

AGRO DUTCH INDUSTRIES LTD
(CIN: L29211CH1992PLC012321)
SCO 30, 1ST FLOOR, SECTOR 33 D, CHANDIGARH

FORM A

(Pursuant to clause 31 (a) of Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	Agro Dutch Industries Limited
2.	Annual Financial Statement for the year ended	31.03.2014
3.	Type of Audit Observation	<p>Matter of Emphasis- paragraph inserted in Auditor's report of Standalone financial statements.</p> <p>(i) Note 1b regarding pending export obligations against import of machinery under advance license as stated in the said note.</p> <p>(ii) Note 1b Para XIV regarding reasons for preparing the financial statements of the company on a going concern basis, notwithstanding the fact that its net worth is totally eroded. The appropriateness of the said basis is interalia depends on the admission of its case by BIFR and the rehabilitation package approved by BIFR, and repayment of debts by sale of surplus and non-core assets of the company.</p> <p>(iii) Note 1b Para XV regarding none provisioning of demurrage, freight and other charges amounting to Rs. 530.00 lacs claimed by the freight forwarding agency on recall of containers but disputed by the company on the basis of legal opinion.</p> <p>(iv) Note 1b Para XVI regarding none provisioning for penal interest and other charges levied by financial institutions/banks for the reasons explained in the note.</p> <p>(v) None provisioning of Goods in transit lying for the long period with third party, for which no physical verification/ confirmation has been</p>

		made by the company. Our opinion is not qualified in respect of these matters.
4.	Frequency of observation	Second Year
5.	To be Signed By:	
	<ul style="list-style-type: none"> • Managing Director 	
	<ul style="list-style-type: none"> • CFO 	
	<ul style="list-style-type: none"> • Audit Committee Chairman 	
	<ul style="list-style-type: none"> • Auditor of the Company 	<p>FOR RAKESH SINGLA & ASSOCIATES CHARTERED ACCOUNTANTS FRN 03371N</p>  <p>(RAKESH KUMAR KHANNA) Partner</p>



22nd
Annual Report
2013-14

Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our prospectus and take informed Investments decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumption. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialsie ,or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward- looking statements, whether as a result of new information, future events or otherwise.

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BOARD OF DIRECTORS**BOARD OF DIRECTORS**

Shri Malvinder Singh	Chairman
Shri Vivek Atri	Managing Director
Shri Harpreet Singh Nagra	Executive Director
Shri Jalesh Grover	Independent Director
Shri Ajay Arora	Independent Director
Shri Multan Singh Kadian	Independent Director

REGISTERED & CORPORATE OFFICES.C.O. 30, 1ST Floor, Sector 33-D, Chandigarh – 160 020**BANKERS/TERMLENDERS**

Union Bank of India -
 Bank of India
 State Bank of Patiala
 ICICI Bank Ltd. -
 The Federal Bank Ltd.
 Axis Bank Ltd.
 IDBI Bank Ltd -
 State Bank of India
 State Bank of Hyderabad
 Allahabad Bank
 Kotak Mahindra Bank Ltd.
 Barclays Bank Plc.
 DEG Germany
 M & T Bank, USA

WORKS

Village Tofapur, Near Lalru
 Distt. S.A.S. Nagar (Mohali) (Punjab)
 Village Bhagwanpura, Barwala Road, Dera Bassi
 Distt. S.A.S. Nagar (Mohali) (Punjab)
 Padalam Sugar Factory Road,
 Pazhaynoor (PO) Madhurantakam,
 District Kancheepuram Tamil Nadu

REGISTRAR & SHARE TRANSFER AGENT

M/s Karvy Computershare Pvt. Ltd.
 Plot No.17-24, Vithal Rao Nagar,
 Madhapur,
 Hyderabad – 500 081

STATUTORY AUDITORS

M/s Rakesh Singla & Associates,
 Chartered Accountants,
 Chandigarh

AUDIT COMMITTEE

1. Mr. Jalesh Grover
 2. Mr. Ajay Arora
 3. Mr. M.S. Kadian

WEBSITE

www.agro-dutch.com

COMPANY SECRETARY

Ms. Seema Saini

CIN No. L29211CH1992PLC012321

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Company shall be held on Thursday, 25th September, 2014 at 03.30 P.M at PHD Chamber of Commerce & Industry, Sector 31, Chandigarh to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements as at 31st March 2014 including the Audited Balance Sheet as at 31st March 2014, the statement of Profit & Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Malvinder Singh, who retire by rotation & being eligible, offers himself for re-appointment.
3. To consider and if thought fit pass with or without modification the following resolution, as an ordinary resolution :
“RESOLVED THAT pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies act,2013 and the rules framed thereunder, as amended from time to time, M/s Rakesh Singla & Associates, Chartered Accountants,(Firm Registration No. 03371N) the retiring auditors be and is hereby reappointed as the Auditors of the Company to hold office till the conclusion of 27th Annual General Meeting from the conclusion of the 22nd ensuing Annual General Meeting subject to ratification of their appointment at every AGM, at a remuneration to be fixed by the Board of Directors and/or any committee thereof.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:

APPOINTMENT OF MR. JALESH GROVER AS INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Section 149,150,152, and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules framed thereunder read with Schedule IV to the act (including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the Listing Agreement , Mr. Jalesh Grover (DIN No. 02339748), a non-executive independent 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 is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April,2014 for a non-rotational term upto consecutive period of Five years upto 31st March,2019.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:

APPOINTMENT OF MR. AJAY ARORA AS INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Section 149,150,152, and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules framed thereunder read with Schedule IV to the act (including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the Listing Agreement , Mr. Ajay Arora (DIN No. 00314161), a non-executive independent 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 is eligible for appointment, and in respect of whom the Company has received a notice in writing from a

member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April,2014 for a non-rotational term for a consecutive period of Five years upto 31st March,2019.

6. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:

APPOINTMENT OF MR. MULTAN SINGH KADIAN AS INDEPENDENT DIRECTOR

“RESOLVED THAT pursuant to the provisions of Section 149,150,152, and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules framed thereunder read with Schedule IV to the act (including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the Listing Agreement , Mr. Multan Singh Kadian (DIN No. 05343862), a non-executive independent 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 is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April,2014 for a non-rotational term for the consecutive period of Five years upto 31st March,2019.

7. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:

APPOINTMENT OF MR. MALVINDER SINGH AS EXECUTIVE CHAIRMAN AT NO REMUNERATION OR COMPENSATION.

“RESOLVED THAT in pursuance of the provisions under Sections 196,197,203 and Schedule V and other applicable provisions, if any, of the Companies Act,2013 and the rules made thereunder and subject to the provisions of Section 152(6) of the Companies Act,2013 (including any statutory modification(s) or re-enactment thereof) and other approval as may be required, the consent of the Company be and is hereby accorded, for the appointment of Mr. Malvinder Singh as Executive Chairman of the Company for a period of five years effective from 1st August,2014 at no remuneration or compensation thereof.

8. To consider and if thought fit, to pass with or without modifications, the following resolution as SPECIAL RESOLUTION:

APPOINTMENT OF MR. VIVEK ATRIAS MANAGING DIRECTOR .

“RESOLVED THAT to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act,2013 including any statutory modification and re-enactment thereof, for the time being in force and subject to approval of members at the next General Meeting and Central Government, if and as may be required , Mr. Vivek Atri be and is hereby appointed as Managing Director of the Company w.e.f. 1st August, 2014 for a period of five years on the terms and conditions as approved by the Nomination & Remuneration Committee of the Board on the following terms, conditions and remuneration:-

I. Salary

Rs.1,25,000/- per month

II. Perquisites

In addition to Salary the Managing Director will be allowed perquisites as specified in Category A, B & C below:-

Category 'A'**i) Housing**

The Managing Director shall be provided rent free accommodation by the company. In case no accommodation is provided, Managing Director shall be entitled to a House Rent Allowance @ Thirty percent of salary.

Category 'B'

- i) Contribution of Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.
- ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on the perquisites.

Category 'C'

Provision of car(s) for use on company's business and telephone(s) at residence or mobile phone(s) will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

In case of absence or inadequacy of profits in any financial year, the aforesaid remuneration shall be paid to Mr. Vivek Atri as minimum remuneration.

None of the Directors except Mr. Vivek Atri is concerned or interested in this appointment.

By order of the Board

Sd/-

(Seema Saini)

Company Secretary

ACS No.-31090

Place: Chandigarh
Date: 04.08.2014

Notes:

1. The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 is annexed here to.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF MEETING.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. Provided that member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single proxy and such person shall not act as proxy for any person or member.
4. The Register of Members and Share Transfer Books of the Company will remain closed for 2 days from 24th September, 2014 to 25th September, 2014 (both days inclusive).
5. Members desirous of seeking any further information or clarification in respect of accounts and operations of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required

information can be made available at the meeting.

6. Members are requested to bring with them the attendance slips sent with this Annual Report duly completed and signed to hand it over at the entrance.
7. In terms of Section 56 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/her death. Shareholders desirous of availing this facility may submit the requisite nomination form.
8. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in Physical form can submit their PAN to the Company/Registrar.
9. Members holding shares in physical form are requested to notify immediately the change in their address, if any at the Registered Office of the Company.
10. The Notice of 22nd AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2014 is uploaded on the Company's website www.agro-dutch.com and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the company's registered office for inspection during normal business hours on working days.

Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

11. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and all the items of the business may be transacted through e-voting services provided by Karvy Computershare Private Limited (Karvy). Shareholders of the Company holding shares either in physical form or in dematerialized form, as on cut of date i.e. 25.08.2014, may cast their vote electronically. The user id and password alongwith detailed instructions for e-voting through the e-voting platform provided by karvy, forming part of the Notice, is enclosed with this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

Mr. Jalesh Grover is an Independent Director of the Company. He joined the Board of Directors of the Company on 26th April, 2012. Mr. Jalesh Grover is a director whose period of office is liable to determination by retirement of directors by rotation under the relevant provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013 ("Act"), Mr. Jalesh Grover being eligible and offers himself for appointment is proposed to be appointed as an Independent Director of the Company for a term upto 31st March, 2019. A Notice has been received from a Member alongwith the deposit of requisite amount proposing Mr. Jalesh Grover candidature for the office of Independent Director of the Company.

The Company has received from Mr. Jalesh Grover (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Act.

The Board of Directors of your Company are of the opinion that Mr. Jalesh Grover fulfills the conditions specified in the Act and rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mr. Jalesh Grover is independent of the management of the Company. A copy of the draft letter of appointment of Mr. Jalesh Grover as an Independent Director setting out the terms and conditions is available for inspection at the registered office of the company during normal business hours on all working days upto the date of Annual General Meeting.

Except Mr. Jalesh Grover, no other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution.

The resolution seeks approval of the members for the appointment of Mr. Jalesh Grover as Independent director of the Company for five consecutive years for a term upto 31st March, 2019 pursuant to Section 149 and other applicable provisions of the Act and Rules made thereunder and that he shall not be liable to retire by rotation.

The Board recommends the resolution set forth in item no. 4 for the approval of Members.

Item No. 5

Mr. Ajay Arora is an Independent Director of the Company. He joined the Board of Directors of the Company on 31st July, 2012. Mr. Ajay Arora is a director whose period of office is liable to determination by retirement of directors by rotation under the relevant provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013 ("Act"), Mr. Ajay Arora being eligible and offers himself for appointment is proposed to be appointed as an Independent Director of the Company for a term upto 31st March, 2019. A Notice has been received from a Member alongwith the deposit of requisite amount proposing Mr. Ajay Arora candidature for the office of Independent Director of the Company.

The Company has received from Mr. Ajay Arora (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Act.

The Board of Directors of your Company are of the opinion that Mr. Ajay Arora fulfills the conditions specified in the Act and rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mr. Ajay Arora is independent of the management of the Company. A copy of the draft letter of appointment of Mr. Ajay Arora as an Independent Director setting out the terms and conditions is available for inspection at the registered office of the company during normal business hours on all working days upto the date of Annual General Meeting.

Except Mr. Ajay Arora, no other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution.

The resolution seeks approval of the members for the appointment of Mr. Ajay Arora as Independent director of the Company for five consecutive years for a term upto 31st March, 2019 pursuant to Section 149

and other applicable provisions of the Act and Rules made thereunder and that he shall not be liable to retire by rotation.

