

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 28TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S ADVIK INDUSTRIES LIMITED WILL BE HELD ON MONDAY, THE 30TH DAY OF SEPTEMBER, 2013 AT 10.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 205, SHRI RAM HOUSE, 5398/70 REGARPURA, ARYA SAMAJ ROAD, KAROL BAGH, NEW DELHI - 110005 TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2013 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon (along with Compliance Certificate).
2. To appoint a Director in place of Mr. Virender Kumar Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hemant Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

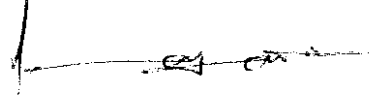
Special Business:

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

"RESOLVED THAT pursuant to the provisions of Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 and other applicable provisions, if any, M/s PB & Associates, Company Secretaries, New Delhi, be and are

hereby reappointed for the purpose of issuance of Compliance Certificate, to hold office from the date of this meeting until the conclusion of the next Annual General Meeting of the Company.”

**By the order of the Board
for Advik Industries Limited**



**Virender Kumar Agarwal
Director
DIN: 00531255**

**Date: 31st August, 2013
Place: New Delhi**

Notes:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**
- B.** Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- C.** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- D.** Members are requested to notify any change in their address/ mandate/ bank details immediately to the Company at its Registered Office.
- E.** Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate the Company, the ledger folio of such accounts to enable the Company to consolidate all such shareholdings into one account.
- F.** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- G.** The Register of Beneficial Owners, Register of Member and the Share Transfer Book of the Company shall remain closed from Friday the 27th September 2013 to Monday the 30th September 2013 (both days inclusive).
- H.** The Explanatory Statement pursuant to Item No. 5 is annexed herewith.

**Explanatory Statement pursuant to section 173(2) of
The Companies Act, 1956**

Item No. 5:

In terms of the provisions of section 383A of the Companies Act, 1956, M/s PB & Associates, Company Secretaries were re-appointed for the purpose of issuance of the Compliance Certificate for the financial year ended 31st March, 2014. M/s PB & Associates, Company Secretaries hold office until the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. Your directors recommend their re-appointment.

None of the directors of the Company is concerned or interested in the proposed resolution.

**By the order of the Board
for Advik Industries Limited**



**Virender Kumar Agarwal
Director**

Date: 31st August, 2013

Place: New Delhi

DIN: 00531255

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2013.

Financial Highlights

(Amount in Rs.)

| Particulars | Financial Year ended | |
|---|----------------------|---------------|
| | 31.03.2013 | 31.03.2012 |
| Total Income | 19,023,292.51 | 16,526,425.51 |
| Total Expenditure | 18,334,357.31 | 16,175,173.73 |
| Profit before tax | 688,935.20 | 351,251.78 |
| Income Tax | 325,330.00 | 115,559.00 |
| Profit after Income Tax | 363,585.20 | 235,692.78 |
| Paid-up Share Capital | 45,873,600.00 | 45,873,600.00 |
| Reserves and Surplus (excluding revaluation reserve) | 39,242,722.29 | 38,879,137.49 |

Year in Retrospect

During the year under review total income of the Company was Rs. 19,023,292.51/- as against Rs. 16,526,425.51/- in the previous year. The Company was able to earn a net profit (after tax) for the year of Rs. 363,585.20/- as against profit of Rs. Rs. 235,692.78/- in the previous year. Your Directors are putting in their best efforts to further improve the performance of the Company.

Material Changes etc.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company - 31st March, 2013 and the date of this Report.

Dividend

In view of marginal profits earned by the Company, your Directors regret their inability to recommend any dividend.

Public Deposits

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

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.
- b. Export Activities:** There was no export activity in the Company during the year under review. The Company is not planning any export in the near future as well.
- c. Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.

Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

Board of Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Virender Kumar Agarwal and Mr. Hemant Agarwal, Directors of the Company liable to retire by rotation and being eligible offers themselves for re-appointment.

There were no changes in the Board of Directors since last AGM.

Auditors

M/s Garg Anil & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them.

Your Directors recommend their re-appointment.

Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

Secretarial Compliance Certificate

In terms of the provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained the necessary Compliance Certificate from M/s PB & Associates, Company Secretaries, New Delhi. The Compliance Certificate is annexed herewith and forms part of this Report. Comments made in the Compliance Certificate are self-explanatory and do not require any further clarification.

Listing Information

The Shares of the Company are listed at Delhi Stock Exchange (DSE). There has been no trading at DSE for last few years. The Listing fee for the financial year 2013 - 2014 is paid.

Dematerialization of Shares

The Shares of the Company are not held in Dematerialized form.

Corporate Governance

To comply with the conditions of Corporate Governance, pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a Report on Corporate Governance and Auditor's Certificate, are included in the Annual Report as **Annexure - I**

Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon and to the best of their knowledge and belief, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards had been followed;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit of the Company for the year ended on that date;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the

provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- d. the Directors had prepared the Annual Accounts on a going concern basis.


Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from its Bankers and various Government Departments. The Board also place on record its appreciation of the devoted services of its employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

**For and on Behalf of the Board
For Advik Industries Limited**



**Virender Kumar Agarwal
Director
DIN:00531255**



**Shakul Kumar Agarwal
Director
DIN: 03590891**

**Date: 31st August , 2013
Place: Delhi**

ANNEXURE - I

ADVIK INDUSTRIES LIMITED

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

It has been a constant endeavour on the part of the Company to achieve excellence in Corporate Governance by following the principles of transparency, accountability and integrity in functioning so as to constantly enhance value for all stakeholders and fulfill the social obligations entrusted upon the corporate sector:

The Company has also complied with the requirements of Corporate Governance Code, the disclosure requirements of which are given below:

2. The Board of Directors:

- i. The Chairman of the Company is a non-executive director and the number of independent directors is more than one third of the total strength of the Board.
- ii. The Board of Directors of the Company is comprised of Five Directors, who are detailed as follows:

| S. No. | Name of Director | Category | Executive/ Non Executive |
|--------|----------------------------|-------------|--------------------------|
| 1 | Mr. Virender Kumar Agarwal | Promoter | Non Executive |
| 2 | Mrs. Manju Agarwal | Promoter | Executive |
| 3 | Mr. Hemant Agarwal | Independent | Non Executive |
| 4 | Mr. Parveen Kumar Gupta | Independent | Non Executive |
| 5 | Mr. Shakul Kumar Agarwal | Promoter | Executive |

- iii. The details of committee memberships and chairmanship of various committees held by the directors is as follows:

| S. No. | Name of Director | Committee Membership | Committee Chairmanship |
|--------|----------------------------|----------------------|------------------------|
| 1 | Mr. Virender Kumar Agarwal | 3 | 1 |
| 2 | Mrs. Manju Agarwal | 0 | 0 |
| 3 | Mr. Hemant Agarwal | 3 | 1 |
| 4 | Mr. Parveen Kumar Gupta | 3 | 1 |
| 5 | Mr. Shakul Kumar Agarwal | 1 | 0 |

