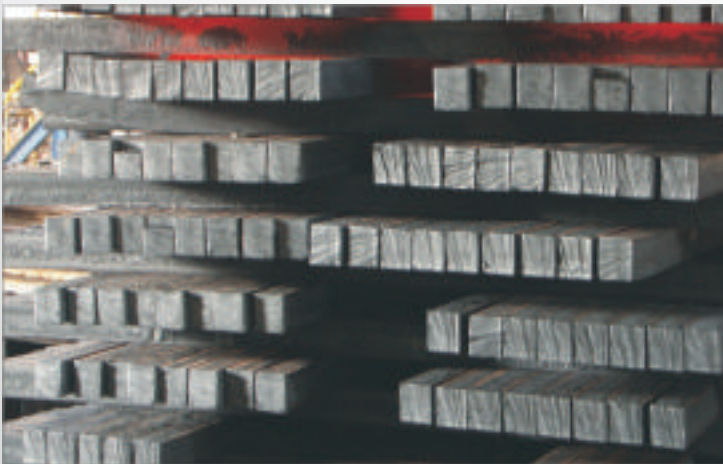
Over the years, the Group has shown giant financial growth with consistent profit making. Within a very short span of time, the products of the Group have been recognized by major automobile component manufacturing and automobile companies. The Group caters to diversified sectors including automobiles, telecom, power, railways, engineering, oil & gas and construction.

Adhunik Industries Limited (Adhunik Ind) Right from the Mines to the Finished Metals

AIL Manufactures Steel of Excellence

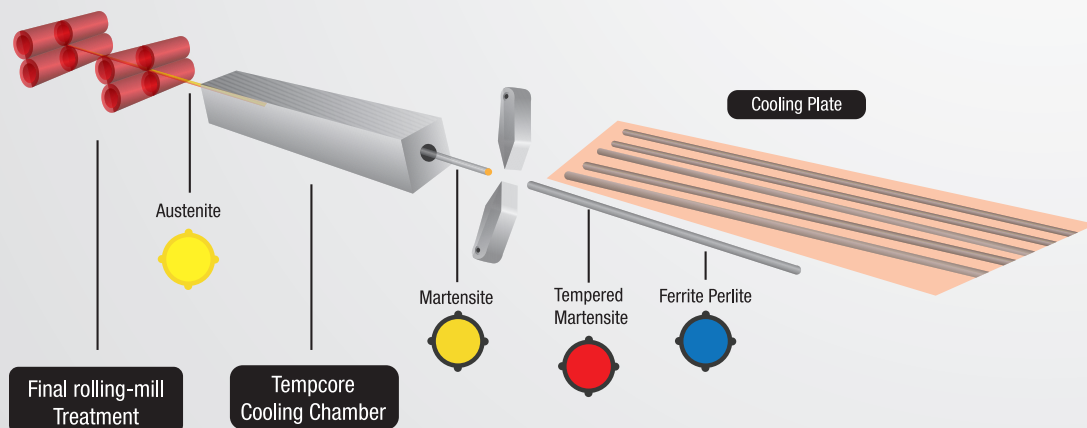
AIL has ensured that it retains complete control over the quality of material used in the production process by integrating every process of steelmaking. The Integrated Steel Plant has helped Adhunik maintain its focus in meeting its customers' entire requirement of construction grade Steel of world class quality. Ownership of captive resources helps it control any fluctuation in prices of raw materials.

Steel making can be experienced at its best at Adhunik Industries Limited. The Adhunik TMT bars are produced using the world's most advanced technology – the Tempcore Process – in collaboration with Centre De Recherche Metallurgiques (CRM), Belgium.



The Rolling Mill Producing Excellent TMT Bars

In Adhunik Industries Ltd. steel billets are heated in a fully automated re-heating furnace. The red-hot billets then pass through the roughing mill to reach the continuous finishing mill. The billets are rolled through the rolling strands, to size and shape up in the form of rods. They are now ready for the Thermo Mechanical Treatment. At the cooling chamber Adhunik's latest Tempcore Technology (from Belgium) increases the tensile strength uniformly all along. The hot, rolled bars undergo rapid quenching with the help of a special water spray system which is auto-controlled by the PLC system. The cooling results in a sharp fall of temperature and forms a hard structure called 'Martensite' at the surface. But the core still remains hot and soft. The rods then pass on to the Cooling Bed, where heat emits out from the austenitic core to form ductile Ferrite-Pearlite.



Unique Physiology

The combination of Martensite and Ferrite Pearlite, obtained through the Thermo Mechanical Treatment imparts higher strength to Adhunik TMT bars compared to the traditional cold-twisted reinforcing bars. The bars are ribbed uniformly vertically and horizontally by the use of a latest ribbing machine whose operation is controlled completely with computers. After cutting in to different sizes and sent to the stack yard. Then they are tagged accordingly and dispatched.





Unique Chemistry

Adhunik Bars conform to Fe 500D, IS 1786:2008 specifications.

- Its carbon levels are lower than the specifications, which result in high bending capacity and a superior welding strength.
- Its Phosphorus and Sulphur levels are lower than the specifications, which result in higher ductility ensuring the product to be earthquake resistant.
- Its lower level of impurities result in better corrosion resistant.



Comparative chart With BIS Standard

Chemical Composition				
	Carbon	Sulphur	Phosphorus	Sulphur & Phosphorus
BIS 415	0.32	0.065 MAX	0.065 MAX	0.12 MAX
ADHUNIK 415	0.22	0.026	0.027	0.053
BIS 500	0.3	0.055 MAX	0.055 MAX	0.105 MAX
ADHUNIK 500	0.19	0.032	0.032	0.064
BIS500D	0.25	0.04 MAX	0.04 MAX	0.075 MAX
ADHUNIK 500D	0.22	0.025	0.032	0.057

In Testing Condition

Mechanical Composition			
	Yield Stress	Tensile Strength	Elongation
BIS 415	415	10% more than actual yield stress	14.5
ADHUNIK 415	472.9	10% more than actual yield stress	20.9
BIS 500	500	8% more than actual yield stress	12
ADHUNIK 500	505	8% more than actual yield stress	22.38
BIS500D	500	10% more than actual yield stress	16
ADHUNIK 500D	555	10% more than actual yield stress	19.3

In Testing Condition

Products that bear Hallmark of Excellence

From the very beginning, Adhunik Industries Ltd (AIL). has constantly been innovating and developing radical solutions in Indian iron and steel industry. We aim to anticipate and identify consumer preferences for ideal products. The latest in this endeavor is the introduction of a superior quality RE-BAR called 500D. Made as per the latest amendment in BIS standard, each and every Adhunik 500D TMT RE-BAR obtains highest mechanical and chemical standards that reduce the presence of phosphorus and sulphur in the RE-BAR. Adhunik 500D TMT RE-BAR has an amazing ability to resist heat up to 600 degree Celsius and ensures cent percent quality, reliability and architectural excellence at its best.

At AIL, we develop our products to meet the needs of our customers and continually adjust them to keep pace in the changing marketplace. Adhunik TMT Bars are superior to the traditional re-bars because they perform consistently at all times due to the superior quality of billets used, excellent dimensional tolerance and surface quality. No wonder, the discernible buyers prefer our products over other brands owing to their consistency and higher level of quality.



Why are Adhunik TMT bars

THE ENDURING SYMBOL OF EXCELLENCE

The Enduring Symbol of Excellence



HIGHER STRENGTH WITH BETTER ENDURANCE

Adhunik Fe 500D TMT BAR is 40%-45% stronger and more enduring in comparison to other Fe 500 TMT BARS. The TEMPCORE PROCESS makes the Bars much stronger and the latest THERMO-MECHANICAL TREATMENT provides it with higher endurance.



EASY WORKING AT SITE OWING TO BETTER DUCTILITY

Adhunik 500D TMT BARs are produced from selected raw materials where the presence of Carbon is very low. This allows better weldability with no loss of strength at weld joints.



EXCELLENT WELDABILITY

Adhunik 500D TMT BARs are produced from quality raw materials where the presence of Carbon is very low. Weldability is superior with no loss of strength at weld joints. No pre-heating and post-heating is required during welding.



SAVING OF STEEL BY 14%-19%

The sectional weight of Adhunik Fe 500D TMT BAR is always maintained on lower tolerance which reduces the quantity of steel by 14%-19% without compromising on strength.



BETTER BONDABILITY

Adhunik Fe 500D TMT BARs are scientifically designed. The uniform ribs on the surface ensure an extraordinary bonding between the BAR and its surrounding concrete.



EARTHQUAKE RESISTANT

Higher elongation compared to ISI standard and matching with the International Standard of 18.5%, makes it the most effective earthquake resistant bar available in the country.



BETTER CORROSION RESISTANT

Only Adhunik 500D TMT BARs are suitable for coastal areas where risk of corrosion is very high. During the conversion process of Adhunik 500D TMT BARs, where the bars are normalized on the cooling bed, temperature comes out from the core and spreads onto the BAR surface. In presence of moisture in air, an Oxide called Ferric Oxide forms on the surface of the bar which is very hard. This hard surface does not corrode in presence of Chloride ions as is common in CTD or TOR Steel.