The Board recommends the resolution set forth in item no. 5 for the approval of Members.

Item No. 6

Mr. Multan Singh Kadian is an Independent Director of the Company. He joined the Board of Directors of the Company on 31st July, 2012. Mr. Multan Singh Kadian is a director whose period of office is liable to determination by retirement of directors by rotation under the relevant provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (“Act”), Mr. Multan Singh Kadian being eligible and offers himself for appointment is proposed to be appointed as an Independent Director of the Company for a term upto 31st March, 2019. A Notice has been received from a Member alongwith the deposit of requisite amount proposing Mr. Multan Singh Kadian candidature for the office of Independent Director of the Company.

The Company has received from Mr. Multan Singh Kadian (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Act.

The Board of Directors of your Company are of the opinion that Mr. Multan Singh Kadian fulfills the conditions specified in the Act and rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act. The Board of Directors of your Company is also of the opinion that Mr. Multan Singh Kadian is independent of the management of the Company. A copy of the draft letter of appointment of Mr. Multan Singh Kadian as an Independent Director setting out the terms and conditions is available for inspection at the registered office of the company during normal business hours on all working days upto the date of Annual General Meeting.

Except Mr. Multan Singh Kadian, no other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution.

The resolution seeks approval of the members for the appointment of Mr. Multan Singh Kadian as Independent director of the Company for five consecutive years for a term upto 31st March, 2019 pursuant to Section 149 and other applicable provisions of the Act and Rules made thereunder and that he shall not be liable to retire by rotation.

The Board recommends the resolution set forth in item no. 4 for the approval of Members.

Item No. 7

In order to comply with the requirements of Section 203 of the Companies Act, 2013, the Board at the meeting of Board of directors held on 4th August, 2014 received a consent of Mr. Malvinder Singh who is presently designated as Chairman & Managing Director of the Company to relinquish his position as Managing Director of the company and to continue to serve the company as Executive Chairman. Therefore, Sh. Malvinder Singh is appointed as the Executive Chairman at no remuneration or compensation thereof on the recommendation of Nomination & Remuneration Committee effective from 1st of August 2014.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Malvinder Singh be appointed as the Executive Chairman.

The resolution contained in Item No. 7 of the accompanying Notice, accordingly, seek members' approval for appointment of Mr. Malvinder Singh as Executive Chairman of the Board and of the Company. Mr.

Malvinder Singh has agreed to serve the company without any compensation.

None of the directors and Key Managerial Person of the company and their relatives are concerned or interested in the resolution as set out at Item No. 7.

The Board commends this resolution for your approval.

Item No. 8

The Board at the meeting of Board of directors held on 4th August, 2014 has appointed Mr. Vivek Atri as Managing Director of the company on the recommendation of Nomination & Remuneration Committee for a period of five (5) years effective from 1st August 2014. He is presently designated as Deputy Managing Director of the company.

It is proposed to seek the approval of the members and Central Government for the said appointment and remuneration payable to Mr. Vivek Atri, as Managing Director, in terms of the applicable provisions of the companies Act, 2013.

The appointment and terms of remuneration of Mr. Vivek Atri, as Managing Director with effect from 4th August 2014 are pursuant to the Provisions of Articles of Associations and Sections 196, 197, read with Schedule V of the Companies Act, 2013 & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force). The appointment is subject to approval from Central Government as the provisions of Schedule V are not complied with.

None of the directors and Key Managerial Person of the company and their relatives are concerned or interested in the resolution as set out at Item No. 8.

The board is of the opinion that it is in the interest of the company to receive the benefit of Mr. Vivek Atri's services and accordingly commend the Resolutions at Item No. 8 for approval by the Members by way of a Special Resolution. This may also be treated as an abstract of the draft agreement between the Company and Mr. Vivek Atri pursuant to Section 190 of the Act.

INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

1. GENERAL INFORMATION

(a) Nature of Industry :

The main activity of the company is growing and export of white button mushrooms.

(b) Date or expected date of commencement of commercial production

24/08/1992.

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

(d) Financial Performance Based on Given indicators

Period	For the year ended 31.03.2014 (in Crore)	For the year ended 31.03.2013 (in Crore)
Gross Revenue	11.76	36.54
Loss After Tax	(62.39)	(99.86)

(e) Foreign Investments or Collaborations, if any: NIL

2. INFORMATION ABOUT THE APOINTEE:

(a) Background Details

Mr. Vivek Atri has served the Company as Company Secretary & Compliance Officer from April 2008 to Sept. 2013 . He has been appointed as Deputy Managing Director of the Company from 1st August, 2012.

(b) Past Remuneration

Mr. Vivek Atri's past year remuneration during the financial year 2013-14 was Rs. 21.30 lacs.

(c) Recognition or Awards: NIL

(d) Job profile and his suitability:

Considering the experience of Mr. Vivek Atri and the services provided to the company, he is best suited for the position of the Managing Director of the Company.

(e) Remuneration Proposed

Salary and other perquisites as mentioned in Item No. 8 of the notice will be given to Mr. Vivek Atri.

(f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The remuneration proposed is commensurate with his experience and comparable to the standards in the Industry.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Mr. Vivek Atri has no pecuniary relationship with the Company, other than his remuneration and is not related to any managerial personnel.

3. OTHER INFORMATION:

(a) Reasons of loss or inadequate profits: The Sales of the Company are badly affected due to discontinuation of export in US market, which was our major market. The said development has resulted into huge loss and reduced level of production.

(b) Steps taken or proposed to be taken for improvement: The production capacity are being rationalized alongwith higher realization by approaching Domestic Market.

(c) Expected increase in productivity and profits in measurable terms: N.A.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting.

Particulars	Mr. Jalesh Grover	Mr. Ajay Arora	Mr. Multan Singh Kadian
Date of Birth	12.04.1968	27.07.1960	07.09.1952
Date of Appointment	26.04.2012	31.07.2012	31.07.2012
Qualifications	<ul style="list-style-type: none"> • CA • MBA(Finance) 	<ul style="list-style-type: none"> • CS • LLB 	<ul style="list-style-type: none"> • FCS • LLB,LLM • MFC
Expertise in specific functional area	22 years	22 years	25 years
Directorship Held in other Companies (excluding foreign companies)	<ul style="list-style-type: none"> • Recorders & Medicare System Private Ltd. • Intelligent Medicare System (P) Ltd. 	<ul style="list-style-type: none"> • Vishal Papertech (I) Ltd. • Samrat Forgings Ltd. 	NIL
Membership/Chairmanship of committees of other Companies (include only Audit Committee and Shareholders/Investors Grievance Committee)	NIL	<ul style="list-style-type: none"> • Audit Committee Member (Samrat Forgings Ltd.) 	NIL
Number of Shares held in the Company	NIL	NIL	NIL

Particulars	Malvinder Singh	Vivek Atri
Date of Birth	07.09.1953	18.08.1972
Date of Appointment	22.06.1992	01.08.2012
Qualifications	B.E (Mechanical Engineering) Gold Medalist	CS
Expertise in specific functional area	30 years	18 years
Directorship Held in other Companies (excluding foreign companies)	<ul style="list-style-type: none"> • Saptarishi Agro Industries Ltd. • Calibre Rehabs (P) Ltd. • Vishwa Calibre (P) Ltd. • Canex International Ltd. • Sukhmani Builders (P) Ltd. 	NIL
Membership/Chairmanship of committees of other Companies (include only Audit Committee and Shareholders/Investors Grievance Committee)	<ul style="list-style-type: none"> • Shareholder/Investor Grievance Committee Member- Saptarishi Agro Industries Ltd. 	NIL
Number of Shares held in the Company	4824629	NIL

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- <ol style="list-style-type: none"> a) For NSDI :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- <ul style="list-style-type: none"> • <u>Event no.</u> followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. **1-800-34-54-001** for any further clarifications.
- iv) Members can cast their vote online from 19.09.2014@ 9.00 AM to 21.09.2014@ 6.00 PM
- v) After entering these details appropriately, click on “LOGIN”.
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., '**Agro Dutch Industries Ltd**'.
- ix) If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and casted your vote earlier for any company, then your exiting login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting .Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xi) 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.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate /Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to kanwalcs@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format “Corporate Name_ Event no.”.
- xiv) The Shareholders can opt for only one mode of voting, i.e. either physically by attending AGM or e-voting. If any shareholders opt for e-voting, he/she will not be eligible to vote physically in AGM.
- xv) Mr. Kanwaljit Singh, Practicing Company Secretary (Membership No. F5901) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
The Result of e-voting declared by Scrutinizer shall be placed on the website of the Company i.e. www.agro-dutch.com.

DIRECTORS' REPORT

The Directors are pleased to present the 22ND Annual Report and Audited Statements of Accounts for the period ended on 31st March, 2014.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	2013-14	2012-13
Net Sales/Income	1148.36	3550.54
Other Income	8.88	27.63
(Increase)/Decrease in Stock	532.78	3379.94
Total Expenditure	7654.81	13914.69
Profit (Loss) before Int/Tax/Dep	670.58	(4630.07)
Interest	4179.08	4060.18
Depreciation	1638.91	1646.26
Misc Expenses W/o	-	-
Profit (loss) before Tax	(6488.57)	(10336.51)
Provision for Taxation	-	-
Profit after Current Tax	(6488.57)	(10336.51)
Provision for deferred Tax	(367.18)	(534.96)
Mat Credit Entitlement/Reversal	105.51	145.29
Profit/(Loss) after Tax	(6226.90)	(9946.84)
Extra Ordinary Items including Previous year adjustments	11.70	39.47
Net Profit/(Loss) After tax	(6238.60)	(9986.31)

DIVIDEND

In view of the loss, your directors regret their inability to recommend any Dividend for the year under review.

PERFORMANCE

During the year under review, your company has achieved a net income of Rs. 11.57 Crores (previous year Rs. 35.78 crores). The Sales in the Current financial year i.e. 2013-14 of the Company have been adversely affected due to discontinuation of Shipments of Canned Mushrooms to US.

The company has aggressively started selling fresh mushrooms in the domestic market. The response from these markets are encouraging.

CHENNAI PLANT

The final commissioning of the Chennai unit is delayed due to financial crunch being faced by the Company.

AUDITORS

The Statutory Auditors, M/s Rakesh Singla & Associates, Chartered Accountants (Firm Registration No. 03371N) retire at the ensuing Annual General meeting and has confirmed their eligibility and willingness to accept office, if re-appointed. The Audit Committee and the Board of Directors recommends the re-appointment as the Auditors of the Company for a period of five years.

DIRECTORS

As per the requirement of the Companies Act,2013 all the Independent Directors on the Board as on 1st April,2014 namely Mr. Jalesh Grover, Mr. Ajay Arora and Mr. Multan Singh Kadian, shall be re-appointed for

a tenure of 5 years and the same shall be confirmed at the ensuing Annual General Meeting.

The Official Term of Mr. Malvinder Singh, Chairman and Managing Director has expired on 30th June,2014, the Board of Directors at the meeting held on 4th August,2014 have appointed him as Executive Chairman of the Company for a period of 5 years commencing from 1st August,2014 subject to the approval of shareholders in the ensuing Annual General Meeting. Further, Mr. Vivek Atri has been appointed as Managing Director of the Company for a period of five years commencing from 1st August,2014 at the meeting of the board of directors held on 4th August,2014 subject to approval of shareholders and Central Government as may required, in the ensuing Annual General meeting.

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibilities Statement, it is hereby confirmed:

- i) That in the preparation of accounts for the period ended 31st March, 2014, the applicable Accounting Standards had been followed and there are no material departures:
- ii) That the selected Accounting Policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year end and profit of the Company for that period;
- iii) That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) That the accounts have been prepared on a going-concern basis.

INTERNAL CONTROL AND ADEQUACY

The Company has adequate system of internal controls to ensure that all assets are safeguard, transactions are authorized, optimum utilization of resources, costs are controlled, reporting of financial transactions and compliance with applicable law and regulations.

BIFR AND REHABILITATION

The Networth of the Company is continuing to be fully eroded. The reference before Board for Industrial & Financial Reconstruction (BIFR) is pending for determination of sickness of the Company. A suitable rehabilitation scheme shall be submitted to the BIFR upon declaration of the company as Sick Industrial Unit. The Asset Sale Committee of the Lenders have initiated sale of non-core and surplus assets of the Company.