- iv. The details of the Board Meeting/s held during the year and attendance thereat are as follows:

| S. No. | Date of Board Meeting | Total No. of Directors | No. of Directors attended the meeting |
|--------|------------------------------|------------------------|---------------------------------------|
| 1 | 15 th May, 2012 | 5 | 5 |
| 2 | 30 th June, 2012 | 5 | 5 |
| 3 | 14 th August 2012 | 5 | 5 |

| | | | |
|---|---------------------------------|---|---|
| 4 | 4 th September, 2012 | 5 | 5 |
| 5 | 8 th November 2012 | 5 | 5 |
| 6 | 26 th October, 2012 | 5 | 5 |
| 7 | 14 th February, 2013 | 5 | 5 |

- v. The Board Meetings were held with a gap not exceeding four months between two meetings.
- vi. The details of the Board Meetings attended by each of Director are as follows:

| S. No. | Name of Director | No. of Board Meetings held | Total No. of Meetings attended |
|--------|----------------------------|----------------------------|--------------------------------|
| 1 | Mr. Virender Kumar Agarwal | 7 | 7 |
| 2 | Mrs. Manju Agarwal | 7 | 7 |
| 3 | Mr. Hemant Agarwal | 7 | 7 |
| 4 | Mr. Parveen Kumar Gupta | 7 | 7 |
| 5 | Mr. Shakul Kumar Agarwal | 7 | 7 |

- vii. The last Annual General Meeting held on 29th September 2012 was attended by Mr. Virender Kumar Agarwal, Mrs. Manju Agarwal, Mr. Hemant Agarwal, Mr. Parveen Kumar Gupta and Mr. Shakul Kumar Agarwal.

3. Remuneration to Directors

The details of the remuneration paid by the Company to directors during the financial year 2012-2013 are as under:

| Name of Director | Salary and Allowances | Performance linked Incentive | Perquisites | Amount in Rs. |
|--------------------------|-----------------------|------------------------------|-------------|---------------|
| | | | | Total |
| Mrs. Manju Agarwal | 75,000/-p.m. | - | - | 75,000/-p.m. |
| Mr. Shakul Kumar Agarwal | 75,000/-p.m. | - | - | 75,000/-p.m. |

4. Audit Committee

- i. The term of reference of Audit Committee are stipulated by the Board of Directors, in accordance with the clause 49 IID of the Listing Agreement.
- ii. The Composition of audit committee and the details of the meeting attended by the Directors are given below:

| Name of Member | Category | No. of Meetings held during 2012-2013 | No. of Meeting attended during 2012-2013 |
|----------------------------|---|---------------------------------------|--|
| Mr. Parveen Kumar Gupta | Independent Non-Executive Director-Chairman | 5 | 5 |
| Mr. Virender Kumar Agarwal | Promoter Non Executive Director – Member | 5 | 5 |
| Mr. Hemant Agarwal | Independent Non Executive Director – Member | 5 | 5 |
| Mr. Shakul Kumar Agarwal | Promoter | 5 | 5 |

| | | | |
|--|--------------------------------|--|--|
| | Executive Director - Member | | |
|--|--------------------------------|--|--|

iii. The details of the Audit Committee Meetings during the year and attendance thereat are as follows:

| S. No. | Date of Audit Committee Meeting | Total No. of Directors | No. of directors attended the meeting |
|--------|---------------------------------|------------------------|---------------------------------------|
| 1. | 15 th May, 2012 | 4 | 4 |
| 2. | 14 th August 2012 | 4 | 4 |
| 3. | 4 th September 2012 | 4 | 4 |
| 4. | 26 th October, 2012 | 4 | 4 |
| 5. | 14 th February, 2013 | 4 | 4 |

5. Remuneration Committee

- i. The term of reference of the Remuneration Committee are stipulated by the Board of Directors, in accordance with the Listing Agreement.
- ii. The Composition of remuneration committee and the details of meeting attended by the directors are given below:

| Name of Member | Category | No. of Meetings held during 2012-2013 | No. of Meeting attended during 2012-2013 |
|----------------------------|---|---------------------------------------|--|
| Mr. Hemant Agarwal | Independent Non-Executive Director-Chairman | 4 | 4 |
| Mr. Virender Kumar Agarwal | Promoter Non Executive Director - Member | 4 | 4 |
| Mr. Hemant Agarwal | Independent Non Executive Director - Member | 4 | 4 |

iii. The details of the Remuneration Committee Meetings during the year and attendance thereat are as follows:

| S. No. | Date of Audit Committee Meeting | Total No. of Directors | No. of directors attended the meeting |
|--------|---------------------------------|------------------------|---------------------------------------|
| 1. | 30 th June, 2012 | 3 | 3 |

6. Shareholders/ Investor's Grievance Committee

The Shareholders/ Investor's Grievance Committee met 5 times during the year on 15th May 2012, 14th August 2012, 4th September 2012, 26th October 2012 & 14th February 2012.

The Composition of Shareholders Committee and details of the meeting attended by Director/s are as follows:

| Name | Category | No. of Meeting attended during the year 2012 - 2013 |
|----------------------------|---|---|
| Mr. Virender Kumar Agarwal | Promoter Non Executive Director – Chairman | 7 |
| Mr. Hemant Agarwal | Independent Non Executive Director – Member | 7 |
| Mr. Parveen Kumar Gupta | Independent Non Executive Director – Member | 7 |

i **Name and designation of Compliance Officer**

| | |
|------------------|----------------------------|
| Name and Address | Mr. Virender Kumar Agarwal |
| Telephone | 011-28722012 |
| Fax | 011-28724657 |
| E-mail Id | advikgroup@yahoo.com |

ii. **Number of shareholders' complaints received so far**

The Committee received no complaints from shareholders and there were no complaints lying unresolved before the Committee.

7. **General Body meetings:**

i. Location and time, where last three AGMs held.

| Date | Location | Time | Special Resolution Passed |
|------------|---|-----------|--|
| 29/09/2012 | Regd. Off: 205, Shri Ram House, 5398/70 Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005 | 4:00 P.M. | Yes, Special Resolutions was passed for: 1. Appointment of Mrs. Manju Agarwal as the Whole time Directors on the Board of the Company on 1 st July, 2012. 2. Appointment of Mr. Shakul Kumar Agarwal as the Whole time Directors on the Board of the Company on 1 st July, 2012. 3. The borrowing limit of the Company to be enhanced to the extent of sum of Rs. 100 Crores in excess of and in addition to the paid up capital and free reserves of the Company for the time being. |
| 30/09/2011 | Regd. Off: 205, Shri Ram House, 5398/70 | 4:00 P.M. | No Special Resolution Passed |

| | | | |
|------------|---|-----------|------------------------------|
| | Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005 | | |
| 30/09/2010 | Regd. Off: 205, Shri Ram House, 5398/70 Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005 | 3.00 P.M. | No Special Resolution Passed |

8. Disclosures

Related Party Transaction

During the year there was no materially significant related party transaction/s that may have potential conflict with the interests of company at large.

