

**Twenty Fifth
Annual Report
2006-07**



ADDI INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Shri C. L. Jain	-	Chairman & Managing Director
	:	Dr. B. K. Behera		
	:	Shri V. B. Agarwal		
	:	Shri Hari Bansal	-	Whole-time Director
MANAGER FINANCE & COMPLIANCE OFFICER	:	Shri Atul Jain		
BANKERS	:	Punjab National Bank		
AUDITORS	:	M/s. S. R. Dinodia & Co. Chartered Accountants K-39 Connaught Circus New Delhi-110 001		
REGISTERED & CORPORATE OFFICE	:	A-106, Sector IV Noida - 201 301 (U.P.)		
WORKS	:	A-105, 106, Sector IV Noida - 201 301 (U.P.)		
	:	B-1, 2, 3, Hosiery Complex Phase-II, Noida (U.P.)		

Request to Members

1. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested kindly to bring their copies to the Meeting.
2. Members/Proxy holders are requested to bring the Attendance Slip duly filled in for attending the Meeting.



TO ALL MEMBERS:

NOTICE IS HEREBY GIVEN THAT the Twenty-fifth Annual General Meeting of the Members of Addi Industries Ltd. will be held on Monday, the 10th day of September, 2007, at 9.00 A.M. at the Maharaja Agrasen Bhawan, A-6, Sector-33, Noida – 201 301 (U.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007, Profit & Loss Account for the year ended on that date & the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Hari Bansal, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the current year 2007-2008 & to fix their remuneration.

M/s. S.R. Dinodia & Co., Chartered Accountants, New Delhi, who hold office till the conclusion of this Annual General Meeting, being eligible, have furnished their consent and the requisite Certificate u/s 224(1B) of the Companies Act, 1956.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314, Schedule-XIII & other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof, for the time being in force), and subject to the approval of the Central Govt., the consent & approval of the Company be and is hereby accorded to the re-appointment of Shri. Hari Bansal as Whole-time Director of the Company, for a period of 5 years w.e.f. 12th November, 2007 to 11th November, 2012 on the following remuneration:

- | | | | | | | | | | |
|---|---|----|--|----|----------------------|----|--|----|-----------------------------------|
| i) Salary (incl. dearness :
Allowance/s) | Rs. 125000 (Rs. One Lac Twenty Five thousand) per month
in the scale of Rs. 125000-15000-155000-20000-195000. | | | | | | | | |
| ii) Accommodation | : Free furnished accommodation with gas, electricity & water | | | | | | | | |
| iii) Perquisites | : As applicable to other Key/Senior Executives of the Company, namely:
<table border="0" style="margin-left: 40px;"><tbody><tr><td>a)</td><td>medical re-imbursement for self and family (equal to one month salary)</td></tr><tr><td>b)</td><td>car for official use</td></tr><tr><td>c)</td><td>P.F., Bonus, Gratuity and/or other Superannuation benefits, as per Co. Rules</td></tr><tr><td>d)</td><td>Leave encashment as per Co. Rules</td></tr></tbody></table> | a) | medical re-imbursement for self and family (equal to one month salary) | b) | car for official use | c) | P.F., Bonus, Gratuity and/or other Superannuation benefits, as per Co. Rules | d) | Leave encashment as per Co. Rules |
| a) | medical re-imbursement for self and family (equal to one month salary) | | | | | | | | |
| b) | car for official use | | | | | | | | |
| c) | P.F., Bonus, Gratuity and/or other Superannuation benefits, as per Co. Rules | | | | | | | | |
| d) | Leave encashment as per Co. Rules | | | | | | | | |

Provided that the monetary value of the perquisites computed as per the Income-Tax Act, 1961 shall not exceed the annual salary in any year.

"RESOLVED FURTHER THAT the Board of Directors (including the Remuneration Committee) be and is hereby authorized to pay the aforesaid remuneration & perquisites to the Whole-time Director, as minimum remuneration, in the event of absence or inadequacy of profits in any financial year".