COST AUDIT

The Company has appointed Dr. Vimal Kumar (Membership No. 9982) Prop.of M/s V.Kumar and Associates, SCO 124-125, Sector 34A, Chandigarh, Cost and Works Accountants as the Cost Auditors of the Company for the financial year 2013-14 for filing of Compliance Report as per Cost Accounting Record Rules,2011 issue vide notification of Ministry of Company Affairs (MCA) dated 3rd June,2011

INTERNAL AUDITORS

The Board of Directors of your Company has appointed Mr. Ankit Goyal Chartered Accountant (Membership No. 529874) as Internal Auditor pursuant to provisions of Section 138 of the Companies Act,2013 for the Financial Year 2014-15.

SECRETARIAL AUDITORS

The Board of Directors of your Company has appointed M/s Kanwaljit Singh & Associates, Practicing Company Secretary, Chandigarh as Secretarial Auditor pursuant to provisions of Section 204 of the Companies act,2013 for the Financial Year 2014-15.

AUDITOR'S REPORT

Observations made in the Auditors' Report are self- explanatory and therefore do not call for any further explanation.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Nomination & Remuneration Committee has been constituted as per the requirements of Companies Act,2013 which shall formulate the policy for appointment of Directors and Remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters as provided under sub-section (3) of Section 178 of the Companies Act,2013 and necessary disclosure to this effect shall be made in the next Report to the Directors.

STAKEHOLDER RELATION

As per the requirement of Companies Act,2013 a Stakeholder Relationship Committee is being constituted. Necessary disclosure in this regard shall made in the next Directors Report.

CORPORATE GOVERNANCE

The Company aims to conduct its affairs in an ethical manner. A separate Report on Corporate Governance forms a part of the Annual Report. A certificate from the Company's Auditors regarding the Compliance of Conditions of Corporate Governance as stipulated under Clause 49 is also annexed with the report.

LISTING OF SHARES & SEBI REGULATION

The Equity shares of the company are listed on The Stock Exchange Mumbai & National Stock Exchange of India Ltd., Mumbai.

INSURANCE

The company has taken the required insurance coverage for its assets against the possible risks like fire, flood, public liability, marine etc.

DEPOSITS

During the year under Report, your Company did not accept any deposits from the public in terms of the provisions of Section 58A and 58AA of the Companies Act ,1956.

ACKNOWLEDGEMENTS

Company would like to thank its Shareholders including suppliers, vendors, investors and bankers. Company also records its appreciation of the contribution made by employees at all levels. The diligent hard work, cooperation and support is a backbone of all endeavors of the company. We, assure all the stakeholders that the team ADIL is fully dedicated and assure that with the continuous support, we will overcome the turbulence in this year.

For and on behalf of the Board

Place: Chandigarh

Dated:04.08.2014

sd/-
Vivek Atri
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF

DIRECTORS' REPORT**i) Conservation of Energy**

Energy cost constitutes a major part of cost of production. The Company has installed its own co-generation power plant which helps the Company to reduce energy cost and also lower the dependence on State Electricity Board.

FORM-A**Power and Fuel Consumption**

S. no.	Particulars	Unit	For the year ended 31.03.14	For the year ended 31.03.2013
1.	Electricity			
(a)	Purchased			
	Unit	Nos.	4,331,980.00	6,262,125.00
	Total Amount	Rs.	35,509,405.00	44,332,042.00
	Rate/Unit	Rs.	8.20	7.08
2.	Diesel Consumption			
	Unit	Litre	101,760.00	309,863.41
	Total Amount	Rs.	5,199,594.00	13,052,153.25
	Rate/Unit	Rs.	51.10	42.12
3.	Rice Husk			
	Unit	Kg.	NIL	10,712,577.00
	Total Amount	Rs.	NIL	50,748,853.00
	Rate/Unit	Rs.	NIL	4.74
4.	Pet Coke Consumption			
	Unit	Kg.	1,047,580.00	1,780,610.00
	Total Amount	Rs.	8,490,272.00	13,387,167.00
	Rate/Unit	Rs.	8.10	7.52
5.	Fire Wood			
	Unit	Kg.	133,805.00	NIL
	Total Amount	Rs.	670061.00	NIL
	Rate/Unit	Rs.	5.03	NIL

Consumption per Kg (MT) of Production:			
Electricity	Units	3,838.12	1026.47
Diesel	Ltrs	90.16	50.79
Rice Husk	Kg	NIL	1755.98
Production			
Fresh Mushroom (Total)		1,128,671.00	6,100,624.00

ii) Technology Absorption : Not Applicable**iii) Foreign Exchange Earning and Outgo**

Earnings	Rs.	582.07	Lacs
Interest	Rs.	-	
Outgo:			
Capital A/c	Rs.	-	
Raw Material & Consumables	Rs.	-	
Spares & Components	Rs.	-	
Travelling	Rs.	006.12	Lacs
Interest & Financial Charges	Rs.	278.81	Lacs
Others	Rs.	1.39	Lacs
Repayment of term loans	Rs.	0.00	Lacs

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

The principal business of the Agro Dutch Industries Limited is growing of White Button Mushrooms.

Industry Structure and Outlook

The Indian Food Processing industry accounts for 32% of the country's total food market. Estimated to be worth USD 121 billion, it is one of the largest industries in India and is ranked fifth in terms of production, consumption and exports. The Indian Food Processing industry is viewed as growing industry, supported with new technologies being used in cultivation of various agro produce. Demand for processed and alternate food is growing due to rapid urbanization, increasing income levels and life style swing. The Mushroom industry has a bright future due to acceptability of the same.

Mushrooms are processed, produced and consumed in many countries on a large scales. The Global Mushroom market is primarily driven by the increasing demand for the organic products. Mushrooms are highly popular in Asian Countries such as India, China and Japan. The Global mushroom market has shown remarkable growth in the recent years and is also showing attractive market potential for future.

Opportunities and Threats

The food processing industry in India has taken off substantially and will continue to grow rapidly considering the untapped potential in the sector. The growth in this segment not only indicates the changing development patterns of the country, similar to the developed nations, but also it holds in driving growth of a certain section of society that has remained marginalized for a long time.

The food processing industry in India is witnessing rapid growth. In addition to the expansion of demand, changes are also taking place on the supply side with the growth in organized retail, increasing FDI in food processing and introduction of new products.

The opportunities of expansion in the food processing industry are vast. However, there is need to improve technology and productivity to be competitive globally. As the economy grows, the food processing industry will offer bigger opportunities to the new as well as the existing players.

In the current recovering economy, our business is challenged by regulatory policy changes, raw material pricing, power tariff cost, weather changes, changing consumer demand, impact of currency fluctuations and competition from domestic and international front.

Segment Review and Analysis

Segment has been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risks and returns of these segments.

Outlook

India has tremendous potential for mushroom production. There is increasing demand for quality products

at competitive rates both in domestic and export market. To be successful in domestic and export market, your company is producing quality fresh mushrooms and processed products at competitive rates. The Company is exploring new markets including domestic market. The Company is looking for new innovative ways to increase its sales and market share. Negotiations are in progress with new customers in Europe/US which will improve the company's sales in the coming years. New techniques and methods are introduced to increase the quality of products. The response from new markets is encouraging.

Risks and concerns

Every business faces risks involved in its operations, which could be external & internal factors. The External factors affecting any company's business are Market Competition, Government policies, political and economic changes in importing country etc. The Company has a control over its internal factors but may not have much control over such external factors; however it is important to address these risks & concerns to mitigate their overall impact on the business. High focus on safety of plant, its premises and people continuity and proactive Management of related business environment are essential for the risk management in the overall supply chain and business in general.

Internal Control Systems and their adequacy

The Company has proper and adequate systems of internal controls which ensure that all the assets are safeguarded and that all transactions are authorized, recorded and reported correctly. The company maintains adequate and effective control system and suitable monitoring procedures with regard to the purchase of raw materials, stores, plant & machinery, equipment and other assets. We have a qualified and independent Audit Committee which comprises Independent Directors. The Company's Audit Committee reviews the adequacy and efficiency of internal controls and recommends any improvements or correction.

Human Resource Development/Industrial Relations

The Company enjoys cordial and harmonious industrial relations. The Company continues to believe that their employees are key contributors to the company's success. The Group's Endeavour to impart the best training, working environment for retaining the best talents in the industry. Industrial relations continue to be cordial and harmonious.

Cautionary Statement

Statements in this Report describing the Company's objectives, projections, estimates and expectations may be "forward looking" statements' within the meaning of applicable securities laws and regulations. Actual Results could differ materially from those expressed and implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and all Employees of the Company for increasing the shareholder's value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the Government, customers, suppliers, employees and other stakeholders.

COMPOSITION OF THE BOARD

The Board of Directors of the Company comprises of the Executive Chairman, who is a promoter director, One Managing Director, One Executive Director, and 3 Non-executive directors. Details whereof are given in Table 1.

TABLE 1: DETAILS ABOUT THE BOARD OF DIRECTORS

S. No.	Name Of Director	Promoter, Executive, Non - Executive, Independent	Attendance			Number Of Outside Directorships Of Public Ltd. Companies	Materially Significant Pecuniary Or Business Relationship With The Company	No. of Committee positions held in other companies as	
			BOARD MEETINGS		LAST AGM			Chairman	Member
			HELD	ATTENDED					
1.	*Mr. Malvinder Singh	Promoter-Executive	5	0	NO	1	NIL	-	2
2.	Mr. Jalesh Grover	Independent Non-Executive	5	5	Yes	2	NIL	-	-
3.	Mr. Ajay Arora	Independent Non-Executive	5	5	Yes	2	NIL	-	2
4.	Mr. Multan Singh Kadian	Independent Non-Executive	5	5	Yes	NIL	NIL	-	-
5.	Mr. Harpreet Singh Nagra	Whole Time Director	5	5	Yes	NIL	NIL	-	-
6.	**Mr. Vivek Atri	Dy.Managing Director	5	5	Yes	NIL	NIL	-	-
7.	***Mr. Rajesh Malhotra	Nominee Director	5	4	NA	NIL	NIL	NA	NA

* Appointed as Chairman of the Company w.e.f. 1st August, 2014

** Appointed as Managing Director w.e.f. 1st August, 2014

*** Withdrawal of Nomination by bank on 05th August, 2014

DETAILS OF BOARD MEETINGS HELD DURING THE YEAR

Date of Board Meeting	28 th May, 2013	14 th August, 2013	28 th September, 2013	11 th November, 2013	11 th February, 2014
Board Strength	7	7	7	7	7
No. of Directors Present	6	6	5	6	6

DIRECTORS' ATTENDANCE RECORD & DIRECTORSHIPS

Table I gives the composition of the Board of Directors, the category of Directors, their attendance record and the number of directorships.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to the information within the company including the information as per Clause 49 of the listing agreement.

DIRECTORS WITH MATERIALLY SIGNIFICANT PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTIONS WITH THE COMPANY

There have been no materially relevant pecuniary relationships or transactions between the Company and its Directors for the year 2013-14.

BOARD COMMITTEES

Presently the Board has three Committees i.e. Audit Committee, Investor Grievances/Share Transfer Committee and Remuneration Committee.

AUDIT COMMITTEE

Audit committee of the Board was constituted in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement. Audit Committee is, inter-alia, responsible for the financial reporting and ensuring compliance with the Accounting Standard and reviewing the financial policies of our company and to recommend the appointment of Statutory Auditors and internal auditors and to fix their remuneration. The Committee is responsible for reviewing the reports from internal auditors. The Committee will review all quarterly reports before submission of the same to the board.

The Following areas are referred to the Audit Committee

- a) Overall assessment of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment of external auditor, fixation of audit fees and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
 - i. Changes, if any, in accounting policies and practices.
 - ii. Major accounting entries based on exercise of judgement by management.
 - iii. Observations, if any, in draft audit report.
 - iv. Significant changes/amendments, if any, arising out of audit.
 - v. The Going Concern assumption.
 - vi. Compliance with accounting standards.
 - vii. Compliance with Stock Exchanges and Legal requirements concerning financial statements.
 - viii. Any related party transactions i.e. Transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. That may have potential conflict with the interests of company at large.
- d) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
 - a) Reviewing the adequacy of internal audit function, 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.
 - b) Discussion with internal auditors any significant findings and follow up there on.
 - c) 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.