Statutory Compliances, Penalties and strictures

The Company has complied with the requirements of the Stock Exchange or SEBI or any other statutory authority, on matter/s related to capital markets, during the last three years. No Penalty and strictures has been imposed on the Company by these authorities.

Whistle Blower policy

The Company has adopted a Whistle Blower policy to provide a mechanism whereby the employees are given a direct access to the Chairman and Audit Committee to report about the unethical behaviour, fraud and violation of Company's Code of Conduct and to provide sufficient provisions for the protection against the victimization of employees who avail such mechanism and It is affirmed that no personnel has been denied access to the audit committee.

Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.

The Company has complied with mandatory requirements of clause 49 of Listing Agreement.

9. Means of communication

Quarterly Results

The Quarterly and half yearly results, published in the Performa prescribed by the Listing Agreement are approved and taken on record by the Board of Directors. The approved results are forthwith sent to the Stock Exchange where the shares of the Company are listed.

Newspapers

The results are also published in English language newspaper – Business Standard and Hindi language newspaper – Business Standard.

10. General Shareholder Information:

i. AGM : Date, time and venue

The Annual General Meeting of the Company is scheduled to be held on 30th day September 2013 at 10:00 A.M. at the Registered Office of the Company at 205, Shri Ram House, 5398/70 Regarpura, Arya Samaj Road, Karol Bagh, New Delhi - 110005.

ii. Financial year

The Financial Year of the Company ended on 31st March, 2013.

iii. Date of Book closure

The Register of Members and Share Transfer Books will be closed from Friday, 27th September 2013 to Monday, 30th September 2013 (Both days inclusive).

iv. Dividend Payment Date

In order to plough back the profits of the Company, no dividend was paid during the financial year ended 31st March 2013.

v. Listing on Stock Exchanges

The Company's Equity Shares are listed on Delhi Stock Exchange Limited.

vi. Stock Code

Nil

vii. Market Price Data: High, Low during each month in last financial year

The Share of the Company continued to be listed on the Delhi Stock Exchange, however no trading was carried out during the financial year, thus no data is available in respect of market price.

viii. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

Since there was no trading in the Shares of the Company during the Financial year, thus no comparative data is available

ix. Share Transfer System

The requests of transfers/ transmission/ and other requests from the investors were taken care by Shareholders/ Investor's Grievance Committee.

x. Distribution of shareholding as on 31st March, 2013

| S. No. | Range | No. of Shareholders | % of total no. of shareholders | No. of Shares held | % of shareholding |
|--------|----------------|---------------------|--------------------------------|--------------------|-------------------|
| 1 | 1 to 5000 | 30 | 31.25 | 101900 | 2.22 |
| 2 | 5001 to 10000 | 17 | 17.71 | 127850 | 2.79 |
| 3 | 10001 to 20000 | 28 | 29.17 | 409450 | 8.93 |
| 4 | 20001 to 30000 | 2 | 2.08 | 57000 | 1.24 |

| | | | | | |
|---|-----------------------|-----------|------------|----------------|------------|
| 5 | 30001 to 40000 | 3 | 3.13 | 99000 | 2.16 |
| 6 | 40001 to 50000 | 5 | 5.21 | 238000 | 5.18 |
| 7 | 50001 to 100000 | 4 | 4.16 | 231200 | 5.04 |
| 8 | Above 100001 | 7 | 7.29 | 3322960 | 72.44 |
| | | 96 | 100 | 4587360 | 100 |

xi. Dematerialization of shares and liquidity

The Shares of the Company are not held in Dematerialized form.

xii. GDRs/ADRs/Warrants or any Convertible instruments

The Company has not issued GDRs/ADRs/Warrants or any Convertible instruments during the year.

xiii. Plant Locations

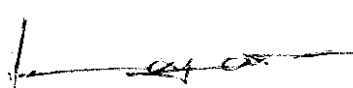
Not Applicable

xiv. Address for Correspondence

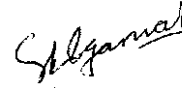
205, Shri Ram House, 5398/70 Regarpura
Arya Samaj Road, Karol Bagh,
New Delhi - 110005
Ph. No. 011-28722012-14
Fax: 011-28724657

11. The Certificate of Compliance as stipulated under clause 49 of the listing agreement is obtained from Auditors of the Company M/s Garg Anil & Co., Chartered Accountants. The same is enclosed herewith and marked as **Annexure - IA**

By the order of the Board
For **Advik Industries Limited**



Virender Kumar Agarwal
Director
DIN: 00531255



Shakul Kumar Agarwal
Director
DIN: 03590891

Date: 31st August, 2013
Place: New Delhi

ADVIK INDUSTRIES LIMITED

205 SHRI RAM HOUSE 5398/70 REGARPURA ARYA SMAJ ROAD NEW DELHI-110005

Balance Sheet

As On 31st March, 2013

GARG ANIL & COMPANY
Chartered Accountants
E-174, LGF, Amar Colony
Lajpat Nagar -IV,
New Delhi - 110 024
Ph : 011-41325378
[Email: anilgarg02@gmail.com](mailto:anilgarg02@gmail.com)



AUDITOR'S REPORT

To,
The Members
ADVIK INDUSTRIES Ltd.
New Delhi

1. We have audited the attached Balance Sheet of **ADVIK INDUSTRIES Ltd. (PAN - AAACQ0004H)** As at 31st March 2013 and also the Profit & Loss Account of the company for the period ended on that date annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by the management in the preparation of the financial statements and (d) Evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:-

- a). We have obtained all the information and explanations which is to the best of our knowledge and belief, were necessary for the purposes of our audit.
- b). In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purpose of our audit.
- c). The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts of the company.
- d). In our opinion, the accounts comply with the accounting standards referred to in section 211(3C) of Companies Act.
- e). On the basis of written representations received from the directors; and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as directors u/s 274(1) (g) of Companies Act, 1956.

From our opinion and to the best of our information and according to the explanations given to us. The said Balance Sheet and the Profit & Loss Account, together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i). In the case of Balance Sheet, of the state of the Company as at 31st March, 2013 and
- ii). In the case of the Profit & Loss Account, of the **Profit** of the company for the year ended on that date.