RESISTANT TO FIRE HAZARDS

Adhunik 500D TMT BAR has higher thermal ability in comparison to CTD BAR or TOR Steel. It can tolerate heat up to 600° centigrade without losing any strength.

Quality that Ensures

Safe & strong

Adhunik Bars possess a combination of strength and ductility in excess of the minimum limits specified by IS:1786. These superior values of strength and ductility represent higher level of safety.

Mech. Properties	Adhunik* Fe 415	Adhunik* Fe 500	Adhunik* Fe 500D
Yield stress	415	500	500
Tensile strength	10% more than the actual Yield stress.	8% more than the actual Yield stress.	10% more than the actual Yield stress.
Elongation %	14.5	12.0	16.0

(*Typical values for 90% of heats)

Product Range

Adhunik bars are available in a wide range of sizes: 8, 10, 12, 16, 20, 22, 25, 28 and 32mm.

Section (mm)	Nominal Weight (kg/meter)	Nominal Weight (Mts/MT approx)
8	0.396	2531
10	0.617	1620
12	0.888	1126
16	1.58	633
20	2.47	405
25	3.85	260
28	4.83	207
32	6.31	159





Economy in steel

With specifications in excess of Fe 415 grade of IS: 1786, Adhunik can be defined as a new generation re-bar with usable yield strength. As a result, a T-beam floor built with Adhunik on the basis of either the working stress or limit state method as per IS:456-1978, leads to a considerable saving in steel, against a mild steel plain bar.

Applications

The range of applications of Adhunik bars extends across residential and project constructions. The residential segment is catered to by Adhunik Industries Ltd. by an extensive network of authorized dealers and distributors.

Adhunik Corporate Social Responsibility

Serving Society, Touching Lives

While treading on the path of industrial development the Group also has a proactive social face and is working continuously towards peripheral development. The human face is evident from the fact that the Group has installed state of the art and stringent pollution control equipment in the Plant to save its employees and population in the vicinity from the vagaries of industrial pollutants. The Group seeks to excel in industrial growth with environmental steps conforming to international standards.



The Group also embarked on a massive peripheral growth development under guidance of the District Administration. The works already completed include excavation of ponds, repair and digging of dug wells and tube-wells for drinking water, repairing of schools, encouragement to local sports, construction and maintenance of village roads, free ambulance service and medical check-ups, and several other benefits of the localities. The Group has also taken up an irrigation scheme to irrigate more than 300 acres of agricultural land benefitting more than 700 families in Orissa & Jharkhand. The Group is publishing a magazine called 'DISHA' where the Corporate Social Responsibility activities taken up by the group is mentioned separately in share and care section.

Further the entire group is doing its CSR projects through one of its organization setup called 'NAV NIRMAN SANSTHA'.





Letter to Shareholders

Dear Fellow Shareowners,

In F.Y. 2013-14, the global economy showed signs of recovery with growth in demand and despite global and domestic challenges as well, Adhunik Industries Limited (Adhunikind) continued in its growth path. The Company achieved a record revenue from operations amounted to Rs. 485.96 Crores (Growth of 8% as compared to P.Y. 2012-13) during the F.Y. 2013-14. Further, EBIDTA has been increased by 17.73% during the F.Y. 2013-14 as compared to P.Y. 2012-13. The Company has also started exports of its finished goods to neighboring countries of India such as Nepal in order to gain from the foreign currency fluctuation.

CURRENT SCENARIO OF STEEL INDUSTRIES

As we all are aware that the demand for steel industry is very bright and is expected to rise by 7% in the coming financial years. The overall outlook for the Steel sector is positive. Also, the New Industrial policy adopted by the Government of India has opened up the iron and steel sector for Foreign Direct Investment (FDI). Allowing Foreign Direct Investment (FDI) has been a positive step since India is heavily dependent on foreign technologies. These foreign technologies generally add life to the plant and production units, which ultimately lead to the country's economic growth. The Government of India has allowed 100% FDI through the automatic route in the Indian steel sector which has significantly reduced the duty payable on finished steel products and has streamlined the associated approval process.

India has become the second best in terms of growth amongst the top ten steel producing countries in the world and a net exporter of steel during 2013-14. Steel production in India recorded a growth rate of 4.8% in February 2014 over February 2013. The cumulative growth during April-February, 2013-14 stood at 4.2% over the corresponding period of the previous year.

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.

Your Company actively supports the “green initiatives” taken by the Ministry of Corporate Affairs (MCA) and has effected electronic delivery of Annual Report 2013-14 containing the AGM notice to those shareholders whose e-mail addresses were registered with the Registrar and Transfer Agent (RTA) of your Company / Depository Participant, and who have not opted for receiving the Annual Report in physical form. I look forward to receiving your full support in this endeavor to contribute towards a greener environment. A separate section on corporate governance furnishing applicable details forms part of the Directors Report.

ROAD AHEAD

As India is one of the developing nations around the world and we are expecting fast growth in the near future, demand for steel related products will always be there and will increase substantially keeping in mind the present pace in the Economy. We believe, the Company will be able to survive in the competitive market along with an increase in demand for the products.

HIGHLIGHTS ON PERFORMANCE

The performance of our steel business has been modest given the challenges in the steel sector. While our focus on backward integration is partially mitigated by availability of raw materials from group companies, we continue to focus on bringing in efficiencies to improve overall corporate performance. During the year, your Company witnessed a growth in sales figures, coupled with wider geographic extension of customer base (domestic as well as foreign market) and extension of product mix to various growing sectors. However, due to increase in raw material prices as well in the market which the Company could not be able to pass its customers due to competitive market, profitability of the company is also affected.

LISTING OF EQUITY SHARE ON BSE LTD.

I am pleased to inform you in order to give liquidity to our shareholders, we had listed Equity Shares of your Company with Bombay Stock Exchange Limited (BSE) w.e.f. 26th May, 2014 and trading in shares has also started.

CONCLUSION

I wish to place on record our gratitude to our banks and financial institutions for their encouragement and support and to all employees for their contribution to the growth of the company throughout the year. I would also like to express my profound appreciation for the guidance and support from all the members of the Board. In addition, I would like to express my deep gratitude to all our stakeholders for the continued faith in **Adhunikind**.

With best wishes
Sincerely

Mahesh Kumar Agarwal
Chairman
29th May, 2014

Management Discussion & Analysis

A. Economic Overview

The economic slowdown bottomed out 2013-14. A spell of global financial turbulence caused capital outflows and pressure on the exchange rate, but strong policy measures stabilized the currency, rebuilt reserves, and narrowed the excessive current account deficit. Weaknesses remain, however, and include persistent inflation, fiscal imbalances, bottlenecks to investment, and inefficiencies that require structural reforms. Without a systemic resolution to these, growth is forecast to pick up modestly.

The economic downdraft of recent years appears to have calmed, and GDP growth in FY2014 is expected to inch upward by 5.5% on improved performance in industry and services. In FY2015, economic growth is expected to pick up to 6.0%, as a speeding up in advanced economies bolsters external demand and government action opens some structural bottlenecks that have impeded industry and investment.

Indian economy is poised to grow much faster in 2015. Development, reforms and infrastructure are perceived to be ready to take centre stage. With economy expected to return stronger growth, steel demand is expected to be higher to around 5% in the year 2014-15 and potentially around 10% in 2015-16. Leading steel producers in India expect to raise production with steel prices to remain stable in 2014 backed by moderating raw material prices.

(Source: ADB. 2014. Asian Development Outlook 2014)

B. Industry Structure and Developments

India has become the second best in terms of growth amongst the top ten steel producing countries in the world and a net exporter of steel during 2013-14. Steel production in India recorded a growth rate of 4.8% in February 2014 over February 2013. The cumulative growth during April-February, 2013-14 stood at 4.2% over the corresponding period of the previous year. Steel contributes to nearly two per cent of the gross domestic product (GDP) and employs over 500,000 people. The total market value of the Indian steel sector stood at US\$ 57.8 billion in 2011 and is expected to touch US\$ 95.3 billion by 2016. The infrastructure sector is India's largest steel consumer, thereby attracting investments from several global players. Owing to this connection with core infrastructure segments of the economy, the steel industry is of high priority right now. Also, steel demand is derived from other sectors like automobiles, consumer durables and infrastructure; therefore, its fortune is dependent on the growth of these user industries.

The liberalization of the industrial policy and other government initiatives have given a definite impetus for entry, participation and growth of the private sector in the steel industry. Allowing foreign direct investment (FDI) has been a positive step since India is heavily dependent on foreign technologies. These foreign technologies generally add life to the plant and production units, which ultimately lead to the country's economic growth.

The Government of India has allowed 100 per cent FDI through the automatic route in the Indian steel sector. It has significantly reduced the duty payable on finished steel products and has streamlined the associated approval process.

The government is taking steps to increase industrial activity in Uttar Pradesh (UP). Addressing a Conference on 'Demand for Steel in India: The End User Perspective,' the Union Minister of Steel, Mr Beni Prasad Verma said, in order to increase supply of steel to rural consumers, companies like SAIL and RINL have set up 521 and more than 100 rural dealers respectively in remote parts of UP.