"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/or remuneration, from time to time, subject to the approval of the Central Govt., and such that the same shall not exceed the limits specified in Schedule-XIII to the Companies Act, 1956 (including any statutory modification (s) or re-enactment thereof, for the time being in force or as may hereafter be made by the Central Govt. in that behalf from time to time, or any amendment thereto) as may be agreed to between the Board & Shri Hari Bansal."



ADDI INDUSTRIES LIMITED

"RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient, to give effect to this resolution".

Regd. & Corp. Office:

A-106, Sector-IV, Noida-201 301 (U.P.)

Dated: July 07, 2007.

For & on behalf of the Board

C.L. Jain

Chairman & Mg. Director

Notes:

- a) **A Member entitled to attend and vote is entitled to appoint a Proxy. The Proxy need not be a Member of the Company. Proxies in order to be effective must be lodged with the Company not less than 48 hours before the Meeting.**
- b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto and forms part of this Notice.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 4th day of September, 2007 to Monday, the 10th day of September, 2007 (both days inclusive).
- d) The Equity Shares of Rs. 10 each of the Company have been sub-divided/ splitted-up into 2 new Equity Shares of Rs. 5 each fully paid-up. All those Shareholders, who are still holding the Shares in physical form and have not yet got their Share Certificates of Rs. 10 each exchanged for new Share Certificates of Rs. 5 each, are requested to send the same to the Regd. & Corporate Office of the Company at A-106, Sector-IV, Noida - 201 301 (U.P.) for exchange thereof.
- e) Dividend @ 10% i.e. Re. 1 per Equity Share of Rs.10 was declared for the financial year 2002-03. Similarly, Dividend @ 10% i.e. Re. 0.50 per Equity Share of Rs.5 was declared for the financial years 2003-04 and 2004-05. Those Shareholders who have not yet got their Dividend warrant/s encashed are requested to send the same to the Regd. & Corporate Office of the Company for re-validation.
- f) The Company's Equity Shares continue to remain listed on the Bombay Stock Exchange Ltd., and the listing fee has been duly paid.
- g) The Equity Shares of the Company are dematerialised and the trading has to be compulsorily in demat mode. Those Shareholders who have not yet got their equity shares dematerialised may approach the Depository Participant with whom they are maintaining account, for getting their Shares dematerialised.
- h) **NOMINATION : Pursuant to the new Section 109A inserted in the Companies Act, 1956, individual Shareholders holding Shares of the Company singly or jointly may nominate an individual to whom all the rights in the Shares of the Company shall vest in the event of death of the sole/all joint Shareholders.**
- i) **REGISTRAR & TRANSFER AGENTS : The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110 062, as its Registrar & Transfer Agents. Shareholders may write to them also directly, or communicate with the Company at its Corporate Office, as they may like.**
- j) Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment/ appointment of Directors, particulars of the concerned Directors retiring by rotation & seeking re-appointment, are annexed to the Report on Corporate Governance.
- k) The Memorandum & Articles of Association of the Company, and/or any other relevant document/s are available for inspection by the Members on any working day during office hours upto the date of the Annual General Meeting.



ADDI INDUSTRIES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Items No. 4:

Shri Hari Bansal, a Graduate in Chemical Engg., was appointed as Manager (Admn. & Production Planning) w.e.f. 1st September, 1998 with due approvals by the Members and the Central Govt. Keeping in view his academic background, expertise and achievement/s, during the period of more than four years in the Company, he was appointed as a Director, and also as Whole-time Director of the Company for a period of 5 years w.e.f. 12th November, 2002. His said appointment and payment of remuneration as Whole-time Director was also approved by the Members and the Central Govt.