Place: New Delhi
Dated: 31.05.2013

For **Garg Anil & Co.**
Chartered Accountants



| PARTICULARS | Note No. | Figures as at the | Figures as at the |
|--|----------|------------------------------------|------------------------------------|
| | | end of current reporting period | end of current reporting period |
| | | 31.03.2013 | 31.03.2012 |
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Funds | | | |
| a <u>Share Capital</u> | 1 | 45873600.00 | 45873600.00 |
| b <u>Reserve and Surplus</u> | 2 | 39242722.29 | 38879137.49 |
| 2 Share Application Money Pending Allotment | | 0.00 | 0.00 |
| 3 Non-Current Liabilities | | | |
| a <u>Long Term Borrowings</u> | 3 | 1533330.00 | 2333334.00 |
| b <u>Deferred tax Liabilities (net)</u> | 4 | 215439.00 | 33970.00 |
| c <u>Other Long Term Liabilities</u> | | 0.00 | 0.00 |
| d <u>Long term provisions</u> | | 0.00 | 0.00 |
| 4 Current Liabilities | | | |
| a <u>Short term borrowings</u> | | 0.00 | 0.00 |
| b <u>Trade Payables</u> | 5 | 15589040.00 | 7323367.00 |
| c <u>Other Current Liabilities</u> | 6 | 0.00 | 0.00 |
| d <u>Short term provisions</u> | 7 | 60000.00 | 44697.00 |
| Total | | 102514131.29 | 94488105.49 |
| II ASSETS | | | |
| 1 Non Current Assets | | | |
| a <u>Fixed Assets</u> | 8 | 22166047.50 | 10119668.50 |
| (i) <u>Tangible Assets</u> | | 0.00 | 0.00 |
| (ii) <u>Intangible Assets</u> | | | 13915440.00 |
| (iii) <u>Capital work in progress</u> | | 0.00 | 0.00 |
| (iv) <u>Intangible assets under development</u> | | 41950000.00 | 48460000.00 |
| b <u>Non Current Investments</u> | | 0.00 | 0.00 |
| c <u>Deferred Tax Assets (net)</u> | | 265000.00 | 120000.00 |
| d <u>Long term Loans and Advances</u> | 9 | 0.00 | 0.00 |
| e <u>Other non current assets</u> | | | |
| 2 Current Assets | | | |
| a <u>Current Investments</u> | | 0.00 | 0.00 |
| b <u>Inventories</u> | 10 | 16729469.23 | 7031241.68 |
| c <u>Trade Receivables</u> | 11 | 3136164.00 | 1629041.00 |
| d <u>Cash and Cash Equivalents</u> | 12 | 2179251.56 | 1353693.60 |
| e <u>Short term Loans and Advances</u> | 13 | 14345811.00 | 10768994.00 |
| f <u>Other Current Assets</u> | 14 | 1742388.00 | 1090026.71 |
| Total | 0.00 | 102514131.29 | 94488105.49 |

Schedule no. 1-21 forms the part of the Balance Sheet and Profit and Loss A/c

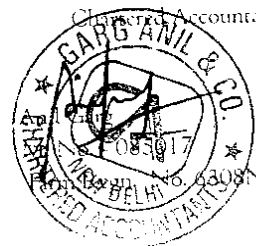
For Advik Industries Ltd.

[Signature]
Director

[Signature]
Director

Date: 31.03.2013
Place: New Delhi

"As per our report of even date"
For Garg Anil & Company
Chartered Accountants



| PARTICULARS | Note No. | Figures as at the end of current reporting period | Figures as at the end of current reporting period | |
|-------------|--|---|---|--------------------|
| | | 31.03.2013 | 31.03.2012 | |
| I | <u>Revenue from Operations</u> | 15 | 16480407.51 | 15568932.51 |
| II | <u>Other Income</u> | 16 | 2542885.00 | 957493.00 |
| III | Total Revenue (I+II) | | <u>19023292.51</u> | <u>16526425.51</u> |
| IV | Expenses: | | | |
| | Cost of Materials consumed | | 12054781.24 | 11288358.57 |
| | Changes in Inventories: | 17 | | |
| | Finished Goods - | | 0.00 | 0.00 |
| | Manufacturing Expenses | 18 | 259342.00 | 953529.00 |
| | Employees benefit Expenses | 19 | 3150806.00 | 1061302.00 |
| | <u>Finance Costs</u> | 20 | 15507.00 | 133598.51 |
| | Depreciation and amortization expenses | | 2057042.00 | 1230162.00 |
| | Other Expenses | 21 | 796879.07 | 1508223.65 |
| | Total Expenses | | <u>18334357.31</u> | <u>16175173.73</u> |
| V | Profit before extraordinary Items and Tax (V-VI) | | 688935.20 | 351251.78 |
| VI | Extraordinary Items | | 0.00 | 0.00 |
| VII | Profit Before Tax (VII - VIII) | | 688935.20 | 351251.78 |
| VIII | Tax Expenses | | | |
| | (i) Current Tax | | 134141.00 | 69871.00 |
| | (ii) Deferred Tax | | 181469.00 | 38667.00 |
| | (iii) Earlier Year Tax | | <u>9740.00</u> | <u>7021.00</u> |
| IX | Profit for the period from continuing operations (IX-X) | | 363585.20 | 235692.78 |
| X | Profit from Discontinuing operations | | 0.00 | 0.00 |
| XI | Profit from Discontinuing Operations (after Tax (XII - XIII)) | | 0.00 | 0.00 |
| XII | Profit(loss) for the period (XI + XIV) | | 363585.20 | 235692.78 |
| XVI | Earning Per Equity Share | | | |
| | (i) Basic | | 0.08 | 0.08 |
| | (ii) Diluted | | 0.08 | 0.08 |
| | GP Ratio | | 6.16 | 14.55 |
| | NP Ratio | | 4.18 | 2.26 |

Schedule no. 1-21 forms the part of the Balance Sheet and Profit and Loss A/c

For Advik Industries Ltd.

[Signature]
Director

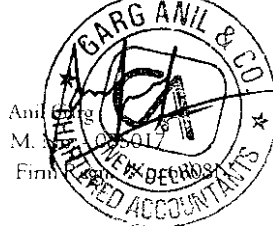
Director

Date : 31.05.2013

Place : New Delhi

"As per our report of even date"

For Garg Anil & Company
Chartered Accountants



ADVIK INDUSTRIES LTD.