In order to provide thrust on research and development (R&D), the Ministry of Steel is encouraging R&D activities both in public and private steel sectors, by providing financial assistance from Steel Development Fund (SDF) and Plan Scheme of the Central Government. Under the SDF scheme, 82 R&D projects have been approved with total project cost of Rs 677 crore (US\$ 111.92 million) wherein SDF assistance is Rs 370 crore (US\$ 61.17 million). Under the Plan Scheme, eight projects were approved with a total cost of Rs 123.27 crore (US\$ 20.38 million) where in Government assistance is Rs 87.28 crore (US\$ 14.43 million).

To encourage beneficiation and pelletization of iron ore fines in the country, basic customs duty on the plants and equipment required for initial setting up or substantial expansion of iron ore pellets plants and iron ore beneficiation plants has been reduced from 7.5 per cent to 2.5 per cent. Import of critical raw materials for steel industry, such as coking coal, non-coking coal and scrap are subject to zero or very low levels of custom duty.

(Source: Indian Brand of Equity Foundation)

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.

C. Opportunities and Threats

The low per capita steel consumption in India coupled with a large population base provides significant growth, opportunities to the iron and steel industry. The steel demand in India is expected to remain robust in long term due to increasing demand from several sector including automotive, consumer durables, oil and gas, industrial machinery, real estate and infrastructure.

The steel industry is subject to cyclical swings arising from factors such as excess capacity, regional imbalances in demand and supply and volatile swings in market demand and prices. One of major threats to the industry is depleting availability and volatile pricing of raw materials. Any firmness in steel prices gives iron ore producers an opportunity to increase the prices in next contract, however the reverse may not be true as Steel Companies cannot always pass on the rise in iron ore prices to end consumers due to fragmented market.

India possesses the world's eighth largest iron ore reserve. It is the fourth largest iron ore producer in the world but yet fell short in supplying adequate quantity of iron ore to the iron and steel producer as a large chunk of production was exported. Insufficient infrastructure and logistic, land availability and environmental issues are also a concern for growth of domestic iron & Steel industry.

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 2013-14, 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.

D. 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.

E. 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.

F. Risks and Concerns:

Risk management is the continuing process to identify, analyze, evaluate and treat loss exposures to monitor risk control and financial resources to mitigate the adverse effects of loss. In today's complex business environment, effective risk management is critical to success. The Company has a risk management team, periodically evaluating the risks associated with the business and taking necessary initiatives to minimize the impact. This also helps the Company in taking business decisions with balanced risks and rewards.

Industry Risk

Demand is dependent on general economic conditions. A downturn can affect business and earnings. The low per capita steel consumption in India coupled with a large population base provides significant growth opportunities to the iron and steel industry. The urgent need towards infrastructure creation and surging consumption growth are visible opportunities that will drive iron and steel demand.

Raw Material Risk

Inability of the Company to procure right quality and quantity of raw material at right price could affect business sustainability. The same 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.

Cost Risk

Managing costs is a key to protect profitability, especially across volatile market cycles. The Company had implemented a vast cost reduction/ cost control programme under the supervision of expert team of professionals who are actively engaged in findings various cost reduction techniques that could be implemented without hampering the quality and credibility of the brand of its products.

Health, Safety and Environment Risk

The manufacture of steel involves steps that are potentially hazardous if not executed with due care. The Company maintains the highest safety standards within its operating units and is a ISO certified (ISO 9001:2008, 14001:2004 & 18001:2007) organization. Further, there is a team of professional who conducts regular training programmes to implement the concept of maintain safe operations among the employees and to educate the team on safety norms and procedures to be followed in an unfortunate situation.

G. 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 in which majority of members are Independent Director periodically reviews significant audit findings, adequacy of internal control and compliance with Accounting Standards amongst others with the help of the internal and Statutory Auditors and reports to the Board on its adequacy. It helps in ensuring the integrity of the accounting system and reliability of all financial and operational information.

H. 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 in the present market scenario as compared to selling prices. However, with better control and efficient management and policies of cost reduction, impact on profit could be reduced to some extent and the Company is able to achieve increase in PBT as compared to previous year.

I. Human Resources/Industrial Relations:

The Company recognize people as the primary source of its competitiveness and continue to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. 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:

Statement on Company's philosophy on Code of Corporate Governance

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mind set of the organization. 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. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment.

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 essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. At Adhunik Industries, our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity. Above all, we feel honoured to be integral to the social development. Details of several such initiatives are available in the Report on Corporate Social Responsibility.

Appropriate Governance Structure with defined roles and responsibilities

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established three Committees to discharge its responsibilities in an effective manner. AIL's Company Secretary acts as the Secretary to all Committees. The Managing Director (MD) provides overall direction and guidance to the Board. Concurrently, the MD is responsible for overall implementation. In the operations and functioning of the Company, the MD is assisted by the Directors of the Company.

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 6 (Six) Directors including 3 (three) Independent Directors. During 2013-14, the Board met eight times on April 19, 2013, May 15, 2013, May 30, 2013, June 13, 2013, June 26, 2013, August 14, 2013, November 14, 2013 and February 12, 2014. 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, 2014 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 Identification No.	Attendance		Category of	Other		Other committee	
	Director		Board	Last AGM	Directors	Directorship	Chairmanship	Memberships	Chairmanship
1	Shri Mahesh Kumar Agarwal (Chairman)	00507690	8	Yes	Non Independent Non-Executive	9	Nil	2	Nil
2	Shri Jugal Kishore Agarwal (Managing Director)	00227460	7	Yes	Non-Independent Executive	13	Nil	4	Nil
3	Shri Mohan Lal Agarwal	01047906	7	Yes	Non Independent Non-Executive	12	Nil	2	Nil
4	Shri Shaym Bahadur Singh *	01982407	2	No	Independent Non-Executive	2	Nil	1	Nil
5	Shri Asit Baran Dasgupta #	02476594	3	No	Independent Non-Executive	Nil	Nil	Nil	Nil
6	Shri Nand Kishore Singhal **	02370209	5	No	Independent Non- Executive	2	Nil	Nil	Nil
7	Shri Ashok Bector	00582126	8	Yes	Independent Non-Executive	1	Nil	Nil	Nil

* appointed on April 19, 2013.

**resigned on June 26, 2013.

appointed on June 26, 2013.

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. Mohan Lal 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.
6. 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:

- Annual operating plans and budgets and any updates
- Capital budgets and any updates
- 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
- 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
- Information on recruitment and remuneration of senior officers just below the board level
- Materially important show cause, demand, prosecution and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems

- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications of the company
- Details of significant labour problems and their proposed solutions.
- Significant development in the human resources and industrial relations fronts like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business
- Risk evaluation and control
- Summary of all long-term borrowing 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)
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- 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, Director's responsibility arising out of any such developments
- Compliance with all relevant legislation 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:

The terms of reference, role and scope of Audit Committee are in line with those prescribed by Clause 49 of the Listing Agreement with the stock exchange(s).

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and, inter alia, performs the following functions:

1. Overseeing 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. Approving 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, as amended;
 - b) Changes, if any, in accounting policies and practices along with 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; and
 - g) Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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;
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
8. 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;
9. Discussing with the internal auditors any significant findings and follow up there on;
10. 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;
11. Discussing with the 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;
12. Looking 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;
13. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
14. 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; and
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

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	2	2
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	5	5
Shri Asit Baran Dasgupta ##	Independent Non-Executive	3	3

resigned on June 26, 2013.

appointed on August 14, 2013.

Five meetings of the Committee were held during the financial year 2013-14. The dates on which the said meetings were held were as follows:

May 15, 2013, May 30, 2013, August 14, 2013, November 14, 2013 & February 12, 2014.

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

Mr. Asit Baran Dasgupta 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 invitee 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 one is Independent Director. This Committee comprises of Shri Ashok Bector (Chairman), Shri Mohan Lal Agarwal and Shri Mahesh Kumar Agarwal. (Mr. Nand Kishore Singhal was resigned from the committee as on June 26, 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. One Meeting of the Committee was held during the financial year as on August 13, 2013.

Attendance record of Remuneration/Compensation Committee:

Name of the Member	Category	No. of Meetings	Meetings attended
Shri Ashok Bector (Chairman)	Independent	1	1
Shri Mohan Lal Agarwal	Non Independent Non-Executive	1	1
Shri Mahesh Kumar Agarwal	Non Independent Non-Executive	1	1

Details of remuneration paid to the Directors during 2013-14

The Company has paid remuneration by way of salary to its Managing Director only and the same is within the limits specified under Schedule XIII of the Companies Act, 1956 and duly approved by the Board and shareholders of the Company.

No sitting fees for Board meeting and Committee meeting were paid to the directors for meetings held up to August 13, 2013. However, it was decided in the Remuneration Committee Meeting held on August 13, 2013 that sitting Fees will be paid to the non-executive directors only for attending various Board Meetings and Audit Committee Meeting as under-

Particulars	Sitting Fees (Amount in ₹)
Board Meeting	20,000
Audit Committee Meeting	10,000

No sitting fees for attending the other Committee meetings were paid to our non- executive directors.