The term of office of Shri Bansal as Whole-time Director is expiring on 12th November, 2007. The Board of Directors have, at their meeting held on 7th July, 2007, decided to re-appoint him as whole-time Director for a further period of five years w.e.f. 12th November, 2007, at the same remuneration as set out in the resolution and which was approved to be paid to him at the time of his first appointment w.e.f. 12th November, 2002, subject to the approval of the Members and the Central Govt. in this regard. The said remuneration is proposed to be paid to him as minimum remuneration in the event of absence or inadequacy of profits in any year.

Shri Hari Bansal is a technically qualified Executive having adequate expertise in the relative textile sphere. Shri Bansal has effectively co-ordinated the activities of the Company, which he has been looking after, over the years since his initial appointment in 1998. The Board of Directors feel that the availability of his expertise will be of immense help to the Company, and therefore, commend the resolution for his re-appointment and payment of remuneration as whole-time Director, for consideration and approval of the Members.

None of the Director/s, except Shri Hari Bansal himself, and Shri C.L. Jain, Chairman & Mg. Director, being related to him is, in any way, directly or indirectly, concerned or interested in the resolution. This may also be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

For & on behalf of the Board of Directors

Regd. & Corporate Office:

A-106, Sector-IV, Noida – 201 301 (U.P.)

Dated : July 07, 2007.

C.L. Jain

Chairman & Mg. Director

Details of Director, Shri Hari Bansal, retiring by rotation and to be re-elected, and seeking re-appointment at the Annual General Meeting scheduled to be held on 10th September, 2007.

Name of Director	Shri Hari Bansal
Date of Birth	14th September, 1975
Date of Appointment	12th November, 2002
Expertise of specific functional areas	More than 9 years of rich and varied experience in & expertise of textile industry.
Qualification	B.Chem. Engineering
List of outside Directorship held	Director: Nilamber Holdings Pvt. Ltd.
Chairman/Member of the Committees of the Board of Directors of the Company	-
Chairman/Member of the Committees of Directors of other Companies in which he is a Director	-
a) Audit Committee	-
b) Remuneration Committee	-
c) Shareholders Committee	-

DIRECTORS' REPORT

Dear Members

The Directors of your Company present their Twenty-Fifth Annual Report & the Audited Statements of Account of the Company for the year ended on 31st March 2007.

Financial Results

The performance of your Company for the financial year ended on 31st March 2007 is summarized below:

(Rs. in Lacs)	2006-2007	2005-2006
Turnover & other Income (incl. Exports)	910.65 (429.66)	940.36 (456.18)
Gross Profit before Financial exp. & depreciation	(378.93)	(920.04)
Less : Financial Expenses	13.19	27.31
Depreciation	159.90	168.33
Net Profit/(Loss) before Tax	(552.02)	(1115.68)
Less : Provision for Taxation	-	-
Income Tax adj. for earlier years	63.45	226.30
Provision for Fringe Benefit Tax	2.25	2.98
Add : Adj. for deferred tax	67.45	3.52
Net Profit /(Loss) after tax	(550.27)	(1341.44)
Add: Recoup/Transfer to General Reserve	345.38	1.36
Add: Amount b/f from last year	-	1340.08
Balance transferred to Balance Sheet	(204.79)	-

Dividend

In view of the deficit in operations, the Directors are not in a position to recommend dividend for the financial year 2006-07.

Operations

The performance during the financial year under review continues to be dismal and depressed, due to a combination of factors. The operations in the Dyeing Plant were closed on account of high operational costs, and its non economical viability.

The Company suffered a loss of Rs. 224.24 Lacs on sale of old machinery & equipment including those of its worn- out and outdated plant & machinery of the closed and non-operational Dyeing Unit. All these cumulative factors have adversely affected the turnover and the profitability of the Company during the year under report.

Technology upgradation, modernisation-cum-diversification

The Company has incurred nominal capital expenditure of Rs. 3.41 Lacs on technology upgradation and modernization of its equipment wherever considered necessary, during the year under report, as against Rs. 35.20 Lacs incurred in the preceding year.