- d) Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- e) Reviewing the company's financial and risk management policies.
- f) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The audit committee shall exercise the following additional powers:

- a. To investigate any activity within its terms of reference.
- b. To seek information from any employee.
- c. To obtain outside legal or other professional advice.
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Company continues to derive immense benefit from the deliberations of the Audit Committee. The Audit Committee of the Company comprised of the following directors of the Company.

Mr. Jalesh Grover	Chairman	Non Executive Independent Director
Mr. Ajay Arora	Member	Non Executive Independent Director
Mr. Multan Singh Kadian	Member	Non Executive Independent Director

During the financial year 2013-14, The Committee met Four (4) times during the year and quorum was present for every meeting. The attendance of Directors on the above meetings was as follows:-

Director	No. of Meetings held	No. of Meetings Attended
Mr. Jalesh Grover	4	4
Mr. Ajay Arora	4	4
Mr. Multan Singh Kadian	4	4

The Dy. Managing Director, Directors and other Senior Executives (when required) are invited to the meetings. Representatives of the statutory auditors and internal auditors are also invited to the meetings, when required.

The Company Secretary act as the Secretary of the Committee.

Mr. Jalesh Grover, Chairman of the Committee were present at the last AGM held on 28th September, 2013. All the recommendations of the Audit Committee during the year were accepted by the Board of Directors.

SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

The Company has constituted Shareholders' and Investors' complaints/grievances committee for speedy disposal of all grievances/complaints relating to shareholders/investors. The terms of reference of the Committee include the following:-

- To specifically look into complaints received from the shareholders of the company.
- To oversee the performance of the Registrar and Transfer Agent of the Company.
- To recommend measures for overall improvement in the quality of services to the investors.

The said committee has been reconstituted as Stakeholders Relationship Committee with effect from 26th May, 2014 in accordance with the provisions of the Companies Act, 2013.

The Shareholders' and Investors' complaints/grievances committee comprised of :

Mr. Ajay Arora	Chairman	Non Executive Independent Director
Mr. Multan Singh Kadian	Member	Non Executive Independent Director
Mr. Vivek Atri	Member	Executive Director

No meeting of Shareholders' and Investors' complaints/grievances committee was held during the financial year 2013-2014.

Ms. Seema Saini, Company Secretary, is the Compliance Officer of the Company.

REMUNERATION COMMITTEE

Independent Directors constitute the Remuneration Committee of the Board, which is responsible for determining and recommending to the board, the remuneration payable to the Managing Directors/Executive Directors. The remuneration of the working directors is decided by the board based on the recommendation of the Remuneration Committee within the ceiling prescribed under the Companies Act, 1956. The remuneration to non-executive directors comprised of the sitting fee only.

The terms of reference of the Remuneration Committee are as follows:-

- To review and recommend to the Board, the salaries, commission, other benefits and service conditions of Managing Director/Whole- Time/Executive Directors;
- To approve the selection, appointment and remuneration of relatives of Directors for holding an office of profit pursuant to Section 314 of the Companies Act, 1956.

The Remuneration Committee comprised of the following directors of the Company:

Mr. Multan Singh Kadian	Chairman	Non Executive Independent Director
Mr. Ajay Arora	Member	Non Executive Independent Director
Mr. Jalesh Grover	Member	Non Executive Independent Director

The Remuneration Committee of the Board of Directors of the Company has been reconstituted as Nomination and Remuneration Committee with effect from 26th May, 2014 in accordance with the provisions of Companies Act, 2013.

DETAILS OF REMUNERATION PAID TO THE DIRECTORS DURING THE FY 2013-14

Name	Basic Salary	Perquisites+ Contribution to PF/other Funds	Commission	Sitting Fee	Total
Mr. Malvinder Singh	NIL	NIL	NIL	NIL	NIL
Mr. Vivek Atri	19,50,000	1,80,000	NIL	NIL	21,30,000
Mr. Harpreet Singh Nagra	6,63,000	NIL	NIL	NIL	6,63,000
Mr. Jalesh Grover	NIL	NIL	NIL	30,000	30,000
Mr. Ajay Arora	NIL	NIL	NIL	52,000	52,000
Mr. Multan Singh Kadian	NIL	NIL	NIL	52,000	52,000
Mr. Rajesh Malhotra	NA	NA	NA	NA	NA

RECONCILIATION OF SHARE CAPITAL AUDIT

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with requirements of Securities and exchange Board of India (Depositories and Participants) Reg. 1996 and SEBI Circular No. D & CC/FITTC/Cir-16/2002 dated 31.12.2002. M/s Sharma Sarin & Associates, Company Secretaries were appointed by the Company to conduct such audit. The Reconciliation of Share Capital Audit Report, which was submitted to the stock exchanges within the stipulated period, inter-alia certifies that the Company's equity shares held in the dematerialised form confirm with the issued and paid-up equity shares capital of the Company.

SECRETARIAL COMPLIANCE CERTIFICATE

As per the provisions of the clause 47 (c) of the Listing Agreement entered with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited by the Company, the company has

obtained the Secretarial Compliance Certificate on half-yearly basis from M/s Sharma Sarin Associates, Company Secretaries, to the effect that all transfer of shares among others, were effected within the stipulated time.

The certificate was submitted with the stock exchanges within the prescribed time limit.

POSTAL BALLOT

The Company successfully completed the process of approval of its members on a Special Resolution pursuant to Section 192A and other applicable provisions of the Companies Act, 1956 under Section 293(1)(a) of the Act to sell, transfer, deliver or otherwise dispose off the following:

1. Substantial Assets located at Mushroom Unit at Village Tofapur near Lalru, Punjab.
2. Entire Can Unit situated at Village Bhagwanpur, Derabassi, Punjab.
3. Entire Can making, EOE unit and Printing unit situated at Padalam Sugar Factory Road, Pazhaynoor P.O. Kanchipuram District, Tamil Nadu

Through Postal Ballot, as contained in the Postal Ballot notice to the members dated 28.09.2013. The Scrutinizer report was submitted to the Stock Exchange and posted on the website of the Company i.e. www.agro-dutch.com

INFORMATION ON GENERAL BODY MEETINGS

The date, time and venue of the last three Annual General Meetings are as follows:-

YEAR	DATE AND TIME	NO. OF SPECIAL RESOLUTION PASSED	LOCATION
2010-11	24 th September, 2011 AT 10.30 A.M.	3	CHANDIGARH INSTITUTE OF HOTEL MANAGEMENT, SECTOR 42-D, CHANDIGARH
2011-12	29 th September, 2012 AT 10.00 A.M.	2	
2012-13	28 th September, 2013 AT 10.00 A.M.	-	

DISCLOSURES

During the year, there were no transactions of material nature with the Director or the management or their subsidiaries or relatives that had potential conflicts with the interest of the Company.

There have been no instances of non-compliance on any matter related to the capital markets during the last three years.

MEANS OF COMMUNICATION

Quarterly, half yearly, annual results and statutory notices are published in prominent daily newspapers, i.e. The Financial Express (All editions) and Jansatta (Chandigarh). All these information are also uploaded on the web-site of the company i.e. www.agro-dutch.com

ANNUAL GENERAL MEETING

Date	Time	Venue
25.09.2014	03.30 P.M.	PHD Chamber of Commerce & Industry, Sector 31, Chandigarh 160030

FINANCIAL CALENDAR

April 01 to March 31

DATES OF BOOK CLOSURE24th September, 2014 to 25th September, 2014. (Both Day inclusive)**REGISTERED OFFICE**S.C.O.30, 1st FLOOR, SECTOR 33-D

CHANDIGARH – 160 020

TEL.NO.: 0172-2665117

FAX NO.: 0172-2604045

E.MAIL ID.: adil.investors@gmail.com

REGISTRAR AND SHARE TRANSFER AGENT

M/S. KARVY COMPUTERSHARES PVT LIMITED

PLOT NO.17-24, VITHAL RAO NAGAR,

MADHAPUR,

HYDERABAD – 500 081

SHARE TRANSFER SYSTEM

Share transfers are registered and returned within a period of twenty one days from the date of receipt, if the documents are in order in all respects.

LISTING AND STOCK CODE

Share of ADIL are listed on the Mumbai, and National Stock Exchange Limited, Mumbai. The code for Mumbai Stock Exchange is 519281.

SHAREHOLDING PATTERN AS ON 31.03.2014

	CATEGORY	NO. OF SHARES HELD	% OF HOLDING
A	Promoters Holding		
	1. Indian Promoters	53,67,529	9.87
	2. Ministry of Food Processing	15,00,000	2.76
	3. Persons acting in concert	2,51,36,419	46.24
	Sub Total	3,20,03,948	58.87
B	Non Promoters Holding		
	4. Institutional Investors		
	a) Mutual Funds and UTI	7,900	0.01
	b) Banks/Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	128146	0.24
	c) Foreign Institutional Investors	0.00	0.00
	Sub Total	136046	0.25
	5. Others		
	a) Private Corporate Bodies	2433284	4.48
	b) Indian Public	19096032	35.13
	c) Non Resident Indians/Overseas Corporate Bodies	662177	1.22
	d) Any Other		
	a) Directors	16000	0.03
	b) Clearing Members	17513	0.03
	Sub Total	22225006	40.89
	Grand Total	54365000	100%

STOCK MOVEMENT DATA**Bombay Stock Exchange****National Stock Exchange**

Month	High(Rs)	Low (Rs)	Monthly Volume	High (Rs)	Low(Rs)	Monthly Volume
April 2013	4.23	3.15	700817	3.4	2.5	187636
May 2013	3.49	2.31	711342	2.9	2.2	167728
June 2013	3.19	2.31	443456	3	2	265515
July 2013	3.43	2.44	254830	3.2	2.2	201764
Aug 2013	2.94	2.17	346778	2.6	2.2	128000
Sept 2013	2.84	2.1	206273	2.3	1.8	642800
Oct 2013	3.15	2.06	103853	2.2	1.85	199097
Nov 2013	2.92	1.87	46197	1.95	1.65	23565
Dec 2013	2.17	1.75	77564	1.75	1.5	18115
Jan 2014	2.24	1.78	116330	2.5	1.6	125691
Feb 2014	1.9	1.68	147491	1.95	1.6	125188
Mar 2014	1.98	1.46	264132	1.55	1.35	207799

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014

Sr. No.	Category From To	Number of Cases	% of Cases	Amount	% of Amount
1	01 - 5000	16076	75.87	30973670.00	5.70
2	5001 - 10000	2285	10.78	19242830.00	3.54
3	10001 - 20000	1336	6.31	21232180.00	3.91
4	20001 - 30000	468	2.21	12273670.00	2.26
5	30001 - 40000	225	1.06	8133390.00	1.50
6	40001 - 50000	212	1.00	10071040.00	1.85
7	50001 - 100000	319	1.51	24262510.00	4.46
8	100001 < above	267	1.26	417460710.00	76.79
	Total	21188	100.00	543650000.00	100.00

DEMATERALISATION OF SHARES

As on 31st March 2014, in total 5,21,93,706 (96.01% of the total number of shares) shares are in dematerialised form. The Company's shares are compulsorily traded in dematerialised form.

INVESTOR CORRESPONDENCE

Shareholders can contact the Company's Registrar & Share Transfer Agent:-

M/S. KARVY COMPUTER SHARES PVT LIMITED
PLOT NO.17-24, VITHAL RAO NAGAR,
MADHAPUR,
HYDERABAD – 500 081

GEO/CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement the certificates duly signed by Mr. Vivek Atri, Managing Director, were placed at the meeting of Board of Directors held on 4th August, 2014.

AUDITORS' CERTIFICATE

To the Members of
Agro Dutch Industries Limited

We have examined the compliance of conditions of corporate governance by Agro Dutch Industries Limited, for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

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

We state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

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 Rakesh Singla & Associates
Chartered Accountants
Firm Reg No. :03371N
RAKESH KUMAR KHANNA

Partner
M.No. : 086046

Place: Chandigarh
Dated: 26.05.2014

Declaration to the Compliance with code of conduct as per clause 49 of the Listing Agreement.

I, Vivek Atri, Managing Director of Agro Dutch Industries Limited having its registered office at SCO 30, 1st Floor, Sector 33 D, Chandigarh do hereby certify that the Board of Directors has formulated the code of conduct as per the provisions of clause 49 of the Listing Agreement for the Directors and Senior Management Personnel, which has been posted on the website of the company.