Details of remuneration paid to the Directors during the financial year ended 31st March, 2014

(Figures in ₹)

Name of Director	Basic + Benefit	Board Meeting Sitting Fess	Committee Meeting Fees	Total
Sri Mahesh Kumar Agarwal	Nil	60,000	30,000	90,000
Sri Jugal Kishore Agarwal	30,00,000	Nil	Nil	30,00,000
Sri Mohan Lal Agarwal	Nil	60,000	Nil	60,000
Sri Ashok Bector	Nil	60,000	30,000	90,000
Sri Nand Kishore Singhal *	Nil	Nil	Nil	Nil
Sri Shyam Bahadur Singh **	Nil	40,000	Nil	40,000
Sri Asit Baran Dasgupta #	Nil	60,000	30,000	90,000

*resigned on June 26, 2013.

** appointed on April 19, 2013.

appointed on June 26, 2013.

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 Shri 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 were held during the financial year on May 16, 2013, November 13, 2013 and February 11, 2014.

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	3

Status of Investors' Complaints:

Number of complaints received during the year	Nil
Number of complaints resolved upto 31st March, 2014	Nil
Number of complaints not solved to the satisfaction of shareholders	N. A.
Number of complaints pending as on 31st March, 2014	Nil

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

Shareholders Communications

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. AIL's corporate website (www.adhunikindustries.com) has information for institutional and retail shareholders alike. Shareholders seeking information related to their shareholding may contact the Company directly or through any of the Investor service centres of the Company's Registrars and Transfer Agents details of which are available on the Company's website. AIL ensures that complaints and suggestions of its shareholders are responded to in a timely manner. A comprehensive and informative shareholders' reference is appended to this annual report.

Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

News releases, Presentations, among others:

Official news releases and official media releases are sent to Stock Exchanges.

Presentations to Institutional Investors / Analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website (www.adhunikindustries.com).

Reminder to Investors:

Reminders for unclaimed shares, unpaid dividend/unpaid interest or redemption amount on debentures are sent to shareholders/debenture holders as per records every year.

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, 2014. There were also no investors complaint pending against the company as on March 31, 2014 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 and other details 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, 2014.

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
2012-13	September 30, 2013	11.00 am	2/1 A Sarat Bose Road, Kolkata-700 020	Nil
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

No Special resolution was passed during the last financial year.

Postal Ballot

No resolution was passed through Postal Ballot in 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

Disclosure on materially significant related party transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Financial Statements, forming part of the Annual Report.

The Company's major related party transactions are generally with its group associates. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates.

All related party transactions are negotiated on arms length basis, and are intended to further the Company's interests.

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.

Corporate Social Responsibility (CSR)

With the belief in the philosophy of responsible corporate citizenship and sustainable growth, AIL considers social institution building as one of its main purposes. Increasing its commitment, AIL built a comprehensive community development programme to support initiatives in the field of health, safety, education, infrastructure development, environment, relief and assistance in the event of a natural disaster, livelihood support, promoting sports and sportsmen and contributions to other social development

organizations through collaborations with other recognized Organizations. Besides this, AIL aims at developing techno-economically viable and environment-friendly services for the benefit of millions of its consumers while ensuring high safety and environment protection standards.

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, 2014 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	Thursday, September 18, 2014.
Venue	Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700 017.
Time	At 10:30 A.M.
Book closure dates	11th September, 2014 to 18th September, 2014 (Both day inclusive)

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

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.

Share transfer system

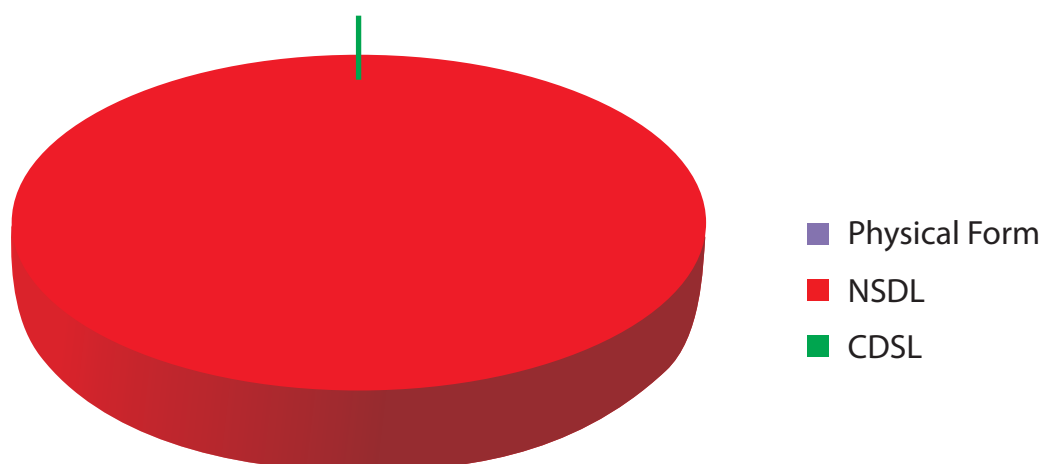
The Registrars and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited, register the share transfer after the shares are lodged for transfer, within a period ranging from 7 to 10 days provided the documents lodged with the Registrars/Company are in order. The Company obtains from a Company 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.

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, 2014

Description	Number of Holders	Number of Shares	% of Equity
CDSL	360	17,904	0.04%
NSDL	163	4,67,45,846	99.96%
Physical	Nil	Nil	Nil
Total	523	4,67,63,750	100.00%



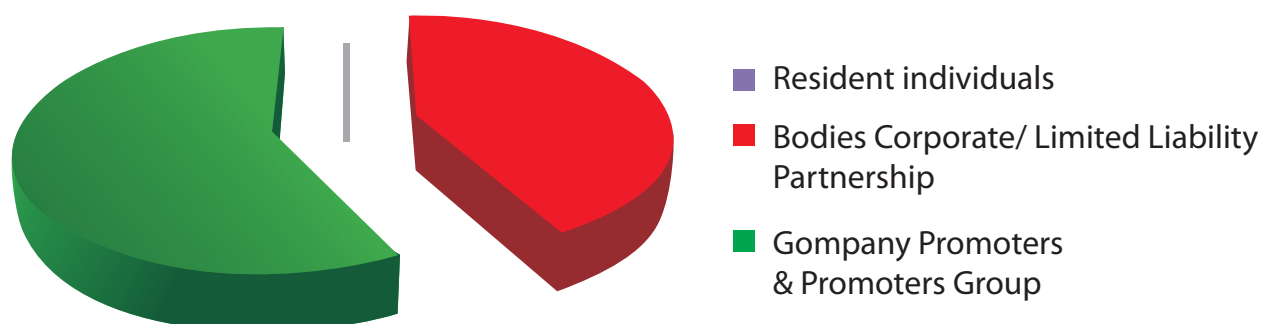
Distribution of shareholding as on March 31, 2014

Category (Share)	Shareholders		No of Shares	
	Number	% to total	Number	% to total
1- 500	503	96.1759	25,000	0.0535
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	20	3.8241	4,67,38,750	99.9465
Total	523	100.0000	4,67,63,750	100.0000

Categories of shareholders as on March 31, 2014

Serial number	Category	Numbers of holders	Number of shares	% to equity
1	Company Promoters & Promoters Group	14	3,50,54,800	74.9615
2	Bodies Corporate\Limited Liability Partnership	10	1,16,41,270	24.8938
3	Resident individuals	499	67,680	0.1447
	Total	523	4,67,63,750	100.0000

Shareholding pattern as on March 31st, 2014.



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, 2014, 4,67,63,750 Equity Shares of the Company representing 100.00 % of the issued and subscribed share capital stood dematerialized.

Listing of shares on stock exchanges with stock code

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

The annual listing fee for the year 2014-15 has been paid to the above stock exchange.

Financial calendar tentative

Financial year 2014-15

1	First quarter results	Within August 14, 2014
2	Second quarter and half-year results	Within November 15, 2014
3	Third quarter results	Within February 14, 2015
4	Annual Result	Within 30th May, 2015

Dividend history

Financial year	Dividend per share (₹)	Total dividend (₹ in lakhs)
2013-14	Nil	Nil
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	or	M/s Maheshwari Datamatics Pvt. Limited.
Adhunik Industries Limited		6, Mangoe Lane, 2nd Floor
Lansdowne Towers		Kolkata- 700 001
2/1A, Sarat Bose Road		Tel no. 91-33-22435809
Kolkata – 700 020		Fax no. 91-33-22484787
Tel no. 91-33-30517100		
Fax no. 91-33-22890285		
E Mail: investorsail@adhunikgroup.co.in		

Registered Office
14, Netaji Subhash Road
Kolkata – 700 001

For and on behalf of the Board

Date: August 13, 2014

Mahesh Kumar Agarwal
Chairman

Jugal Kishore Agarwal
Managing Director

DECLARATION BY CEO ON CODE OF CONDUCT

To
The Members
M/s. Adhunik Industries Limited

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 thereof during the year ended March 31, 2014.

Place: Kolkata
Date: August 13, 2014.

Jugal Kishore Agarwal
Managing Director

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 2014 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 violation of the company's code of conduct.
- © 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
Managing Director

Bikash Roy Choudhury
Chief Finance Officer

Kolkata
August 13, 2014.

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 31.03.2014, 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 : August 13, 2014

Mohan Ram Goenka
Partner
C P No.: 2551

ADHUNIK INDUSTRIES LIMITED

Directors' Report - 2014

Dear Members

Your Directors have pleasure in presenting the Annual Report together with audited accounts of your Company for the year ended 31st March, 2014.