Cash Flow Statement for the year ended 31st March 2013

| | As at 31-Mar-13 | As at 31-Mar-12 |
|--|----------------------------|----------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit before Tax & Extraordinary items | 378,616.20 | 235,692.78 |
| Adjustments for: | | |
| Depreciation | 2,057,042.00 | 1,230,162.00 |
| Other adjustment | 143,881.00 | 115,559.00 |
| Interest | | |
| Preliminary Expenses Written off | 47,189.00 | 47,189.00 |
| Operating Profit before Working Capital Change | 2,626,728.20 | 1,628,602.78 |
| Adjustment for: | | |
| Trade and other receivables | (1,507,123.00) | (1,629,041.00) |
| Inventories | (9,698,227.55) | (6,587,024.68) |
| Trade Payables | (8,265,673.00) | (7,267,955.00) |
| Loans & Advances | 4,389,070.69 | (332,161.50) |
| Cash generated from operations | (4,702,020.04) | 1,012,653.60 |
| Tax Paid | 9,740.00 | 102,192.00 |
| Short term provision | (15,303.00) | 103,014.00 |
| Income tax adjustment | | |
| Net Cash from Operating Activities | (4,696,457.04) | 807,447.60 |
| B. Cash Flow from Investing Activities | | |
| other Receipts | | |
| Sale of Fixed Assets | | |
| unsecured loan | (800,004.00) | (163,066.00) |
| Capital expenses | 187,981.00 | 4,730,581.00 |
| Investment in share | (6,510,000.00) | 40,800,000.00 |
| Net Cash used in Investing activities | 5,522,015.00 | (45,693,647.00) |
| C. Cash Flow from Financing Activities | | |
| Proceedes from Share CAPITAL | | 7,580,000.00 |
| share premium | | 35,720,000.00 |
| Minority Interest | | |
| Proceedes from Long Term Borrowings | | 43,300,000.00 |
| Net Cash from Financing Activities | | |
| Net Increase in Cash and cash equivalents (A+B+C) | 825,557.96 | (1,586,199.40) |
| Cash and cash Equivalents as at the beginning of the Year | 1,353,693.60 | 2,939,893.00 |
| Cash and cash equivalents as the close of the Year | 2,179,251.56 | 1,353,693.60 |

"As per our report of even date"

For Garg Anil & Company
Chartered Accountants

For GARG ANIL & CO.
CHARTERED ACCOUNTANTS

(ANIL GARG)

M. NO. : 085017

Firm Regn. No. 6308N

For and on behalf of
Advik Industries Ltd.

Virender Kumar Agarwal
Director

Shakul Kumar Agarwal
Director

Date : 31.05.2013

Place : New Delhi

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2013**Note No-1 - SHARE CAPITAL****1 Share Capital**

| SHARE CAPITAL | As at 31 March 2013 | | As at 31 March 2012 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | Number | Amount | Number | Amount |
| Authorised Capital | | | | |
| Equity Shares of Rs. 10/- each | 4587360 | 45873600.00 | 4587360 | 45873600.00 |
| Issued Subscribed and paid up | | | | |
| Equity Shares of Rs. 10/- each fully paid up | 4587360 | 45873600.00 | 4587360 | 45873600.00 |
| Total | 4587360 | 45873600.00 | 4587360 | 45873600.00 |

2 Reconciliation

| Particulars | Equity Shares | | Preference Shares | |
|---|---------------|----------|-------------------|--------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 4587360 | 45873600 | 0 | 0 |
| Shares issued during the year | 0 | 0.00 | 0 | 0 |
| Shares bought back during the year | | | | |
| Shares outstanding at the end of the year | 4587360 | 45873600 | 0 | 0 |

3 Shareholdings

| Name of Shareholder | As at 31 March 2013 | | As at 31 March 2012 | |
|---------------------|-----------------------|--------------|-----------------------|--------------|
| | Number of Shares held | % of Holding | Number of Shares held | % of Holding |
| | | 0.00% | | 0.00% |
| | | 0.00% | | 0.00% |

Note No-2 Reserves & Surplus

| Reserves & Surplus | As at 31st March 2013 | | As at 31st March 2012 | |
|---|-----------------------|--------------------|-----------------------|--------------------|
| | Amount | | Amount | |
| 1 Securities Premium Account | | | | |
| Opening Balance | | 35720000.00 | | 0.00 |
| Add: Securities Premium credited on shares issued | | 0.00 | | 35720000.00 |
| <u>Less: Premium Utilised for various reasons</u> | | | | |
| Premium on Redemption of Debentures | | 0.00 | | 0.00 |
| For Issuing Bonus Shares | | 0.00 | | 0.00 |
| Closing Balance | | <u>35720000.00</u> | | <u>35720000.00</u> |
| 2 Amalgamation reserve | | | | |
| Opening Balance | | 4416651.00 | | 4416651.00 |
| (+) Current Year Transfer | | | | 0.00 |
| (-) Written back in Current Year | | 0.00 | | 0.00 |
| Closing Balance | | <u>4416651.00</u> | | <u>4416651.00</u> |
| 3 Surplus (Profit & Loss A/c) | | | | |
| Opening Balance | | -1257513.91 | | -1493206.29 |
| (+) Net Profit for the Current Year | | 363585.20 | | 235692.78 |
| Closing Balance | | <u>-893928.71</u> | | <u>-1257513.51</u> |
| Total | | <u>39242722.29</u> | | <u>38879137.49</u> |



Note No-3 Long Term Borrowings

| Long Term Borrowings | As at 31st March 2013 | As at 31st March 2012 |
|---|-----------------------|-----------------------|
| | Amount | Amount |
| Secured | | |
| 1 Term Loans | | |
| Volks wagon Financers Pvt Ltd (secured By Hyp. Of Car) | 1533330.00 | 2333334.00 |
| 2 Other Loans and Advances | | |
| | <u>1533330.00</u> | <u>2333334.00</u> |
| Unsecured | | |
| 1 Loans and Advances from related parties | | |
| Total | <u>1533330.00</u> | <u>2333334.00</u> |

Note No-4 Deferred tax liability (net)

| Deferred Tax Liability (net) | As at 31st March 2013 | As at 31st March 2012 |
|---|-----------------------|-----------------------|
| | Amount | Amount |
| (a) Deffered Tax Liability | | |
| - Depreciation net of difference in composition of actual cost of assets | 587279.00 | 109935.00 |
| Expenses disallowed under section 43 | | |
| (b) Deffered Tax Assets | | |
| Deffered Tax Liability (net) | 215439.00 | 33970.00 |

Note No-5 Trade Payables

| Trade Payables | As at 31st March 2013 | As at 31st March 2012 |
|--------------------------|-----------------------|-----------------------|
| | Amount | Amount |
| Sundry Creditors - Goods | 15589040.00 | 7323367.00 |
| | <u>15589040.00</u> | <u>7323367.00</u> |

Note No-6 Other Current Liabilities

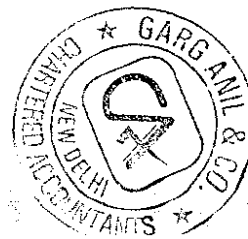
| Other Current Liabilities | As at 31st March 2013 | As at 31st March 2012 |
|---------------------------------|-----------------------|-----------------------|
| | Amount | Amount |
| Advance Received from Customers | 0.00 | 0.00 |
| | <u>0.00</u> | <u>0.00</u> |