Further, it is hereby confirmed that all the Directors and Senior Management Personnel have complied with the code of conduct and a confirmation to this effect has been obtained from Directors and Senior Management Personnel for the financial year 2013-14.

**On behalf of the Board of Directors
Sd/-
(Vivek Atri)
Managing Director**

**Place: Chandigarh
Date: August 4, 2014**

INDEPENDENT AUDITORS' REPORT

To
The Members of
AGRO DUTCH INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **AGRO DUTCH INDUSTRIES LIMITED**, (“the company”) which comprise the Balance Sheet as at **31/03/2014**, and the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of the company in accordance with the accounting standards referred to in sub –section (3C) of section 211 of the Companies Act 1956 (“the Act”) read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depend upon auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances ,but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that 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 case of the Balance Sheet, of the state of affairs of the Company as at **31/03/2014**;
- (b) in case Statement of Profit and Loss Account, of the **Loss** for the year ended on that date;
- (c) in case of the Cash Flow Statements, of the cash flows for the year ended on that date.

Emphasis of Matters:

- (i) Note 1b regarding pending export obligations against import of machinery under advance license as stated in the said note.
 - (ii) Note 1b Para XIV regarding reasons for preparing the financial statements of the company on a going concern basis, notwithstanding the fact that its net worth is totally eroded. The appropriateness of the said basis is interalia depends on the admission of its case by BIFR and the rehabilitation package approved by BIFR, and repayment of debts by sale of surplus and non-core assets of the company.
 - (iii) Note 1b Para XV regarding none provisioning of demurrage, freight and other charges amounting to Rs. 530.00 lacs claimed by the freight forwarding agency on recall of containers but disputed by the company on the basis of legal opinion.
 - (iv) Note 1b Para XVI regarding none provisioning for penal interest and other charges levied by financial institutions/banks for the reasons explained in the note.
 - (v) None provisioning of Goods in transit lying for the long period with third party, for which no physical verification/ confirmation has been made by the company.
- Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, We give in the Annexure a statements 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 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 examinations of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and cash flow statments dealt with by this Report are in agreement with the books of account;
 - d. In our opinion , the Balance Sheet, Statement of Profit and Loss, and cash flow statments comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956 , 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;
 - e. On the basis of written representations received from the directors as on **31/03/2014** and taken on record by the Board of Directors, none of the director is disqualified as on **31/03/2014**, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Date : 26/05/2014

Place : CHANDIGARH

FOR RAKESH SINGLA & ASSOCIATES
(Chartered Accountants)
Reg No. :03371N

RAKESH KUMAR KHANNA
Partner
M.No. : 086046

ANNEXURE TO THE AUDITORS' REPORT**1. In respect of its fixed assets:**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, All fixed assets were physically verified by the management in the previous year in accordance with a planned program of verifying them one in three years which, in our opinion, is reasonable have regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed o such verification.
- (c) No substantial part of fixed assets have been disposed off during the year, and it has not affected the going concern.

2. In respect of its inventories:

- (a) As explained to us, The management has conducted physical verification of inventory(except for the stock lying with third parties.) at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

- (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clause (iii)(b) to (iii)(d) of paragraph 4 of the Order are not applicable to the Company for the Current year.
- (b) N.A
- (c) N.A
- (d) N.A
- (e) The company has taken loan from different companies/ entities covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year . and the year end balance of loans taken from such parties is enclosed as per annexure I. (f)N.A (g)N.A

4. In respect of internal control In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, We have not observed continuing failure to correct major weaknesses in internal control system.**5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956**

- (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies Act 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 are made at price which are reasonable having regard to prevailing market prices at the relevant time.

6. In respect of deposits from public

No deposits within the meaning of Sections 58A and 58AA or any other relevant provision of the Act and rules framed thereunder have been accepted by the Company.

7. In respect of internal audit system

In our opinion, the Company has an internal audit system commensurate with its size and nature of business.

8. In respect of maintenance of cost records

We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or not.

9. In respect of statutory dues

- (a) According to the information and explanation given to us and the records of the company examined by us. The company is regular in depositing the undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable. Except Rs. 1184033.00 for Provident Fund, Rs. 354612.00 for TDS and Rs. 92213.00 for Service Tax.
- (b) According to the records of the Company, there are no dues of Income tax, sales tax, customs duty, wealth tax, service tax, excise duty, sales tax and cess that have been not been deposited on amount of any dispute.

10. In respect of accumulated losses and cash losses

The company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The company has incurred cash loss during the year and also incurred cash losses in the immediately preceding financial year.

11. In respect of dues to financial institution / banks / debentures

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has defaulted in repayment of dues to a financial institutions and banks. The details are given as per annexure II.

12. In respect of loans and advances granted on the basis of security

According to the information and explanations given to us and based on the documents and records produced 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. In respect of provisions applicable to Chit fund

In our opinion and according to information and explanations given to us the company is not chit fund or a nidhi or mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the company.

- (a) N.A
(b) N.A
(c) N.A

(d) N.A

14. In respect of dealing or trading in shares, securities, debentures and other investment

In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.

15. In respect of guarantee given for loans taken by others

In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

16. In respect of application of term loans

According to the information and explanations given to us, in our opinion, the terms loans availed by the company were, prima facia, applied for the purpose for which they were raised.

17. In respect of fund used

Based on an overall examination of the Balance Sheet of the company and a review of the consolidated fund flow statement for the year, we report that no funds raised on short-term basis have been used for long-term investment.

18. In respect of preferential allotment of shares

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year.

19. In respect of securities created for debentures

The company did not have any outstanding debentures as on 31.03.2014.

20. In respect of end use of money raised by public issues

The company has not raised any money from the public during the year under audit.

21. In respect of fraud

Based upon the audit procedures performed for the purpose of recording the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud or by the company has been noticed or reported during the course of our audit.

Place : CHANDIGARH

Date : 26/05/2014

FOR RAKESH SINGLA & ASSOCIATES

(Chartered Accountants)

Reg No. :03371N

RAKESH KUMAR KHANNA

(Partner)

Membership No : 086046

BALANCE SHEET AS ON 31st MARCH 2014

(Amount In Rs.)

Particulars	Note	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	940,061,000	940,061,000
Reserves and surplus	3	(2,806,751,273)	(2,182,892,097)
Money Received against share warrants		-	-
		(1,866,690,273)	(1,242,831,097)
Share Application Money Pending Allotment			
		-	-
Non-Current Liabilities			
Long-term borrowings	4	18,000,000	18,889,937
Deferred tax liabilities	5	54,422,310	91,140,682
Other long term liabilities		-	-
Long-term provisions	6	3,470,862	2,098,476
		75,893,172	112,129,095
Current liabilities			
Short-term Borrowings	7	-	1,073,718,542
Trade payables	8	129,667,948	128,828,115
Other current liabilities	9	6,233,061,853	4,562,749,395
Short-term provisions	10	2,143,797	1,476,094
		6,364,873,598	5,766,772,146
TOTAL		4,574,076,497	4,636,070,144
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	11	2,187,920,363	2,361,344,204
Capital work-in-progress		1,749,755,757	1,573,338,393
Long-Term loans and advances	12	70,299,867	80,813,607
		4,007,975,987	4,015,496,204
Current Assets			
Inventories	13	422,517,933	487,602,146
Trade receivables	14	69,018,610	56,450,119
Cash and Cash Equivalents	15	8,698,056	9,897,807
Short-Term loans and advances	16	16,640,307	14,459,791
Other current assets	17	49,225,603	52,164,078
		566,100,510	620,573,940
TOTAL		4,574,076,497	4,636,070,144

Significant Accounting Policies and Notes on accounts

1 to 28

This is the Balance sheet referred to in our report of even date,
for Rakesh Singla & Associates
Chartered Accountants
FRN003371N

For and on Behalf of the Board

Rakesh Kumar Khanna
Partner
Membership No 086046

Vivek Atri
Dy. Managing Director

Malvinder Singh
Chairman & Managing Director

Jalesh Grover
Director

H.S.Nagra
Director

Place : Chandigarh
Dated: 26.05.2014

Seema Saini
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDING 31ST MARCH 2014**(Amount In Rs.)**

Particulars	Note	31.03.2014	31.03.2013
Revenue			
Sale of Products (Gross)	18	114,613,148	348,724,359
Other Operating Income	19	2,961,471	13,908,811
		<u>117,574,619</u>	<u>362,633,170</u>
Less : Excise Duty		2,739,087	7,578,845
		<u>114,835,532</u>	<u>355,054,325</u>
Other Income	20	888,350	2,763,069
Total Revenue		<u>115,723,882</u>	<u>357,817,394</u>
Expenses:			
Cost of Materials Consumed	21	33,555,404	153,440,925
Changes in inventories	22	53,277,805	337,994,411
Employee benefits expense	23	23,948,249	38,348,604
Finance costs	24	417,907,534	406,018,453
Depreciation and amortization expense	25	163,891,180	164,626,238
Other expenses	26	116,400,407	265,818,423
Total Expenses		<u>808,980,579</u>	<u>1,366,247,054</u>
		<u>(693,256,697)</u>	<u>(1,008,429,661)</u>
Less/Add:- Exceptional Item	27	(44,399,978)	25,222,226
		<u>(648,856,719)</u>	<u>(1,033,651,887)</u>
Profit / (Loss) before extraordinary items & tax		<u>(648,856,719)</u>	<u>(1,033,651,887)</u>
		-	-
Profit/ (Loss) before tax		<u>(648,856,719)</u>	<u>(1,033,651,887)</u>
Tax expense:			
Current year		-	-
Mat Credit entitlement-Reversal		10,550,740	14,529,150
Deferred tax Liability/(Credit)		(36,718,372)	(53,496,317)
Prior period items (Net)	28	1,170,089	3,946,540
		<u>(25,097,603)</u>	<u>(35,020,627)</u>
Profit/ (Loss) for the year		<u>(623,859,176)</u>	<u>(998,631,259)</u>
Earnings per equity share (Par value of ` 10/- each)			
Basic		(11.48)	(18.37)
Diluted		(11.48)	(18.37)

Significant Accounting Policies and Notes on accounts 1 to 28

This is the Balance sheet referred to in our report of even date.**for Rakesh Singla & Associates****For and on Behalf of the Board****Chartered Accountants****FRN003371N****Rakesh Kumar Khanna****Partner****Membership No 086046****Vivek Atri**
Dy. Managing Director**Jalesh Grover**
Director**Malvinder Singh**
Chairman & Managing Director**H.S.Nagra**
Director**Place : Chandigarh****Dated: 26.05.2014****Seema Saini**
Company Secretary

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

I) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

II) Revenue Recognition

Revenue/Income and Cost/Expenditure are generally accounted on accrual basis as they are earned or incurred. Incentives from various government agencies (for which the company is entitled under different schemes of the Government) are accounted for in the year of eligibility.

III) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that effects the amounts reported in the financial statements and notes thereto. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

IV) Fixed Assets and Depreciation

Fixed Assets
Fixed Assets are stated at cost of construction/ acquisition less accumulated depreciation and impairment losses. Cost comprises Purchase price and all other Costs of bringing the assets to its working condition for intended use. Financial costs relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Pre-operative expenses for major projects are also capitalised, where appropriate

Depreciation
Depreciation on fixed assets is provided on straight line method in the manner and at the rates specified in schedule XIV to the Companies Act, 1956.

Impairment Loss

Company has reviewed its future earning of its cash generating unit as on 31st March 2014 in accordance with the accounting standard issued by 'The Institute of Chartered Accountant of India'. Since the carrying amount of the assets does not exceed the future recoverable amount, consequently, no adjustment is considered necessary by the Management.

V) Inventories

Inventories are valued at lower of cost or estimated net realizable value. The basis of determination of cost for different categories of inventories are as follows:

Raw Material, Store and spares At lower of cost or net realizable value on first-in first-out basis

Finished Goods At lower of cost or net realizable value

Work in Progress The cost includes - Material cost, Labour and appropriate share of manufacturing and other costs incurred in bringing the inventories to the present location and condition.

VI) Sales

Sales/Sales Returns are accounted for on dispatch of goods from/receipt of goods in the factory to/from the customers or Rejection. Sales are net of returns, if any, rejection of goods.