Financial Highlights		(₹ in Lakhs)
Particulars	Current Year 2013-14	Previous Year 2012-13
Revenue from Operations (Net)	44,092.62	41,368.28
Other Income	62.05	92.15
Total Revenue	44,154.67	41,460.43
Earning before Interest, Tax, Depreciation & Amortization (EBITDA)	3,366.78	2,860.35
Less: Depreciation and Amortization	373.88	372.21
Less: Finance Costs	2,391.74	1,970.10
Less: Tax Expenses	166.16	135.60
Net Profit After Tax	435.00	382.43
Add: Balance brought forward from previous year	3,868.61	3,486.18
Balance carried to Balance Sheet	4,303.61	3,868.61

Operations

The performance of our steel business has been modest given the challenges in the steel sector. While our focus on backward integration is partially mitigated by availability of raw materials from group companies, we continue to focus on bringing in efficiencies to improve overall corporate performance. 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.

Listing of Equity Shares of the Group with Bombay Stock Exchange Limited (BSE)

The Director of your Company are pleased to inform you that the Equity Shares of the Company got listed and traded with Bombay Stock Exchange Limited (BSE) w.e.f 26th May, 2014.

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. Mohan Lal Agarwal and Mr. Mahesh Kumar Agarwal, Directors of your Company, retire from the Board by rotation and being eligible to offer himself for reelection at the ensuing 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, 2014, 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, 2014 and of the profit of the Company for that period
- (iii) The Directors had taken proper and sufficient care for the maintenance of 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 2013-14. 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, 2014, 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.

Cost Auditors

In respect of financial year ended 31st March, 2014, your Company has appointed M/s. Dipak Lal & Associates, Cost Accountants of 1, Kailash Bose Lane, Kalidas Apartment, Block-"A", 1st Floor, Flat#102, Howrah -711101, a Cost Audit Firm, as Cost Auditor of the Company w.e.f. 1st April, 2013 to 31st March, 2014 to carry out audit of cost records of the Company in compliance with General Circular No. 15/2011 dated 11th April, 2011 issued by the Ministry of Corporate Affairs, Cost Audit Branch.

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 (₹)	Experience (No. of years)	Last Employment
Mr. Jugal Kishore Agarwal	63	Managing Director / Law Graduate	Management and overall in charge	Rs. 30.00 Lakh	29	NIL

Acknowledgment

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: 29.05.2014

Mahesh Kumar Agarwal
Chairman

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 under section 217(1)(e) of the Companies Act, 1956.

A. Conservation of Energy

a) Energy conservation measures taken;

- Installation of energy efficient light fittings in shop floor, offices and other areas.
- Effective maintenance and daily monitoring of capacitor bank for improvement in power factor.
- Replacement of old motors with energy efficient motors.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy;

- To further install energy efficient light fittings, resizing of motor, etc. The Company also proposes to other power saving equipments for reduction of consumption of energy.

c) Impact of the above two for reduction of energy consumption and consequent impact on the cost of production of goods;

- Saving in Energy.

Total energy consumption and energy consumption per unit of production as per Form-A attached.

B. Technology Absorption, Adaptation and Innovation

Particulars with respect to technology absorption as per Form-B attached.

C. Foreign Exchange Earnings and Outgo

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

The Company is actively exploring the export market and has taken various initiative to increase exports of its products.

b) Total foreign exchange used and earned:

Total foreign exchange used and earned	2013-14	2012-13
Foreign Exchange Earnings (Rs. in Lakhs)	1,491.90	NIL
Foreign Exchange Outgo (Rs. in Lakhs)	14.91	NIL

Form- A

(Disclosure of particulars with respect to Conservation of Energy)

Particulars	2013-14	2012-13
A. Power & Fuel Consumption		
1. Electricity Purchased		
Unit (Lakhs- Kwh)	223.29	154.39
Total Amount (Rs. in Lakhs) (Note No. 2)	1,291.66	831.03
Cost per Unit (Rs.)	5.78	5.38
2. Coal		
Quantity (Tons)	19,691.20	11,075.51
Total Cost (Rs. in Lakhs)	1,124.12	631.12
Average Cost (Rs. per Ton)	5,708.76	5,698.34
3. Furnace Oil		
Quantity (K. Ltrs.)	401.30	478.13
Total Amount (Rs. in Lakhs)	178.97	203.72
Average Rate (Rs. in Lakhs per K. Ltr.)	0.45	0.43
B. Consumption (In Units) per Tonne of Rolled Products		
Electricity (in KWH)	175.52	168.94
Coal (in Tons)	0.14	0.12
Furnace Oil (in Ltr)	3.15	5.23

Note:

- 1) We have to use either coal for gassifire plant or furnace oil for furnace for production of finished rolled products.
- 2) The difference in total amount of electricity cost amounted to Rs. 61.56 Lacs (Electricity amount as shown above is Rs. 1,291.66 Lacs and as shown in schedule 23 (Other Expenses) of Balance Sheet as Rs. 1,353.22 Lacs) was due to the fact that the differential amount was charged by M/s. Durgapur Projects Ltd. on account of increase in tariff of power pertaining to the period prior to the current financial year.

Form- B

(Disclosure of particulars with respect to Technology Absorption)

A. Research & Development (R & D)	
Specific Areas in which R & D carried out by the Company	None
Benefits derived as a result of the above R & D	Does not arise
Future plan of action	Under Planning
Expenditure on R & D	
a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total R & D expenditure as a percentage of total turnover	Nil
B. Technology Absorption, Adaptation and Innovation	
1. Efforts in brief, made towards technology absorption, adoption and innovation:	
The Company has adopted and is continually updating the latest technology.	
2. Benefits derived as a result of the above efforts:	
The overall productivity and efficiency has increased.	
3. Particulars of imported Technology during last 5 years	Nil

Registered office
14 Netaji Subhash Road
Kolkata - 700001

For and on behalf of the Board

Date: 29.05.2014

Mahesh Kumar Agarwal
Chairman

Jugal Kishore Agarwal
Managing Director

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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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) From our examination of those books and branch auditor report for the purpose of our audit have been received from branch not visited by us.
 - d) 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.
 - e) 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;
 - f) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - g) 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.

Place: Kolkata

Date: The 29th Day of May, 2014

FOR SUDHIR KUMAR JAIN & ASSOCIATES
Firm Regn No: 318016E
Chartered Accountants

CA. S Jain
(Partner)
Membership No. 053537

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, 2014.**

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 does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
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, 2014 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. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) 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, 2014, 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

Place: Kolkata
Date: The 29th Day of May, 2014

CA. S. Jain
(Partner)
Membership No. 053537

BALANCE SHEET AS AT 31st MARCH, 2014

	Notes	31st. March 2014 (₹)	31st. March 2013 (₹)
EQUITY AND LIABILITIES			
A. Shareholders' Funds			
Share Capital	3	4676,37,500	4676,37,500
Reserves and Surplus	4	4303,60,603	3868,61,326
		8979,98,103	8544,98,826
B. Non-current liabilities			
Long Term Borrowing	5	2946,61,184	4254,47,645
Deferred Tax Liabilities	6	877,59,011	858,07,139
Other long term Liabilities	7	86,05,496	137,54,637
		3910,25,691	5250,09,421
C. Current Liabilities			
Short Term Borrowing	8	7820,08,130	7873,79,108
Trade Payable	9	3594,48,840	3214,55,570
Other short term Liabilities	10	903,72,390	734,67,051
Short Term provisions	11	20,44,475	18,05,112
		12338,73,835	11841,06,841
		25228,97,629	25636,15,088
ASSETS			
A. Non Current Assets			
Fixed Assets			
a) Tangible Asset	12	5565,27,737	5799,27,477
b) Capital Work-in-Progress		252,72,418	577,16,181
Non Current Investments	13	4,00,000	4,00,000
Long Term Loans & Advances	14	61,23,787	51,23,787
		5883,23,942	6431,67,445
B. Current Assets			
Inventories	15	7153,29,499	7175,06,526
Trade Receivables	16	7778,29,639	7982,84,548
Cash & Bank Balances	17	1105,55,077	594,51,633
Short Term Loans and Advances	14	3308,59,472	3452,04,936
		19345,73,687	19204,47,643
		25228,97,629	25636,15,088
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

(CA. S. JAIN)