Note No-7 Short Term Provision

| Short Term Provision | As at 31st March 2013 | As at 31st March 2012 |
|----------------------|-----------------------|-----------------------|
| | Amount | Amount |
| Income Tax | 0.00 | 0.00 |
| Audit fees | 22472.00 | 22472.00 |
| TDS payable | 37528.00 | 22225.00 |
| | <u>60000.00</u> | <u>44697.00</u> |

Note on-8 Fixed Assets

| Fixed Assets | Gross Block | | | | |
|--------------------|-----------------------------|---------------------------|-------------------------------------|-----------------------------|-----------------------------|
| | Balance as at 01/04/2012 | Additions/ (Disposals) | acquired through business combin | Revaluations/ impairment | Balance as at 31/03/2013 |
| a. Tangible Assets | | | | | |



| | | | | | |
|---------------------|------------|------------|------|------|------------|
| Furniture & fixture | 89142.40 | 0.00 | 0.00 | 0.00 | 89142.40 |
| Plant & Machinery | 4747376.10 | 20812.00 | 0.00 | 0.00 | 4768188.10 |
| Air conditioner | 119072.00 | 13000.00 | 0.00 | 0.00 | 132072.00 |
| EPBAX | 9565.00 | 0.00 | 0.00 | 0.00 | 9565.00 |
| Office Equipment | 65172.00 | 22050.00 | 0.00 | 0.00 | 87222.00 |
| Computer | 230209.00 | 60718.00 | 0.00 | 0.00 | 290927.00 |
| Refrigerator | 59402.00 | 0.00 | 0.00 | 0.00 | 59402.00 |
| Telephone | 7713.00 | 0.00 | 0.00 | 0.00 | 7713.00 |
| Mobile phone | 81096.00 | 0.00 | 0.00 | 0.00 | 81096.00 |
| Motor Cycle | 18018.00 | 0.00 | 0.00 | 0.00 | 18018.00 |
| Vehicle | 2343473.00 | -273517.00 | 0.00 | 0.00 | 2069956.00 |
| Car Audi | 3290575.00 | 0.00 | 0.00 | 0.00 | 3290575.00 |
| Car Varna | 1250443.00 | 0.00 | 0.00 | 0.00 | 1250443.00 |

| | | | | | |
|--------------|--------------------|--------------------|-------------|-------------|--------------------|
| Total | 12311256.50 | 10970863.00 | 0.00 | 0.00 | 23282119.50 |
|--------------|--------------------|--------------------|-------------|-------------|--------------------|

b Capital Work in Progress

| | | | | | |
|-----------------------|--------------|-------------------|-------------|-------------|-------------------|
| Building Construction | 0.00 | 3132558.00 | 0.00 | 0.00 | 3132558.00 |
| Total | -0.00 | 3132558.00 | 0.00 | 0.00 | 3132558.00 |

| | | | | | |
|--------------|--------------------|--------------------|-------------|-------------|--------------------|
| Total | 12311256.50 | 14103421.00 | 0.00 | 0.00 | 26414677.50 |
|--------------|--------------------|--------------------|-------------|-------------|--------------------|

| Fixed Assets | Accumulated Depreciation | | | |
|--------------|--------------------------|---------------------|--------------------|---------------|
| | Balance as at | Depreciation | Adjustment | Balance as at |
| | 01/04/2012 | Charge for the year | due to revaluation | 31/03/2013 |

a. Tangible Assets

| | | | | | |
|-------------------------|-------------------|-------------------|-------------|-------------|-------------------|
| Office Space at Manesar | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Furniture & fixture | 36335.00 | 9560.00 | 0.00 | 0.00 | 45895.00 |
| Plant & Machinery | 928117.00 | 534148.00 | 0.00 | 0.00 | 1462265.00 |
| Air conditioner | 36241.00 | 15946.00 | 0.00 | 0.00 | 52187.00 |
| EPBAX | 3461.00 | 848.00 | 0.00 | 0.00 | 4309.00 |
| Office Equipment | 16037.00 | 8507.00 | 0.00 | 0.00 | 24544.00 |
| Computer | 68657.00 | 31397.00 | 0.00 | 0.00 | 100054.00 |
| Refrigerator | 21500.00 | 5272.00 | 0.00 | 0.00 | 26772.00 |
| Telephone | 2854.00 | 676.00 | 0.00 | 0.00 | 3530.00 |
| Mobile phone | 19696.00 | 8540.00 | 0.00 | 0.00 | 28236.00 |
| Motor Cycle | 10682.00 | 1900.00 | 0.00 | 0.00 | 12582.00 |
| Vehicle | 979294.00 | 282372.00 | 0.00 | 0.00 | 1261666.00 |
| Car Audi | 35010.00 | 842864.00 | 0.00 | 0.00 | 877874.00 |
| Car Varna | 33704.00 | 315012.00 | 0.00 | 0.00 | 348716.00 |
| Total | 2191588.00 | 2057042.00 | 0.00 | 0.00 | 4248630.00 |

c. Capital Work in Progress

| | | | | | |
|-----------------------|-------------------|-------------------|-------------|-------------|-------------------|
| Building Construction | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 2191588.00 | 2057042.00 | 0.00 | 0.00 | 4248630.00 |

| Fixed Assets |
|--------------|
|--------------|

| Net Block | |
|-----------------------|-----------------------|
| Balance as 01/04/2012 | Balance as 31/03/2013 |

a. Tangible Assets

| | | |
|-------------------------|------------|-------------|
| Office Space at Manesar | 0.00 | 11127800.00 |
| Furniture & fixture | 52807.40 | 43247.40 |
| Plant & Machinery | 3819259.10 | 3305923.10 |
| Air conditioner | 82831.00 | 79885.00 |
| EPBAX | 6104.00 | 5256.00 |
| Office Equipment | 49135.00 | 62678.00 |



| | | |
|--------------|------------|------------|
| Computer | 161552.00 | 290673.00 |
| Refrigerator | 37902.00 | 32630.00 |
| Telephone | 4859.00 | 4183.00 |
| Mobile phone | 61400.00 | 52860.00 |
| Motor Cycle | 7336.00 | 5436.00 |
| Vehicle | 1364179.00 | 808290.00 |
| Car Audi | 3255565.00 | 2412701.00 |
| Car Varna | 1216739.00 | 901727.00 |

| | | |
|--------------|--------------------|--------------------|
| Total | 10119668.50 | 19033489.50 |
|--------------|--------------------|--------------------|

c. Capital Work in Progress

| | | |
|-----------------------|--------------------|--------------------|
| Building Construction | 13915440.00 | 3132558.00 |
| Total | 13915440.00 | 3132558.00 |
| Total | 24035108.50 | 22166047.50 |