VII) Custom Duty and Excise Duty

Custom Duty and Excise Duty is accounted for at the time of dispatch of goods from factory.

VIII) Foreign Exchange Transactions

a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

b) At the year end, monetary items denominated in foreign currencies other than those covered by forward contracts are converted into rupee equivalent at the year-end exchange rates.

c) All exchange differences arising on settlement / conversion of foreign currency transactions are recorded in the Profit and loss account

d) In respect of transactions covered by forward exchange contracts, the difference between

the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the period of contract.

- IX) Research & Development
Revenue expenditure on research & Development (other than Cost of Assets acquired) are charged to Profit and Loss Account in the year in which they are incurred.
- X) Employee Benefits
- a) Short Term Employee Benefit :All employees' benefits payable within twelve months of rendering of services are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, earned leave, awards, exgratia etc. and the same are recognized in the period in which the employee renders the related service.
 - b) Post Employment Benefits:
 - i) Defined Contribution Plan:
The Company's approved superannuation scheme, provident Fund Scheme are defined contribution plans. The contribution paid / Payable under the schemes are recognized during the period in which the employee renders the related services.
 - ii) Defined Benefit Plan:
The employee's gratuity fund scheme is company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Project Unit Credit Method as at the date of the Balance Sheet. In case of Funded plans, the fair value of the plan asset is reduced from the gross obligation under the defined benefits plan, to recognize the obligation on the net basis.
- XI) Deferred Revenue Expenditure
Processing charges and Syndication paid for obtaining Term Loans for repayment of High cost loans has been treated as Deferred Revenue Expenditure and are written off over the period of loan.
- XII) Taxation
Current tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws. Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date.
- XIII) Expenditure during Construction Period
In the case expansion of existing/New units, all pre-operating expenditure especially for the project, incurred up to the date of installation, are capitalized and added pro rata to the cost of fixed assets.
- XIV) Borrowing costs:
Borrowing costs attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for the intended use. The other borrowing costs are recognized as expense in the period in which these are incurred.
- XV) Prior Period & Extraordinary Items
Prior period, extra ordinary items and changes in accounting policies having material impact on the financial affairs of the company are disclosed.
- XVI) Provision & Contingent Liabilities
The company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.
- XVII) Accounting policies not specifically referred to above are consistent with Generally Accepted Accounting Policies (GAAP)

Note No.1(b)

I a) Contingent liabilities not provided for in respect of: -

Rs. in Lakhs

Particulars	Current Year	Previous Year
Collateral Security Bond with US Customs and Protection USA	128.76	128.76
Surety Bond to the Excise Department	5,000.00	5,000.00
Litigation Pending against company and not provided for	175.18	149.92
Demurraged & Other Charges on goods in the Custody of the third Parties	245.35	245.35
DGFT Adjudication	300	-
Preference Dividend on 6% OCCRPS for 2009-10, 2010-11, 2011-12 & 2012-13 including Dividend Distribution Tax thereon.	1382.02	1105.72

- I b) Custom duty saved on Machinery imported against advance license scheme as on 31st March, 2014 and 31st March, 2013 is 2136.31 lacs and Rs 2136.31 lacs respectively. The management is of the view that the necessary Compliance will be adhere to.
- II) Company has provided Rs. NIL (last year Rs 2.48 lacs) as liability on account of Anti Dumping Duty for the period 1-4-2013 to 31-3-2014 on the basis of last assessment. Difference, if any, will be accounted for at the time of final assessment for the period.
- III) Under the provisions of Accounting Standard-18 Issued by the Institute of Chartered Accounts of India following information is disclosed: Particulars of Transactions

(Amount in Rs.)

Name	Relationship	Nature of Transactions	Current Year	Previous Year	Balance Outstanding as on 31.03.2014
Shri. Arvind Kalra	Key Management	Director's Remuneration	-	780,000	
Sh Vivek Atri	Key Management	Director's Remuneration	1,950,000	1,300,000	
Sh H S Nagra	Key Management	Director's Remuneration	663,000	456,258	
Penta Homes (P) Ltd	Directors interested	Loan taken	41,900,000	24,950,000	1,532,000
Calibre Rehabs Ltd	Directors interested	Loan Repaid	100,000	13,520	1,004,427
Penta Homes (P) Ltd	Directors interested	Loan Repaid	47,228,000	58,750,000	1,532,000
Calibre Rehabs Ltd	Directors interested	Interest paid	-	83,108	1,004,427
Shri Malvinder Singh	Promoter	Loan Taken	20,900,000	69,700,000	NIL
Shri Malvinder Singh	Promoter	Loan Repaid	90,600,000	-	NIL
Vishwa Calibre Builders (P) Ltd.	Directors interested	Loan Taken	-	11,650,000	10,610,547
Vishwa Calibre Builders (P) Ltd.	Directors interested	Interest paid	-	183,942	10,610,547
Vishwa Calibre Builders (P) Ltd.	Directors interested	Loan Repaid	200,000	1,005,000	10,610,547

IV) Earning Per Share

Particulars	Current year	Previous Year
Profit/ (loss) after Tax	(6,238.59)	(9,986.31)
Less : Preference Dividend		-
Profit/ (loss) Attributable to Equity share holders	(6,238.59)	(9,986.31)
Weighted Average No of Equity shares	54,365,000	54,365,000
Nominal value Per Equity Share	Rs10/-	Rs10/-
Earning per share (Basic)	(11.48)	(18.37)
Earning per share (Diluted)	(11.48)	(18.37)

V) Deferred Tax Liability

Accounting for Taxes on Income – Disclosure as per AS 22: Major components of deferred tax assets and liabilities on account of timing differences are as follows:

Particulars	31.3.2014	31.3.2013
Deferred Tax Liabilities in respect of:	Rs. In Lacs	Rs. In Lacs
Difference between Book and Tax depreciation		
Opening Balance Deferred tax liability / (Asset)	911.41	1446.37
Less Adjustment during the year	-367.18	-534.96
Deferred Tax liability at the end of the year	544.23	911.41

The company follows Accounting Standard -22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Since there is no convincing evidence which demonstrates virtual certainty of realization of deferred tax assets, the company has prudently decided not to recognise deferred tax asset.

VI)

	Rs. Lacs	
	Current Year	Previous Year
a) CIF Value of Imports		
Raw Material & consumables	0	100.23
Spares & Components	-	1.93
b) Earning in Foreign Currency		
FOB Value of Exports	582.07	2,595.95
c) Expenses in foreign currency		
Travelling	6.12	1.13
Interest and finance charges	278.81	243.3
Legal & Professional Charges	-	0
Rates and taxes	-	0
Others	1.39	7.96
d) Foreign Currency Remittance (Repayment of Foreign currency loan)	-	-

e) Details of Raw Materials consumed		Qty In '000 (Rs. in lacs)			
Particulars	UM	Current Year		Previous Year	
		Qty	Value	Qty	Value
Wheat Straw Paddy Straw	MT	3,955.9	91.10	402.9	12.75
Chicken Manure	MT	2,392.1	28.68	15115.8	161.54
LDPE Granules	MT	31.5	33.54	87.8	80.03
Tin Plate	MT	89.3	54.18	719.9	408.44
Others (Lacquer, Spawn, Copper wire, etc.)	MT	4,988.8	210.66	27278.8	871.66

f) Value of Raw Materials, Spare Parts and Components Consumed During the Year

(Rs. In Lacs)

Raw Material	Current Year		Previous Year	
	Value	%	Value	%
Imported	14.68	4.49	106.08	6.91
Indigenous	312.38	95.51	1428.33	93.09
Spare parts and Components				
Imported	-	-	0.7	1.22
Indigenous	9.59	100.00	56.55	98.78

g) Auditor's Remuneration

(Rs. in lacs)

Particulars	Current Year	Previous Year
Audit Fee	2.70	5.50
Tax Audit Fee	0.35	0.35
Certification Charges	0.30	0.60
Others	-	0.40
Total	3.35	6.85
(The above figures excludes Service Tax Amounting of Rs.)	0.41	0.85

VII) SEGMENT INFORMATION

Company deals in one product i.e. export of canned mushroom. As such Board is of the opinion that no disclosure is required as per accounting standard 17.

VIII) a) Prior Period Adjustments

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Debits relating to Earlier Years		
On account of Income Tax	-	-
Others	11.70	39.47

b) Foreign Currency Gain / (loss)

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Sales	17.23	(9.41)
Financial Charges	(315.13)	(2.01)
	(297.90)	(11.42)

c) Exceptional Items Includes:

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Apeda Transport Subsidy	-	58.29
Debtors Written Off	-	69.58
Freight and other exp on recall of goods	-	124.35
Profit on Sale of Fixed Assets	443.99	-
Total	443.99	252.22

Note : Write off on account of Apeda Transport Subsidy is due to rejection of claim by the respective agencies. As regards expense on Freight and others on recall refer point XV below.

IX) Valuation of Work-in-Process & Finished Goods being a technical matter has been taken as certified by the Management and Cost Accountant.

- X) As per notification of APEDA, the Company is entitled to transport Subsidy in respect of freight on Exports made during the year. The estimated value of Subsidy works out to NIL (previous year Rs 17.30 lacs) for the year 2013-14. The same amount has been considered in the Profit & Loss account against the Ocean Freight.
Company is also entitled for C.S.T reimbursement and Duty drawback on H.S.D under the EXIM Policy. During the year company paid Rs. 2.71 Lacs (Previous year Rs. 33.35 Lacs) as C.S.T. The amount has been taken under the head advance since the whole amount is reimbursable under the above policy. Duty drawback for NIL (previous year Rs 4.24 Lacs) on Diesel has been adjusted against consumption of diesel.
- XI) On the basis of information available with the Company, regarding the status of suppliers as defined under the "Micro Small and Medium Enterprises Development Act 2006", total dues to suppliers as at 31st March 2014 amounts to Rs. 74,09,527/- (Previous Year : Rs. 78,93,830/-)
Further as per information available the company has not provided any interest on overdues amount during the period/close of the year as required under the Act.
- XII) In the opinion of the Board Current Assets, Loans & Advances are approximately of the value stated which if realized in the ordinary course of business except stated otherwise. The provisions for all the known liability are adequate.
- XIII) Commissioning of Can making plant at Chennai is getting delayed due to final integration of the unit, which is pending due to liquidity problem being faced by the Company.
- XIV) The Company is continuously incurring substantial losses and its net worth has been fully eroded. The entire Loan accounts of the Company has become Non Performing/recalled/doubtful and has been accordingly been shown under the head 'Current Liabilities'.
Subsequent upon erosion of entire net worth, The Company filed fresh reference to the BIFR. The same has been registered vide case no. 75/2013
The Secured Consortium Lenders have issued notice under section-13(2) of SARFESI ACT, 2002. The Company has suitably replied the same.
The Secured Lenders have decided to sell surplus and non core assets through Asset Sale Committee & UBI Consortium.
The company expect the liquidation of the Secured Term Debts by way of disposing the said non core and surplus assets. Further the activity of the company shall continue with the remaining assets as going concern. Taking into account the above facts, the financial statements have been prepared on the basis that the company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.
- XV) The Operations of the Company continued to be adversely affected due to presence of some traces of Carbendazim in Shipments of Canned Mushrooms to US. The said development has resulted into reduced level of production. The freight forwarder agency has served a legal notice of Rs. 3.75 Crores, which is towards inward and outward freight and also includes an amount of Rs. 1.55 Crores towards detention and demurrage charges. The Company has not made any provision towards that detention and demurrage as the said claim is not tenable as per the legal opinion obtained by the company.
- XVI) As per the financial restructuring scheme approved by the CDR - EG, there is no provision relating to penal interest and other charges. As such the company has not made any provision on that account. More over since the company is approaching BIFR, it is hopeful of suitable package which will result in reduction
- XVII) DISCLOSURES IN ACCORDANCE WITH REVISED AS-15 ON "EMPLOYEEES BENEFITS"

a) Defined Contribution Plan:-

The Company has recognized the following amounts in the Profit and Loss Account for the Year:

Particulars	Rs. In Lacs	
	Current Year	Previous Year
Employer's Contribution to Provident Fund	3.79	3.85
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Employee's State Insurance	4.09	8
Employer's Contribution to Employee's Pension Scheme, 1995	8.61	8.74
Total	16.50	20.59

b) **Defined Benefit Plans:-**

The following figures are as per actuarial valuation, as at the Balance Sheet Date, carried out by an independent actuary.

i) A reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Plan (DBO).