Partner

Membership No. 053537

Place : Kolkata

Date : The 29th Day of May, 2014

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

Jugal Kishore Agarwal
Managing Director

Mahesh Kumar Agarwal
Chairman

Bharat Agarwal
Company Secretary

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2014

	Notes	31st. March 2014 (₹)	31st. March 2013 (₹)
INCOME			
Revenue from Operations (Gross)	18	48596,41,064	44975,47,824
Less: Excise Duty	18	4503,79,379	3607,19,511
Revenue from Operations (Net)		44092,61,685	41368,28,313
Other Income	19	62,05,205	92,15,078
Total Revenue (A)		44154,66,890	41460,43,391
EXPENSES			
Purchases & Raw Materials Consumed	20	38121,32,906	36950,13,669
(Increases)/Decrease in Inventories	21	(45,80,494)	(139,66,237)
Employee Benefit Scheme	22	168,40,672	147,45,655
Other Expenses	23	2543,95,805	1642,15,409
Total Expenses (B)		40787,88,889	38600,08,496
Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) (A)-(B)		3366,78,002	2860,34,895
Depreciation and Amortization Expenses	12	373,88,058	372,20,946
Finance Costs	24	2391,74,481	1970,10,384
Profit /(Loss) Before Extraordinary & Exceptional Item and Taxes		601,15,463	518,03,565
Exceptional & Extraordinary Item		-	-
Profit /(Loss) Before Taxes		601,15,463	518,03,565
Tax Expenses			
Current Tax		150,03,749	103,64,728
Deferred Tax		19,51,872	28,56,054
Income Tax for earlier years		(3,39,436)	3,39,436
Total Tax Expenses		166,16,185	135,60,218
Profit/(Loss) for the year from Continuing Operation		434,99,278	382,43,347
Earning per Equity Share (Nominal Value of share Rs. 10)			
Basic		0.93	0.82
Diluted		0.93	0.82
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

(CA. S. JAIN)

Partner

Membership No. 053537

Place : Kolkata

Date : The 29th Day of May, 2014

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

Jugal Kishore Agarwal
Managing Director

Mahesh Kumar Agarwal
Chairman

Bharat Agarwal
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	Figures for the year ended 31st March, 2014 (₹)		Figures for the year ended 31st March, 2013 (₹)
A. Cash Flow from Operating Activities			
Net Profit before Tax and extra ordinary item	601,15,463		518,03,565
Adjustment for :			
Depreciation	373,88,058	372,20,946	
Profit on sale of Fixed Assets	-	(1,360)	
Gratuity	2,39,363	12,02,779	
Interest Income	(41,85,618)	(75,86,068)	
Interest Paid	2391,74,481	1970,10,384	
	2726,16,284		2278,46,681
Operating Profit before working Capital changes	3327,31,746		2796,50,246
Adjustments for :			
(Increase)/Decrease in Trade and Other Receivable	323,60,625	2245,18,527	
(Increase)/Decrease in Inventories	21,77,027	(2281,60,782)	
Increase/(Decrease) in Trade Payables & Liabilities	314,14,154	120,41,119	
	659,51,806		83,98,864
Cash Generated from Operations	3986,83,552		2880,49,110
Income Tax (Paid) / Refund	(132,24,564)		(362,36,137)
Cash Flow before extraordinary items	3854,58,988		2518,12,973
Extra-Ordinary items	-		-
Net Cash used in Operating Activities A	3854,58,988		2518,12,973
B. Cash flow from Investing Activities			
Purchase of Fixed Assets	(139,88,318)		(2,38,399)
Decrease in CWIP	324,43,763		437,12,027
Sale of Fixed Assets	-		96,154
Interest Income	41,85,618		75,86,068
Fixed Deposit made / matured during the year	(467,17,829)		(51,06,003)
Net Cash used in investing Activities B	(240,76,766)		460,49,847
C. Cash Flow from Financing Activities			
Interest Paid	(2391,74,481)		(1970,10,384)
Increase in Secured Loan	(533,19,665)		(85,63,540)
Increase in Unsecured Loan	(645,02,461)		(979,51,761)
Net Cash from financing Activities C	(3569,96,607)		(3035,25,685)
Net Increase / (Decrease) in Cash and Cash Equivalents	43,85,615		(56,62,865)
Cash and Cash Equivalent as at the Opening of the year	80,71,112		137,33,977
Cash and Cash Equivalent as at the close of the year	124,56,727		80,71,112
Note : 1) Cash and Cash Equivalent comprises of :			
Cash in Hand	64,46,653		46,90,907
Balance with Scheduled Banks (including Bank Overdrawn)	60,10,074		33,80,205
	124,56,727		80,71,112
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

(CA. S. JAIN)

Partner

Membership No. 053537

Place : Kolkata

Date : The 29th Day of May, 2014

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

Jugal Kishore Agarwal
Managing Director

Mahesh Kumar Agarwal
Chairman

Bharat Agarwal
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014**1) CORPORATE INFORMATION**

Adhunik Industries Ltd (the company), is a public limited company, domiciled in India and incorporated under the provisions of Companies Act, 1956. Its equity shares are listed on Stock Exchanges in India. The Company is primarily engaged in the manufacture & sale of iron and 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 recognized 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 recognized 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 recognized 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. up to 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 capitalized 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 capitalized. Indirect expenditure incurred during construction period is capitalized 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 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 capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized 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 realizable 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 capitalized , 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 realizable 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 investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize 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 realizable value.
- b) Finished Goods are valued at lower of cost computed on weighted average basis or net realizable 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 realizable 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:

- a) Provident Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when these are due.
- b) Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of Financial Year.
- c) 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 capitalized 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 recognized 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 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 recognized only to the extent that there is 'reasonable certainty' that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT credit is recognized 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:

- a) 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.
- ib) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(XX) Foreign Currency Translation:

Initial recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion: Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value determined.

Exchange Difference: Exchange differences are recognized as income or as expenses in the period in which they arise.

(XXI) Miscellaneous Expenditure

Preliminary expenses are amortized over a period of five years.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

NOTE 3 : SHARE CAPITAL		31st. March 2014 (₹)	31st. March 2013 (₹)		
a) Authorised Shares					
50,000,000 (Pr.Yr. 50,000,000) Equity Shares of ₹10/- each		5000,00,000	5000,00,000		
Issued, Subscribed and Fully Paid Up Share		5000,00,000	5000,00,000		
46,763,750 (Pr. Yr. 46,763,750) Equity Shares of ₹10/- each fully paid up		4676,37,500	4676,37,500		
Total issued, subscribed and fully paid up equity share capital		4676,37,500	4676,37,500		
b) Reconciliation of the number of Equity shares		31st. March 2014	31st. March 2013		
		No. Of Share	Amount	No. Of Share	Amount
Outstanding at the beginning of the year		467,63,750	4676,37,500	467,63,750	4676,37,500
Issued during the year		-	-	-	-
Bought back during the year		-	-	-	-
Outstanding at the end of the year		467,63,750	4676,37,500	467,63,750	4676,37,500
c) Details of Shareholders holding more than 5 percent of equity shares		31st. March 2014		31st. March 2013	
Name of Shareholder		No. of Shares	% of Holding	No. of Shares held	% of Holding
Mahananda Suppliers Limited		166,00,000	35.50	166,00,000	35.50
Sungrowth Share & Stocks Limited		148,83,750	31.83	148,83,750	31.83
Padmalaya Advisory Services LLP		68,50,000	14.65	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 share holders in the ensuing Annual General Meeting, except is 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 2014 (₹)	31st. March 2013 (₹)
Surplus/(deficit) in the statement of profit and loss			
Balance as per last financial statement		3868,61,326	3486,17,979
Add : Net Profit for the year as per Statement of Profit and Loss		434,99,278	382,43,347
Net Surplus/(Deficit) in the statement of Profit and Loss		4303,60,603	3868,61,326
Total Reserve and Surplus		4303,60,603	3868,61,326

NOTE 5 : LONG TERM BORROWING		Non Current Portion		Current Maturities	
		31st. March 2014 (₹)	31st. March 2013 (₹)	31st. March 2014 (₹)	31st. March 2013 (₹)
(a) Term loans					
Indian rupee loan from banks (secured)		1777,78,000	2440,62,000	767,83,918	584,48,605
(b) Other loans and advances					
From Bodies Corporate (Unsecured)		1168,83,184	1813,85,645	-	-
Total Long Term Borrowings		2946,61,184	4254,47,645	767,83,918	584,48,605
Indian Rupee Term loan from Banks are secured by way of:					
a) The rupee term loan from banks are secured by way of pari passu 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 ₹NIL/- (P.Y. ₹10,965,154/-) 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 recognized 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 taxable income and 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:		
	31st. March 2014 (₹)	31st. March 2013 (₹)
a) Difference between WDV of Fixed Assets as per Company Act and IT Act	884,22,341	863,92,808
b) Others	(6,63,330)	(5,85,669)
Total Deferred Tax Liabilities (Net)	877,59,011	858,07,139

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

NOTE 7 : OTHER LONG TERM LIABILITIES	31st. March 2014 (₹)	31st. March 2013 (₹)
Trade Payables (including Acceptance)	86,05,496	137,54,637
Total Other Long Term Liabilities	86,05,496	137,54,637

NOTE 8 : SHORT TERM BORROWING	31st. March 2014 (₹)	31st. March 2013 (₹)
Cash Credit from Banks (Secured)	7820,08,130	7873,79,108
Total Short Term Borrowings	7820,08,130	7873,79,108
Cash Credit from banks are secured by way of: <ol style="list-style-type: none"> First charge by way of hypothecation of stock, book debts and other current assets of the company related to factory at Andagpur, Durgapur 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. Guarantee and certain collateral securities have been provided by the Directors in their personal capacity. 		