Note No-9 Long Term Loans and Advances

| Long Term Loans and Advances | As at 31 March 2013 | As at 31 March 2012 |
|------------------------------|---------------------|---------------------|
| | Amount | Amount |
| a Security Deposits | | |
| Unsecured Considered Good | 265000.00 | 120000.00 |
| | <u>265000.00</u> | <u>120000.00</u> |
| | 265000.00 | 120000.00 |

Note No-10 Inventories

| Inventories | As at 31st March 2013 | As at 31st March 2012 |
|------------------|-----------------------|-----------------------|
| | Amount | Amount |
| a Raw Materials | 16729469.23 | 7031241.68 |
| b finished Goods | 0.00 | 0.00 |
| | <u>16729469.23</u> | <u>7031241.68</u> |

Note No-11 Trade Receivables

| Trade Receivables | As at 31st March 2013 | As at 31st March 2012 |
|--|-----------------------|-----------------------|
| | Amount | Amount |
| Trade Receivables outstanding for a period less than six months from the date they are due for payment | | |
| Secured, Considered good | 0.00 | 0.00 |
| Unsecured, Considered good | 3136164.00 | 1629041.00 |
| | <u>3136164.00</u> | <u>1629041.00</u> |
| | 3136164.00 | 1629041.00 |

Note No-12 Cash and cash equivalents

| Cash and cash equivalents | As at 31st March 2013 | As at 31st March 2012 |
|---------------------------|-----------------------|-----------------------|
| | Amount | Amount |
| a Balance with banks | | |
| Scheduled Banks | 1691515.95 | 592335.60 |
| b Cash on hand | 487735.61 | 761358.00 |
| | <u>2179251.56</u> | <u>1353693.60</u> |

Note No-13 Short Term Loans and Advances

| Short Term Loans and Advances | As at 31 March 2013 | As at 31 March 2012 |
|---------------------------------------|---------------------|---------------------|
| | Amount | Amount |
| a Loans and Advances to related party | | |
| Unsecured Considered Good | 14180179.00 | 10750994.00 |



| | | | |
|---------------------------|-------------|------------------|-----------------|
| b Others | | 14180179.00 | 10730374.00 |
| Unsecured Considered Good | (EMD/PG/SD) | 165632.00 | 18000.00 |
| Advance to Suppliers | | 0.00 | 0.00 |
| | | <u>165632.00</u> | <u>18000.00</u> |
| | | 14345811.00 | 10768994.00 |

Note No-14 Other Current Assets

| Other Current Assets | As at 31 March 2013 | As at 31 March 2012 |
|--------------------------------|---------------------|---------------------|
| | Amount | Amount |
| a Income Tax Refundable | 220538.00 | 68708.00 |
| b Advance Tax & TDS | 169984.00 | 151830.00 |
| d Vat Refundable | 1257489.00 | 727922.71 |
| f. Preliminary Expense not W/o | 94377.00 | 141566.00 |
| | <u>1742388.00</u> | <u>1090026.71</u> |

Note No-15 Revenue from Operations

| Revenue from Operations | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|-------------------------|-------------------------------|-------------------------------|
| | Amount | Amount |
| Sale of Products | 16480407.51 | 15568932.51 |
| | <u>16480407.51</u> | <u>15568932.51</u> |

Note No-16 Other Income

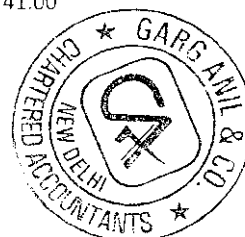
| Other Income | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|--|-------------------------------|-------------------------------|
| | Amount | Amount |
| Interest Income | 1004340.00 | 956053.00 |
| Dividend Income | 11655.00 | 0.00 |
| Commission Recd. | 1430407.00 | 0.00 |
| Profit on sale of Car | 96483.00 | 0.00 |
| Other non operating income (net of expenses) | 0.00 | 1440.00 |
| | <u>2542885.00</u> | <u>957493.00</u> |

Note No-17 Change in Stock

| Change in Stock | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|-------------------|-------------------------------|-------------------------------|
| | Amount | Amount |
| Opening Stock : | | |
| Finished Goods | 0.00 | 0.00 |
| Closing Stock : | | |
| Finished Goods | 0.00 | 0.00 |
| Change in Stock : | <u>0.00</u> | <u>0.00</u> |

Note No-18 Manufacturing Expenses

| Manufacturing Expenses | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|-------------------------------------|-------------------------------|-------------------------------|
| | Amount | Amount |
| Manufacturing Expenses | | |
| Electricity, Water & Generator Exp. | 7297.00 | 264618.00 |
| Rent | 116000.00 | 393000.00 |
| Repair & Maintenance | 24741.00 | 120223.00 |



| | | |
|----------------------------|------------------|------------------|
| Packing, Freight & Cartage | 6233.00 | 125843.00 |
| Insurance | 105005.00 | 46850.00 |
| Consumable goods | 0.00 | |
| | <u>259342.00</u> | <u>953529.00</u> |

Note No-19 Employee benefit expenses

| | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|---------------------------|-------------------------------|-------------------------------|
| | Amount | Amount |
| Employee Benefit Expenses | | |
| a Salaries and incentives | 2995805.00 | 913500.00 |
| b labour cess | 53349.00 | 95859.00 |
| c Director Remuneration | 0.00 | 0.00 |
| d Staff Welfare | 19995.00 | 51943.00 |
| e Conveyance Allowance | 74524.00 | 0.00 |
| f HRA | 6400.00 | 0.00 |
| g Refreshment Allowances | 733.00 | 0.00 |
| | <u>3150806.00</u> | <u>1061302.00</u> |

Note 1 Finance Charges

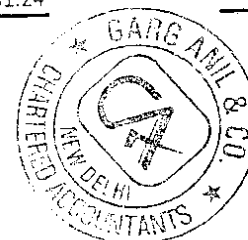
| | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|----------------------|-------------------------------|-------------------------------|
| | Amount | Amount |
| Finance Cost | | |
| Interest Expenses | 8294.00 | 57167.45 |
| Interest on Car Loan | 0.00 | 64433.00 |
| Bank Charges | 7213.00 | 11998.06 |
| | <u>15507.00</u> | <u>133598.51</u> |