Particulars	Rs. In Lacs	
	Current Year	Previous Year
Opening Balance at the beginning of the year	34.69	70.24
Add : Current Service Cost	3.87	3.96
Add : Interest Cost	2.78	5.62
Actuarial (Gain)/Loss	8.51	(22.03)
Less : Benefits Paid	(15.12)	(23.10)
Closing DBO Balance	34.73	34.69

ii) A reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

Particulars	Rs. In Lacs	
	Current Year	Previous Year
Opening Fair Value of Plan Assets	13.71	32.73
Add : Expected Return on Plan Assets	0.93	2.99
Add/(Less) : Actuarial Gain/(Loss)	0.51	0.45
Add : Contribution by Employer	-	0.64
Less : Benefits Paid	(15.12)	(23.10)
Closing Fair Value of Plan assets	0.03	13.71
Actual Return on Plan Assets	1.44	3.45

iii) Amount recognized in Balance Sheet including a Reconciliation of the Present Value of the Defined obligation in (a) and Fair value of the Plan assets in (b) to the assets and liabilities recognized in the balance sheet.

Particulars	Rs. In Lacs	
	Current Year	Previous Year
Present Value of Funded Obligations	34.73	34.69
Add : Unfunded Obligations	-	-
Less : Fair Value of Plan Assets	0.03	13.71
Net Liability/(Assets) recognised in Balance Sheet	34.70	20.98

iv) The Total Expense Recognised in the Profit and Loss Account:

Particulars	Rs. In Lacs	
	Current Year	Previous Year
Current Service Cost	3.87	3.96
Interest Cost	2.78	5.62
Expected Return on Plan Assets	(0.93)	(2.99)
Actuarial (Gain) / Losses	8.00	(22.48)
Past Service Cost	-	-
Total	13.72	(15.89)
Note :-		
Since there is reversal of Gratuity Provision during the Year.Following Treatment has been given in the Financial Statements.		
1. Current Year Service Cost charged to Statement of Profit & Loss Account under the head of Employee Benefits	3.87	3.96
2. Gratuity Provision reversed during the year & shown under the head "Miscellaneous Income" In the Statement of Profit & Loss A/c.	9.85	19.85
3.Net Impact	13.72	(15.89)

v) For each major category of Plan Assets, following is the percentage that each major constitutes of the fair value of the Plan Assets:

Particulars	Current Year	Previous Year
Government of India Securities	-	-
Corporate Bonds	-	-
Special Deposit Scheme	-	-
Equity Shares of Listed Companies	-	-
Property	-	-
Insurance Managed Funds	100%	100%
Others	-	-
Total	100%	100%

- vi) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

- vii) Following are the Principal Actuarial Assumptions used as at the Balance Sheet Date:

Note 2

(Amount In Rs.)

As at	31.03.2014	31.03.2013
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SHARE CAPITAL**AUTHORISED**

Equity Share Capital	700,000,000	700,000,000
7,00,00,000 equity shares of Rs.10/- each (Previous year 7,00,00,000)		
Preference Share Capital	400,000,000	400,000,000
40,00,000 Preference shares of Rs.100/- each (previous year 40,00,000)		
	1,100,000,000	1,100,000,000

ISSUED, SUBSCRIBED AND FULLY PAID-UP

Equity Share Capital		
5,43,65,000 Equity shares of Rs.10/- each (Previous year 5,43,65,000)	543,650,000	543,650,000
Preference Share Capital		
6% Optionally Convertible Cumulative Redeemable Preference Shares	396,411,000	396,411,000
39,64,110 shares of Rs.100/- each (Previous year 39,64,110)		
	940,061,000	940,061,000

a) **Reconciliation of the Equity shares outstanding at the beginning and at the end of the year**

	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
At the Beginning of the year	54,365,000	543,650,000	54,365,000	543,650,000
Add : Share Issued during the year	-	-	-	-
Outstanding at the end of the year	54,365,000	543,650,000	54,365,000	543,650,000

- b) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.
- c) Following Shareholders hold equity shares more than 5% of the total equity shares of the Company and no other share holder of the Company holds more than 5 percent of the equity shares.

c (a)	Equity Share		% Holding	Nos of Shares	% Holding
i	Penta Homes Pvt. Ltd.	19,743,663	36.32	19,743,663	36.32
ii	Vishwa Calibre Builders Pvt. Ltd.	5,392,736	9.92	5,392,736	9.92
iii	Malvinder Singh	4,824,629	8.87	4,824,629	8.87

c (b)	Optional Convertible Cumulative Redeemable Preference Shares	Nos of Shares	% Holding	Nos of Shares	% Holding
i)	Bank of India	900,000	22.70	900,000	22.70
ii)	Union Bank of India	858,000	21.64	858,000	21.64
iii)	Axis Bank	526,710	13.29	526,710	13.29
iv)	ICICI	471,000	11.88	471,000	11.88
v)	The Federal Bank	467,000	11.78	467,000	11.78
vi)	State Bank of Patiala	332,500	8.39	332,500	8.39
vii)	State Bank of India	234,000	5.90	234,000	5.90

- d) Company allotted 39,64,110, 6 % Optional Convertible Cumulative Redeemable Preference Shares of Rs 100/- each to the lenders as per terms of CDR on 31.3.2010
- e) The OCCRPS are redeemable in 4 Equal instalments starting from 31.3.2016 and ending in 31.3.2019. The holders of OCCRPS, in case of default by the company, can exercise right/ option to convert OCCRPS into equity at the end of four years.
- f) The Promoters shall have the right of first refusal in case of conversion of OCCRPS into equity.

Note 3	(Amount In Rs.)	
As at	31.03.2014	31.03.2013
RESERVES AND SURPLUS		
Reserves		
Capital Reserve		
As per last Balance Sheet	17,857,250	17,857,250
	<u>17,857,250</u>	<u>17,857,250</u>
Securities Premium Account		
As per last Balance Sheet	442,187,500	442,187,500
	<u>442,187,500</u>	<u>442,187,500</u>
General Reserve		
As per last Balance Sheet	559,224,181	559,224,181
	<u>559,224,181</u>	<u>559,224,181</u>
Profit and Loss Account		
Loss as per last balance sheet	(3,202,161,028)	(2,203,529,769)
Add: Profit /(Loss) for the year from Statement of Profit & Loss Account	(623,859,176)	(998,631,259)
	<u>(3,826,020,204)</u>	<u>(3,202,161,028)</u>
Grand Total	<u>(2,806,751,273)</u>	<u>(2,182,892,097)</u>

Note 4	(Amount In Rs.)	
As at	31.03.2014	31.03.2013
LONG-TERM BORROWINGS		
Term Loans		
Secured		
From Banks		
Rupee loans	-	-
Loan for (Vehicles)	-	889,937
Unsecured		
From related Corporate	18,000,000	18,000,000
TOTAL	<u>18,000,000</u>	<u>18,889,937</u>

The above said Rupee Term Loan/FITL/WCTL/Corporate term loans are secured by way of pari passu first charge on the Fixed assets of the company and Pari passu second charge on current assets of the company, present and future.

The above said Term Loan/WCTL/FITL (except Foreign Currency Loans) are further secured by way personal guarantee of two directors of the company (Out of which one has resigned) as well as pledge of their 100% holding (present and future) in the company. The said facilities are further secured by the corporate guarantee of M/S Vishwa Calibre Builders Pvt. Ltd. and M/S Penta Homes Pvt. Ltd . The later's guarantee being limited to the extent of face value of 19,00,000 equity shares in Agro Dutch Industries Limited.

The Secured Lenders (UBI Consortium) have issued a notice under section 13(2) of SARFESI ACT,2002 for repayment of Debt, Which has been Suitably replied by the company.

Note 5**(Amount In Rs.)**

As on	31.03.2014	31.03.2013
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	91,140,682	144,636,999
Adjustment During the Period	(36,718,372)	(53,496,317)
Closing Balance	54,422,310	91,140,682

Note 6

As on	31.03.2014	31.03.2013
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LONG TERM PROVISIONS

Provision for employee benefits	3,470,862	2,098,476
TOTAL	3,470,862	2,098,476

Note 7**(Amount In Rs.)**

As at	31.03.2014	31.03.2013
SHORT-TERM BORROWINGS		
Secured		
From Banks		
Rupee loans		
Working Capital Demand Loans	-	211,739,597
Working Capital Limits	-	743,573,383
Unsecured		
Loan From Related Party		
From Corporates	-	18,774,974
From Directors	-	69,700,000
Loan From Others		
From Corporates	-	29,930,588
TOTAL	-	1,073,718,542

The above said Working Capital Demand loan are secured by way of pari passu first charge on the Fixed assets of the company and Pari passu second charge on current assets of the company, present and future.

Working capital facilities are secured by way of pari passu first charge on the current assets of the company and pari passu second charge on the fixed assets of the company , present and future.

The above said Working Capital facilities & Working Capital Demand Loans are further secured by way personal guarantee of two directors of the company as well as pledge of their 100% holding (present and future) in the company. The said facilities are further secured by the corporate guarantee of M/S Vishwa Calibre Builders Pvt. Ltd. And M/S Penta Homes Pvt. Ltd . The later's guarantee being limited to the extent of face value of 19,00,000 equity shares in Agro Dutch Industries Limited.

Note 8

(Amount In Rs.)

As at	31.03.2014	31.03.2013
TRADE PAYABLES		
For Goods and Services	122,258,420	120,934,285
Due to Micro, Small & Medium Enterprises (To the extent identified with available information)	7,409,527	7,893,830
Total	129,667,948	128,828,115

Note 9

(Amount In Rs.)

As at	31.03.2014	31.03.2013
OTHER CURRENT LIABILITIES		
Current Maturities of long Term Debts	4,615,206,247	3,487,549,519
Interest accrued & due on borrowings	1,442,686,729	913,811,833
Advances from customers and others	53,320,654	47,957,299
Overdraft by Banks	27,973,708	27,779,317
Other Payables		
Statutory dues (including Tax deducted at source and Provident Fund)	28,060,043	25,112,202
Others	65,814,472	60,539,226
TOTAL	6,233,061,853	4,562,749,395

Note :- All term loan liabilities have become Non Performing Assets/recalled/doubtful and as such have been shown under the head Current Maturities of long term Debts.

Note 10

(Amount In Rs.)

As at	30.03.2014	31.03.2013
SHORT TERM PROVISIONS		
Provision for employee benefits	1,926,852	1,356,394
Provision for Wealth tax	216,945	119,700
Total	2,143,797	1,476,094

Note 11**Capital Work in Progress**

(Amount In Rs.)

	As at 01.04.2013	Additions	Deductions & Adjustments	Capitalised	As at 31.03.2014
CAPITAL WORK-IN-PROGRESS					
i) Tangible Assets to be commissioned	903,712,676	12,290,881	-	12,290,881	903,712,676
ii) Expenditure pending allocation	669,625,716	176,417,365	-	-	846,043,081
Total	1,573,338,392	188,708,246	-	12,290,881	1,749,755,757
Previous year	1,455,485,983	121,114,390		3,261,980	1,573,338,393

Note 12

(Amount In Rs.)

As at March 31,	31.03.2014	31.03.2013
LONG TERM LOANS AND ADVANCES		
(Unsecured ,Considered good, unless otherwise stated)		
Security Deposits	32,595,916	32,558,916
Mat Credit Entitlement	18,342,172	28,892,912
CAPITAL ADVANCES		
(Unsecured ,Considered good, unless otherwise stated)		
Capital Advances	19,361,779	19,361,779
	70,299,867	80,813,607

Note 13

(Amount In Rs.)