NOTE 9 : TRADE PAYABLES	31st. March 2014 (₹)	31st. March 2013 (₹)
a) Due to Micro, Small & Medium Enterprises	-	-
b) Trade Payable (Including Acceptance)	3594,48,840	3214,55,570
Total Trade Payable	3594,48,840	3214,55,570
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 / information. 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 2014 (₹)	31st. March 2013 (₹)
a) Current maturities of long-term debt (Refer Note 5)	767,83,918	584,48,605
b) Advance from customers	70,59,724	65,95,169
c) Unpaid/Unclaimed Dividends	2,72,000	2,72,000
d) Statutory Dues		
- Service Tax	43,94,154	74,21,670
- TDS	18,62,594	7,29,607
Total Other Current Liabilities	903,72,390	734,67,051

NOTE 11 : SHORT TERM PROVISION	31st. March 2014 (₹)	31st. March 2013 (₹)
Provision for Employee Benefits		
Provision for gratuity	20,44,475	18,05,112
Other Provision		
Provision for Income Tax (Net of Advance Tax)	-	-
Total Short Term Provision	20,44,475	18,05,112

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

Note 12: Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1st April, 2013 (₹)	Addition During the Year (₹)	Sale/ Adjustment (₹)	As at 31st March, 2014 (₹)	As at 1st April, 2013 (₹)	For the Year (₹)	Sale/ Adjustment (₹)	As at 31st March, 2014 (₹)
Tangible Assets								
Leasehold Land	84,29,270	-	-	84,29,270	8,85,483	98,387	-	74,45,400
Freehold Land	17,00,000	-	-	17,00,000	-	-	-	17,00,000
Factory Building	1719,70,950	-	-	1719,70,950	296,47,925	57,43,830	-	1365,79,195
Plant & Machinery	5791,98,436	133,19,040	-	5925,17,476	1554,18,002	309,13,789	-	4061,85,685
Furniture	6,63,212	-	-	6,63,212	3,31,571	41,981	-	2,89,660
Office Equipment	31,53,767	6,61,088	-	38,14,855	10,75,223	1,87,571	-	25,52,061
Vehicle	38,55,727	-	-	38,55,727	17,67,681	3,78,909	-	21,46,590
Computer	25,13,455	8,190	-	25,21,645	24,31,455	23,591	-	66,599
Total	7714,84,817	139,88,318	-	7854,73,135	1915,57,340	373,88,058	-	5565,27,737
Previous Year's Total	7720,82,835	2,38,399	8,36,417	7714,84,817	1550,78,016	372,20,946	7,41,623	5799,27,477

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

NOTE 13: NON CURRENT INVESTMENT	Number of Shares	Face Value per Share (₹)	31st. March 2014 (₹)	31st. March 2013 (₹)
Long Term, Quoted (Other than Trade)				
Fully Paid Equity Shares				
- In Adhunik Metaliks Ltd	40,000	10	4,00,000	4,00,000
(The market value is ₹17,84,000)				
Total Non Current Investment			4,00,000	4,00,000

NOTE 14 : LOANS AND ADVANCES	Non Current		Current	
	31st. March 2014 (₹)	31st. March 2013 (₹)	31st. March 2014 (₹)	31st. March 2013 (₹)
a. Security Deposits				
Unsecured, considered good	61,23,787	51,23,787	841,00,000	750,00,000
A	61,23,787	51,23,787	841,00,000	750,00,000
b. Advances recoverable in cash or in kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	586,71,954	470,62,592
B	-	-	586,71,954	470,62,592
c. Other loans and advances				
Prepaid Expenses	-	-	1,34,396	1,44,412
Advance Payment to Supplier	-	-	609,24,842	1141,72,054
Balance with IT Authorities (Net of Provision for Taxation)	-	-	97,01,915	111,41,664
Balance with statutory/government authorities	-	-	1173,26,365	976,84,214
C	-	-	1880,87,518	2231,42,344
(A+B+C) Total Loans and Advances	61,23,787	51,23,787	3308,59,472	3452,04,936

NOTE 15 : INVENTORIES	31st. March 2014 (₹)	31st. March 2013 (₹)
Raw Materials and Components	4548,78,374	4973,13,856
Finished Goods and Rejected Materials	2064,27,067	2018,46,573
Stores & Spares	271,37,826	183,46,097
Stock in Transit	268,86,232	-
Total Inventories	7153,29,499	7175,06,526

NOTE 16 : TRADE RECEIVABLE	31st. March 2014 (₹)	31st. March 2013 (₹)
Unsecured, considered good unless stated otherwise		
Outstanding for the period exceeding six months from the date they are due for payment		
Unsecured, considered good	372,80,525	368,54,360
Doubtful	-	-
(A)	372,80,525	368,54,360
Other receivables		
Unsecured, considered good	7405,49,114	7614,30,188
Doubtful	-	-
(B)	7405,49,114	7614,30,188
(A+B) Total Trade Receivable	7778,29,639	7982,84,548

NOTE 17 : CASH AND BANK BALANCES	31st. March 2014 (₹)	31st. March 2013 (₹)
Cash and cash equivalents		
Balances with banks		
On Current Accounts	60,10,074	33,80,205
Deposit with original maturity less than three months	980,98,350	513,80,521
Cash on Hand	64,46,653	46,90,907
Total Cash and Bank Balance	1105,55,077	594,51,633

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

NOTE 18 : REVENUE FROM OPERATION	31st. March 2014 (₹)	31st. March 2013 (₹)
Sales	45523,40,389	43055,56,245
Business & Other Service Income	3073,00,675	1919,91,579
Revenue from Operation (Gross)	48596,41,064	44975,47,824
Less: Excise Duty	4503,79,379	3607,19,511
Total Revenue from Operation (Net)	44092,61,685	41368,28,313

DETAILS OF REVENUE FROM OPERATION	31st. March 2014 (₹)	31st. March 2013 (₹)
Sales		
Iron & Steel product	45523,40,389	43055,56,245
	45523,40,389	43055,56,245
Details of Services Rendered		
Business & Other Service Income	3073,00,675	1919,91,579
	3073,00,675	1919,91,579

NOTE 19: OTHER INCOME	31st. March 2014 (₹)	31st. March 2013 (₹)
Interest Income On		
- Bank Deposits	36,63,199	75,86,068
- Others	5,22,419	-
Unspent liabilities and provisions no longer required written back	-	16,27,650
Profit on Sale of Car	-	1,360
Foreign Exchange Gain	20,19,587	-
Total Other Income	62,05,205	92,15,078

NOTE 20 : PURCHASES & RAW MATERIAL CONSUMED	31st. March 2014 (₹)	31st. March 2013 (₹)
Inventory at the beginning of the year	4973,13,855	2841,71,671
Add. Purchases	37645,47,149	38679,13,821
Freight	51,50,275	402,42,032
	42670,11,280	41923,27,524
Less: Inventory at the end of the year	4548,78,374	4973,13,855
Total Purchases & Raw Material Consumed	38121,32,906	36950,13,669

DETAILS OF PURCHASES	31st. March 2014 (₹)	31st. March 2013 (₹)
Purchase		
Iron & Steel product	37645,47,149	38679,13,821
	37645,47,149	38679,13,821

NOTE 21 : (INCREASES)/DECREASE IN INVENTORIES	31st. March 2014 (₹)	31st. March 2013 (₹)
Inventory at the end of the year		
Finished Goods	2064,27,067	2018,46,572
Less: Inventory at the beginning of the year		
Finished Goods	2018,46,572	1878,80,335
Total (Increases)/Decrease in Inventories	(45,80,494)	(139,66,237)

NOTE 22 : EMPLOYEE BENEFIT EXPENSES	31st. March 2014 (₹)	31st. March 2013 (₹)
Salaries & Bonus	119,28,892	122,29,580
Contribution to Provident Fund	14,83,794	13,13,296
Gratuity	4,27,986	12,02,779
Managing Directors' Remuneration	30,00,000	-
Total Employee Benefit Expenses	168,40,672	147,45,655

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

NOTE 23 : OTHER EXPENSES	31st. March 2014 (₹)	31st. March 2013 (₹)
Consumption of Stores and Spares	161,59,349	119,60,290
Excise Duty on Inventory.	223,60,296	215,00,220
Power and Fuel	1353,22,075	831,03,405
Oil and Lubricant Expenses	4,56,160	12,590
Water Charges	8,82,420	6,97,056
Operation & Maintenance Charges	67,42,319	32,49,200
Freight and Forwarding Charges	204,39,553	148,80,811
Rent	26,51,742	29,66,304
Rates and Taxes	3,74,121	4,65,034
Donation	2,28,000	6,45,800
Fees and Subscription	6,58,200	11,90,137
Insurance	3,25,882	2,58,277
Repair & Maintenance	22,10,432	3,72,398
Motor Vehicle & Travelling Expenses	30,02,927	18,21,595
Printing & Stationery Expenses	7,96,886	4,47,613
Sales Promotion Expenses	14,26,269	92,515
Advertisement Expenses	151,87,636	6,33,668
Postage & Communication Costs	4,94,197	3,03,233
Accounts & Finance Maintenance Charges	19,80,000	19,80,000
Payment to auditor (Refer details below)	1,00,000	1,00,000
Commission Charges	45,000	92,952
Consultancy Charges	6,02,500	7,11,852
Bank Commission, Letter of Credit and Charges	199,97,372	142,51,018
Registrar Fees	15,000	21,070
Listing Fees	6,14,300	58,989
Loss on Sale of Share	-	3,85,713
Miscellaneous Expenses	13,23,169	20,13,669
Total Other Expenses	2543,95,805	1642,15,409