Note No-21 Other Expenses

| | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|--|-------------------------------|-------------------------------|
| | Amount | Amount |
| Other Expenses | | |
| 1 Administrative & Other Expenses | | |
| Audit Fee | 22472.00 | 22472.00 |
| Advertisement & Publicity | 27805.00 | 38422.00 |
| Business Promotion | 53432.00 | 176823.00 |
| Printing & Stationery | 18653.00 | 81803.00 |
| Postage, Telephone, Telegram & Courier | 38682.00 | 83924.00 |
| Travelling & Conveyance | 195841.00 | 183870.00 |
| Website Expenses | 62703.00 | 33250.00 |
| Vehicle Running & Maintenance | 170289.19 | 246407.00 |
| General Expenses | 4895.00 | 21098.00 |
| Office Maint. | 16300.00 | 183735.00 |
| Computer Maintenance | 0.00 | 1900.00 |
| Legal & Professional Fee | 123830.00 | 323484.00 |
| Freight & Cartage | 0.00 | 44828.00 |
| Additional Sales Tax | 0.00 | 15834.00 |
| Rates & Taxes | 0.00 | 3060.00 |
| Preliminary Exp. w/off | 47189.00 | 47189.00 |
| Work Execution Expenses | 500.00 | 0.00 |
| Short & Excess | -6.85 | 0.00 |
| Lender Fees | 5775.73 | 0.00 |
| Miscellaneous Expenses | 8519 | 124.65 |
| | <u>796879.07</u> | <u>1508223.65</u> |

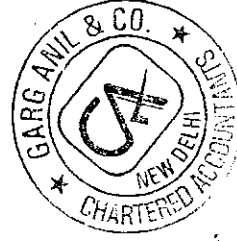
Note No 22 Cost of material consumed

| | | |
|---------------------------|--------------------|--------------------|
| Opening stock | 7031241.68 | 444217.26 |
| purchases | 21753008.79 | 17875382.99 |
| Total | <u>28784250.47</u> | <u>18319600.25</u> |
| less: Closing stock | 16729469.23 | 7031241.68 |
| Cost of Material Consumed | <u>12054781.24</u> | <u>11288358.57</u> |



ADVIK INDUSTRIES LTD
SCHEDULE OF FIXED ASSETS AS ON 31.03.2013

| Particulars | WDV as on 01.04.12 | Addition Before 180 days | Addition After 180 Days | Sale | Total | Dep. For the year | WDV as on 31.03.13 |
|---------------------|--------------------|--------------------------|-------------------------|----------------|------------------|-------------------|--------------------|
| Furniture & fixture | 58,031 | - | - | - | 58,031 | 5,803 | 52,228 |
| Plant & Machinery | 3,767,705 | 20,812 | - | - | 3,788,517 | 568,278 | 3,220,239 |
| Air conditioner | 81,782 | 16,500 | - | 3,500 | 94,782 | 14,217 | 80,565 |
| EPBAX | 6,027 | - | - | - | 6,027 | 904 | 5,123 |
| Office Equipment | 46,692 | 22,050 | - | - | 68,742 | 10,311 | 58,431 |
| Computer | 159,503 | 60,718 | - | - | 220,221 | 33,033 | 187,188 |
| Refrigerator | 37,422 | - | - | - | 37,422 | 5,613 | 31,809 |
| Telephone | 4,797 | - | - | - | 4,797 | 720 | 4,077 |
| Mobile phone | 59,088 | - | - | - | 59,088 | 8,863 | 50,225 |
| Motor Cycle | 8,412 | - | - | - | 8,412 | 1,262 | 7,150 |
| Vehicle | 1,564,632 | - | - | 273,517 | 1,291,115 | 193,667 | 1,097,448 |
| Car Audi | 3,043,782 | - | - | - | 3,043,782 | 456,567 | 2,587,215 |
| Car Varna | 1,156,660 | - | - | - | 1,156,660 | 173,499 | 983,161 |
| Total | 9,994,533 | 120,080 | - | 277,017 | 9,837,596 | 1,472,738 | 8,364,858 |



ADVIK INDUSTRIES LTD
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

1. Significant accounting policies

(i) Basis for preparation of Financial Statements

with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006 as adopted consistently by the company, to the extent applicable.

The presentation of financial statements in conformity with GAAP requires management of the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the company may undertake in future, actual results ultimately may differ from the estimates.

(ii) Revenue recognition

The Company derives its revenue from the operations of LED Lights, Signages and NBFC
The revenue from its operations is recorded on accrual basis.

(iii) Expenditure

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

(iv) Fixed assets/ Depreciation & Amortization

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Costs include all expenses incurred to bring the assets to its present location and condition for its intended use.

Depreciation on other tangible fixed assets is provided at the written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are put to use. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale, deduction, discardment as the case may be.

Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase except in case of deployment as project assets (if any)

Intangible Assets

An Intangible asset is recognized, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Intangible asset are stated at cost of acquisition less accumulated amortization. Amortization on the Intangible assets is provided at the written down value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on addition to fixed assets is provided on pro-rata basis from the date the assets are put to use. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale, deduction, discardment as the case may be.

(v) Impairment of Assets

Events or changes in circumstances which might indicate that the carrying amount may not be recoverable as per the provisions of applicable Accounting standards. If such indication exists the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of asset's net selling price and value in use which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An Impairment loss is charged to the profit & loss account in the year in which an asset is impaired.

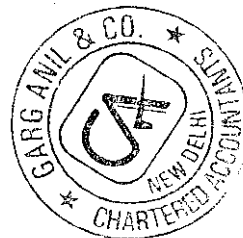
Reversal of impairment loss is recognized immediately as income in the Profit & loss account.

Short term employee benefits are recognized in the period during which the services have been rendered.

(vii) Provision for tax

Tax expense for the year comprises current and deferred is included in determining the net profit for the year.

Provision for current tax is based on the tax liabilities computed in accordance with the provisions of the Income Tax Act, 1961.



Deferred Tax expense or benefit is recognized on timing Difference between accounting and taxable income that originates in one year and are capable of reversal in one or more subsequent period. Deferred tax assets and liabilities are measured using the tax rates and laws that are enacted or substantively enacted by the balance sheet date.

The deferred tax asset is recognized subject to principle of prudence and conservatism and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset will be realized.

(viii) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(ix) Earning per share

Basic Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after tax (and including post tax effect of any extra-ordinary item) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period, are adjusted for events of bonus issue to existing shareholders.

For the purpose of calculating diluted earning per share, the net profits or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any.

Schedule no. I-21 forms the part of the Balance Sheet and Profit and Loss A/c

For Advik Industries Ltd.


Director)

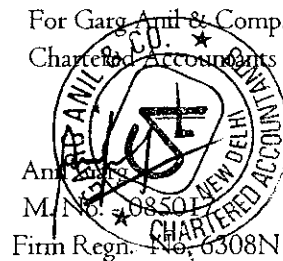

(Director)

Date : 31-05-2013

Place : New Delhi

"As per our report of even date"

For Garg Anil & Company
Chartered Accountants



Am...
M.No. 08501
Firm Regn. No. 6308N