As at	31.03.2014	31.03.2013
INVENTORIES : Valued at lower of cost / net realisable value unless stated otherwise.		
Raw Material	30,584,797	39,847,271
Work In Progress	158,740,444	212,440,215
Finished Goods	154,865,503	154,443,537
Goods in Transit (Stock Lying with third Parties)	59,268,064	59,268,064
Stores & Spares	19,059,124	20,770,814
Scrap	-	832,245
	422,517,933	487,602,146
Less Provison of demunition in value of inventory /obsolete/ unsaleable Goods		-
	422,517,933	487,602,146

NOTE:- Stock Lying with third Parties is at Port Since Shown as in Goods in Transit. No provision is made in the books of the company

Note 14**(Amount In Rs.)**

As at	31.03.2014	31.03.2013
TRADE RECEIVABLES		
Exceeding Six Months		
Unsecured , considered Good	56,184,271	39,424,687
Others		
Unsecured , considered Good	12,834,340	17,025,432
Total	69,018,610	56,450,119

Note 15

As at	31.03.2014	31.03.2013
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks	7,385,007	9,388,856
Cash in hand	1,068,354	271,439
(A)	8,453,361	9,660,295
Other Bank Balances-		
(not available for use to the Company and include) :		
Pledged with banks as margin against credit facilities	244,695	237,512
(B)	244,695	237,512
Total	(A) + (B) 8,698,056	9,897,807

Note No. 16 to the Financial Statements

(Amount In Rs.)

As at March 31,
31.03.2014
31.03.2013
SHORT TERM LOANS AND ADVANCES

(Unsecured , Considered good, unless otherwise stated)

Employees	1,453,238	302,209
Contractors & Suppliers,	14,800,235	13,908,260
	16,253,473	14,210,469
Tax deducted at source	386,834	249,322
Total	16,640,307	14,459,791

Note No. 17 to the Financial Statements

(Amount In Rs.)

As at March 31,
31.03.2014
31.03.2013
OTHER CURRENT ASSETS

Prepaid Expenses	352,518	277,282
Others (Including VKGUY ,APEDA TPT assistance, Duty Draw Back etc.)	48,873,086	51,886,796
Total	49,225,603	52,164,078

Note 18

(Amount In Rs.)

For the period ended
31.03.2014
31.03.2013
Sale of Products
Sales

- Exports	58,206,870	273,259,448
- Domestic	56,406,278	75,464,911
Net Sales	114,613,148	348,724,359

Note 19		(Amount In Rs.)
For the period ended	31.03.2014	31.03.2013
Other Operating Revenue		
Vishesh Krishi Udyog	2,909,817	10,014,673
Other Claims	-	3,894,138
Unclaimed Credit Balance Written Back	51,654	-
Other Operating Income	2,961,471	13,908,811

Note 20		(Amount In Rs.)
For the period ended	31.03.2014	31.03.2013
OTHER INCOME		
Miscellaneous Income	17,051	2,261,937
Interest		
- Margin Money	9,502	42,631
- On Others	861,797	458,501
Total	888,350	2,763,069

Note 21		(Amount In Rs.)
COST OF RAW MATERIAL CONSUMED		
For the period ended	31.03.2014	31.03.2013
Opening Stock	40,679,516	51,742,678
Add Purchase During the Year	23,460,685	142,377,762
	64,140,201	194,120,441
Less Closing Stock	30,584,798	40,679,516
	33,555,404	153,440,925

Note 22		(Amount In Rs.)
Changes in Inventories of Finished Goods and Work in Progress		
(Increase) /Decrease In Stock	31.03.2014	31.03.2013
Closing Stock		
Work In Progress	158,740,444	212,440,215
Finished Good	154,865,503	154,443,537
Goods In transit (Stock lying with third Parties)	59,268,064	59,268,064
Total (A)	372,874,011	426,151,816

Opening Stock

Work In Progress	212,440,215	552,658,685
Finished Goods	154,443,537	190,159,290
Goods In transit (Stock lying with third Parties)	59,268,064	21,328,252
Total (B)	<u>426,151,816</u>	<u>764,146,227</u>
Net (Increase)/ Decrease in stock during the year	<u>53,277,805</u>	<u>337,994,411</u>

Note 23**(Amount In Rs.)**

For the period ended	31.03.2014	31.03.2013
EMPLOYEE BENEFITS EXPENSE		
Salaries	20,083,854	34,572,531
Contribution to provident and other funds	1,964,461	2,679,811
Gratuity	1,372,386	396,382
Staff welfare expenses	527,548	699,880
Total	<u>23,948,249</u>	<u>38,348,604</u>

Note 24**FINANCE COSTS****(Amount In Rs.)**

For the period ended	31.03.2014	31.03.2013
Interest on:		
Term Loan	264,421,687	241,463,388
Working Capital	152,468,728	161,900,751
Others	1,007,892	2,602,853
	<u>417,898,307</u>	<u>405,966,992</u>
Other Borrowing Costs:		
Processing and other charges	9,227	51,461
Total	<u>417,907,534</u>	<u>406,018,453</u>

Note 25**Depreciation and Amortisation Expenses****(Amount In Rs.)**

For the period ended	31.03.2014	31.03.2013
Depreciation	163,891,180	164,626,238
Total	<u>163,891,180</u>	<u>164,626,238</u>

Note 26**OTHER EXPENSES****(Amount In Rs.)**

For the period ended	31.03.2014	31.03.2013
<u>Manufacturing Expenses</u>		
Laboratory Expenses	47,760	208,998
Consumables	2,025,255	5,289,449
Power & Fuel	47,919,732	123,023,273
Repair & Maintenance	959,277	5,724,869
Material Handling Charges	13,721,733	36,650,463
Total (A)	64,673,757	170,897,052
<u>Selling and Other Expenses</u>		
Freight Outward	3,051,880	33,012,378
Anti Dumping Duty Expense	–	248,158
Selling Expenses - Custom Duties & Others	88,402	15,560,838
Packing Material Consumed	4,676,945	18,150,946
Total (B)	7,817,227	66,972,320
<u>Other</u>		
Bank Charges	300,806	2,161,128
Business Promotion	94,733	1,534,881
Insurance Charges	1,096,774	3,447,970
Rent	2,181,857	2,295,794
Legal & Professional Fee	3,205,289	2,710,676
Misc. Expenses	390,321	1,043,303
Office Expenses	646,181	1,059,844
Printing & Stationery	362,984	534,931
Payment to Auditors	335,000	685,000
Stock Audit & Meeting Expenses	119,982	–
Rates, Fees & Taxes	2,684,954	3,664,777
Telephone, Postage & Telegrams	478,625	1,220,604
Travelling Expenses	1,412,559	3,020,317
Vehicle Running & Maintenance	719,848	3,159,943
Rebate & Discount	89,466	–
Loss on Sale of Fixed Assets	–	267,464
Exchange (Gain)/Loss	29,790,044	1,142,420
Total (C)	43,909,423	27,949,052
Grand Total (A+B+C)	116,400,407	265,818,423

Note No. 27 to the Financial Statements

Exceptional Item	(Amount In Rs.)	
For the period ended	31.03.2014	31.03.2013
Exceptional Items	44,399,978	25,222,226
	44,399,978	25,222,226

Note No. 28 to the Financial Statements

	(Amount In Rs.)	
For the period ended	31.03.2014	31.03.2013
PRIOR PERIOD ITEMS (NET)		
REVENUE	97,013	-
EXPENDITURE	1,267,102	3,946,540
Net Expenditure/(Revenue)	1,170,089	3,946,540

CASH FLOW STATEMENT FOR THE PERIOD ENDING 31ST MARCH 2014

		Amount In Rs.			
A.	CASH FLOW FROM OPERATING ACTIVITIES	2013-14		2012-13	
		Current Year		Previous Year	
	Net Profit Before Tax & Extraordinary Items	(693,256,697)		(1,008,429,661)	
	Adjustment for :-				
	Add:-				
	Depreciation & amortization expense	163,891,180		164,626,238	
	Loss on Sale of Fixed Assets	0		267,464	
	Miscellaneous expenses Written off	-		0	
	Finance Cost	417,907,534	581,798,714	406,018,453	570,912,155
	Operating Profit before Working Capital Changes	(111,457,983)		(437,517,505)	
	Increase/(Decrease) in adjustment for				
	increase / (Decrease) in working capital	(955,312,980)		80,882,154	
	Increase/(Decrease) in other payable	1,670,980,161		1,914,899,160	
	Increase/(Decrease) in trade payable	839,833	716,507,013	(20,730,420)	1,975,050,894
	(Increase) / Decrease trade & other receivable	(12,568,491)		180,459,327	
	(Increase) / Decrease in inventories	65,084,213		352,572,370	
	(Increase) / Decrease in loans & advances	757,959	53,273,680	73,939,517	606,971,214
	Cash Generated From Operations	658,322,711		2,144,504,603	
	Less:-				
	MAT Credit Reversal	10,550,740		14,529,150.00	
			10,550,740		14,529,150.00
	Cash Flow Before Extraordinary Items	647,771,971		2,129,975,453	
	Less:-				
	Extraordinary items including previous year expenses	(43,229,889)		29,168,765	
	NET CASH FROM OPERATING ACTIVITIES (A)	691,001,860		2,100,806,688	
	B. CASH FLOW IN INVESTING ACTIVITIES				
	Add:-				
	Purchase/Capitalization of Fixed Assets	(12,290,881)		(3,417,424)	
	Capital Work in Progress	(176,417,364)		(117,852,410)	
	(Increase) / Decrease in Long Term Loan & Advances	-	(188,708,245)	-	(121,269,834)
	Sale of Fixed Assets	21,823,541		4,833,000	
	(Increase) / Decrease in Long Term Loan & Advances	10,513,740	32,337,281	26,628,721.00	31,461,721
	NET CASH USED IN INVESTING ACTIVITIES (B)	(156,370,964)		(89,808,113)	
	C. CASH FLOW FROM FINANCING ACTIVITIES				
	Less:-				
	Long Term Borrowing	482,449		(1,662,216,076)	
	Finance Cost	(417,907,534)	(417,425,085)	(406,018,453)	(2,068,234,529)
	Short Term Borrowing	(118,405,562)	(118,405,562)	48,301,130	48,301,130
	NET CASH USED IN FINANCING ACTIVITIES (C)	(535,830,647)		(2,019,933,399)	
	NET INCREASE/(DECREASE) IN CASH (A) + (B) + (C)	(1,199,749)		(8,934,824)	
	CASH AND CASH EQUIVALENTS AS ON 01.04.2013	9,897,807		18,832,634	
	CASH AND CASH EQUIVALENTS AS ON 31.03.2014	8,698,056		9,897,807	

for Rakesh Singla & Associates
Chartered Accountants
FRN003371N

Vivek Atri
Dy. Managing Director

For and on Behalf of the Board

Rakesh Kumar Khanna
Partner
Membership No 086046

Jalesh Grover
Director

Malvinder Singh
Chairman & Managing Director

H.S.Nagra
Director

Place : Chandigarh
Date : 26.05.2014

Seema Saini
Company Secretary

CERTIFICATE

We have examined the above Cash Flow Statement of Agro Dutch Industries Limited for the year ended on 31st March 2014. The Statement has been prepared by the Company in accordance with the requirements of the clause 32 of the listing agreement and is based on and in agreement with the corresponding statement of Profit and Loss Account and Balance Sheet of the Company covered by our Report of 2014 to the member of the Company.

For Rakesh Singla & Associates
Chartered Accountants
Rakesh Kumar Khanna
Partner

Place : Chandigarh
Date : 26.05.2014

ATTENDANCE SLIP
22nd Annual General Meeting

Date	Wednesday, 25th September 2014
Place	Chamber of Commerce & Industry, Sector 31, Chandigarh. Pin Code- 160031
Full Name (In Block Letters)	
No of Shares	
Folio No. (for holding in physical form)	
DP ID / Client ID No. (for holding in electronic form)	
Signature of the Shareholder / Proxy / Representative present	

Notes:

1. Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand it over at the entrance duly filled-in and signed.
2. Member / proxy holder wishing to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

ENTRY PASS

(To be retained throughout the meeting)

Folio No. (for holding in physical form)	
DP ID / Client ID No. (for holding in electronic form)	
Full Name (In Block Letters)	
No. of Shares	

Notes:

1. Shareholders / proxy or representative of shareholders are requested to produce the above attendance slip, duly filled in and signed in accordance with their specimen signatures registered with the Bank/RTA, along with the entry pass, for admission to the venue.
2. The admission will, however, be subject to verification / checks, as may be deemed necessary.
3. Under no circumstances, any duplicate attendance slip will be issued at the entrance to the meeting.

Book Post



If undelivered, Please return to:

Agro Dutch Industries Limited

**Regd. Office : S.C.O. 30, 1st Floor,
Sector 33-D, Chandigarh-160020**