PAYMENT TO AUDITOR	31st. March 2014 (₹)	31st. March 2013 (₹)
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 2014 (₹)	31st. March 2013 (₹)
Interest to Banks on Term Loans	375,36,977	443,92,006
Others	2016,37,504	1526,18,378
Total Finance Cost	2391,74,481	1970,10,384

NOTE 25 : DIRECTOR REMUNERATION	31st. March 2014 (₹)	31st. March 2013 (₹)
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	601,15,463	518,03,565
Add : Depreciation	373,88,058	372,20,946
Directors' Remuneration	30,00,000	-
	1005,03,521	890,24,511
Less : Depreciation (u/s 350 of the Companies Act, 1956)	373,88,058	372,20,946
Directors' Remuneration	30,00,000	-
Profit for the year	601,15,463	518,03,565
Net profit under section 349 of the Companies Act, 1956	601,15,463	518,03,565

NOTE 26 : EARNING PER SHARE	31st. March 2014 (₹)	31st. March 2013 (₹)
Net Profit after tax (₹)	434,99,278	382,43,347
Weighted average No of Equity Shares outstanding in calculation of Basic EPS	467,63,750	467,63,750
Basic Earnings per Share (in Rupees)	0.93	0.82
Weighted average No. of Equity Shares outstanding in calculation of Diluted EPS	467,63,750	467,63,750
Diluted Earning per Share (in Rupees)	0.93	0.82
Nominal Value of Share	10	10

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

Note 27: EMPLOYEE BENEFITS:

Disclosure pursuant to Accounting Standard-15 (revised) "Employee Benefits.

Particulars	31st. March 2014 (₹)	31st. March 2013 (₹)
a) Defined Contribution Plan		
Employer's Contribution to Provident and Other Funds	14,83,794	13,13,296
b) Defined Benefit Plan		
The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method as on 31st March, 2014 which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.		
The following tables summarize the components of net benefit expenses recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the respective plans.		
(i) Net Employee Benefit expense (recognized in Employee Benefit Expense)		
Current Service Cost	3,57,937	3,39,022
Interest Cost on benefit plans	1,53,972	48,187
Net Actuarial (gains)/losses recognized in the year	(83,923)	(8,15,570)
Total Employer expense recognized in the Statement of Profit and Loss	4,27,986	12,02,779
(ii) Actual Return on Plan Assets	N.A.	N.A.
(iii) Net Assets/ (Liabilities) recognized in the Balance Sheet	20,44,475	18,05,112
(iv) Movement in Defined Benefit Obligation		
Opening defined benefit obligation	18,05,112	6,02,333
Current Service Cost	3,57,937	3,39,022
Interest Cost on benefit plans	1,53,972	48,187
Benefit paid	(1,88,623)	-
Net Actuarial (gains)/losses recognized in the year	(83,923)	8,15,570
Closing defined benefit obligation	20,44,475	18,05,112
(v) Movement in fair value of Plan Assets	N.A	N.A
(vi) Major categories of plan assets as a percentage of the fair Value of total plan assets	N.A	N.A
(vii) Actuarial Assumptions		
	IALM (2006-2008)	LICI (1994-1996)
Mortality Table	Ultimate	
Discount Rate per annum Compounded	9.00%	8.00%
Rate of increase in salaries per annum	6.00%	6.00%
(viii)(a) The estimates of future salary increase considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employee market.		
(b) The gratuity liabilities is unfunded. Accordingly, information regarding Planned Assets is not applicable.		
(ix) The above information is certified by the actuary.		

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2014**Note 28: DISCLOSURE IN RELATION TO RELATED PARTIES:**

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 Related Parties and nature of relationship

Key Management Personnel	Whole Time Director Mr. Jugal Kishore Agarwal Director Mr. Mohan Lal Agarwal Mr. Mahesh Kumar Agarwal Mr. Ashok Bector Mr. Asit Baran Dasgupta Mr. Shyam Bahadur Singh
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 Infotech Ltd. Adhunik Power & Natural Resource Ltd Adhunik Power Transmission Ltd. Adhunik Alloys & Power Ltd. Sungrowth Shares & Stock Ltd. Mahananda Suppliers Ltd. Zion Steel Limited Adhunik Meghalaya Steels Private Limited Futuristic Steels Limited Adhunik Metaliks Ltd and its subsidiary

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

b) Aggregated Related Party Disclosures:

Nature of Transaction	Name of Related Party	31st. March 2014 (₹)	31st. March 2013 (₹)
Director's Remuneration	Mr. Jugal Kishore Agarwal	30,00,000	-
Directors Sitting Fees	Mr. Ashok Bector	90,000	-
	Mr. Asit Barman Dasgupta	90,000	-
	Mr. Mahesh Kumar Agarwal	90,000	-
	Mr. Mohan Lal Agarwal	60,000	-
	Mr. Shyam Bhadur Singh	40,000	-
Purchase of Raw Material			
Billet	Adhunik Corporation Limited	6490,98,163	6653,74,326
	Adhunik Alloy & Power Ltd.	-	208,29,221
Melting Scrap	Adhunik Alloy & Power Ltd.	-	4,88,708
Coal & Coal Fines	Adhunik Corporation Limited	13,75,885	7,89,929
Sale of Finished Goods			
Wire Rod	Adhunik Alloy & Power Ltd.	8,41,228	11,30,044
	Adhunik Metaliks Ltd.	26,96,695	78,94,288
	Adhunik Power & Natural Resources Ltd	33,59,361	-
TMT Bar	Adhunik Power & Natural Resources Ltd	-	117,84,174
Melting Scrap	Adhunik Corporation Limited	-	5,12,720
Misrolled, Wastage, E. Cutting Etc	Adhunik Corporation Limited	1672,55,171	1431,11,274
Expenditure for services/others			
Rent	Mr. Mahesh Kumar Agarwal	6,000	6,000
	Adhuniik Infotech Limited	26,40,000	26,40,000
Accounts & Finance Maintenance Charges	Adhuniik Infotech Limited	19,80,000	19,80,000

c) Outstanding Balance Related Party:

Nature of Relationship	31st. March 2014 (₹)	31st. March 2013 (₹)
Key Managerial Persons/ Relatives of Key Management Personnel		
Balance outstanding as at the year-end – Debit	-	-
Balance outstanding as at the year-end – Credit	-	-
Enterprises over which key Management Personnel/Relatives having significant influence		
Balance outstanding as at the year-end – Debit	17,61,773	108,61,758
Balance outstanding as at the year-end – Credit	190,31,273	102,34,950

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014

NOTE 29 : VALUE OF IMPORTS CALCULATED ON CIF BASIS:	31st. March 2014 (₹)	31st. March 2013 (₹)
Stores & Spares	4,82,197	-

NOTE 30 : EXPENDITURE IN FOREIGN CURRENCY:	31st. March 2014 (₹)	31st. March 2013 (₹)
Travelling Expenses	7,76,930	-
Bank Charges	2,31,237	-

NOTE 31 : EARNINGS IN FOREIGN EXCHANGE:	31st. March 2014 (₹)	31st. March 2013 (₹)
Export of steel materials	1491,90,172	-

NOTE 32: 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 33: 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 34: 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 recognized and provided for only when such encashment was allowed.

NOTE 35: Revenue in respect of rejected/scrapped materials is recognized as and when these are sold or amount there against is ascertained.

NOTE 36: Raw materials consumed are accounted after adjustment of normal shortage/surplus of raw materials and rejected raw materials.

Signatories to Schedules 1 to 36.

As per our report of even date

FOR SUDHIR KUMAR JAIN & ASSOCIATES

Firm Regn No: 318016E
Chartered Accountants

(CA. S. JAIN)
Partner

Membership No. 053537
Place : Kolkata
Date : The 29th Day of May, 2014

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

Jugal Kishore Agarwal
Managing Director

Mahesh Kumar Agarwal
Chairman

Bharat Agarwal
Company Secretary

Board of Directors



Mr. Jugal Kishore Agarwal



Mr. Mohan Lal Agarwal



Mr. Mahesh Kumar Agarwal



Mr. Asit Baran Dasgupta



Mr. Shyam Bahadur Singh



Mr. Ashok Bector

Board of Directors

Mr. Jugal Kishore Agarwal

Mr. Mohan Lal Agarwal

Mr. Mahesh Kumar Agarwal

Mr. Asit Baran Dasgupta

Mr. Shyam Bahadur Singh

Mr. Ashok Bector

Company Secretary

Mr. Bharat Agarwal

Auditor

Sudhir Kumar Jain & Associates
Chartered Accountants

Registered Office

14, N. S. Road, 2nd Floor
Kolkata - 700001

Corporate Office

Lansdowne Towers
2/1A, Sarat Bose Road
Kolkata - 700020

Works

Raturia, Angadpur
Duragpur - 713 215



Adhunik Industries Ltd.

Corporate Office: Lansdowne Towers 2/1A, Sarat Bose Road, Kolkata - 700020

Registered Office: 14, N. S. Road, 2nd Floor, Kolkata - 700001, West Bengal, India, Telefax: 033 22428551/53

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