Future Prospects

During the first quarter ended on 30th June, 2007, the Company has achieved turnover of Rs. 195.46 Lacs only (incl. exports of Rs. 146.58 Lacs) as against Rs. 109.79 Lacs (incl. exports of Rs. 44.25 Lacs) in the corresponding first quarter of the previous year. Strict monitoring is being done to cut down costs and overheads wherever feasible to make the product more price competitive. Product diversification and addition of high value added products is being carried on. The Directors are making efforts and have taken effective steps to increase the turnover, exports and improve the profitability of the Company. The performance is poised for improvement in the current year.

The Company is also expanding its domestic market gradually by opening more retail outlets, including franchisees, & new and diversified product lines are continuously being added in the domestic retail marketing, keeping in view the market requirements.



Finances

Your Company continues to have the support of its Bankers, Punjab National Bank, for the working capital requirements commensurate with its business activities.

Deposits

The Company has neither invited nor accepted any deposits from the Public within the meaning of the Companies (Acceptance of Deposits), Rules, 1975, during the year under report.

Directors

Shri Hari Bansal, Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The Board of Directors have, at their meeting held on 7th July, 2007, again re-appointed Shri Hari Bansal as Whole-time Director of the Company for a further period of 5 years from 12th November, 2007 when his current term expires.

Attention of the Members is invited to the relevant items of the Notice of the Annual General Meeting and the Explanatory Statement thereto.

Auditors

M/s. S.R. Dinodia & Company, Chartered Accountants, New Delhi, retire and being eligible, offer themselves for re-appointment as Auditors of the Company for the current year 2007-08, to hold office till the conclusion of the next Annual General Meeting. The Company has received the consent and the requisite Certificate u/s 224(1B) of the Companies Act, 1956, from them.

Auditors Qualification

As regards the remarks of the Auditors in their Audit Report for non-amortisation of leasehold land, clarification has been sought from the lessor for the period and exact amount of amortisation required which is expected to be received shortly. As soon as the information is received, the amortisation of leasehold land will be effected in the current year ending 31st March, 2008.

Subsidiary Company

A Statement u/s 212 of the Companies Act, 1956, in respect of Company's wholly-owned Subsidiary, Aum Textfab Pvt. Ltd., is annexed as part of this Report.

Corporate Governance

The Management Discussion & Analysis Report and the Report on Corporate Governance, alongwith the Certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is given in the Annexure, forming part of this Report.

Directors' Responsibility Statement

As required u/s 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors hereby confirm that as stated by the Auditors:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the accounting policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made when required so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii) 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 any fraud or other irregularities; and
- iv) the annual accounts for the financial year have been prepared on a going concern basis.

Particulars of Employees

There were no employees who were in receipt of remuneration for the financial year under report in the aggregate of not less than Rs. 24 Lacs per annum, within the meaning of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo

The relevant information & data required to be disclosed u/s 217 (1)(e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms part of this Report.



ADDI INDUSTRIES LIMITED

Acknowledgements

The Directors express their gratitude and their appreciation to the Workers, Staff Members and Executives at all levels for their collective contribution to the Company's performance. Industrial relations continue to be cordial during the year under Report. The Directors would also like to thank the Shareholders, Bankers, Customers, Suppliers & Vendors for the continuous support given by them to the Company, and their confidence in its management.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : July 07, 2007

C.L. Jain
Chairman & Mg. Director

ANNEXURE TO & FORMING PART OF DIRECTORS' REPORT

Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo

Conservation of Energy

The Company is continuously monitoring the process of energy conservation through improved operational and maintenance activities. To minimise losses, various measures namely maximum use of natural day light, arresting leakages of air and steam and proper insulation for preventing loss of heat etc. have been implemented. These measures have and are resulting in cost savings for the Company.

Total energy consumption & consumption per unit during the year ended 31st March, 2007, is as per Form 'A' below :
FORM 'A'

A. Power and Fuel Consumption:

		Current year 31.3.2007.	Previous Year 31.3.2006
1.	ELECTRICITY		
(a)	Purchased		
	Units	594892	707955
	Total amount (Rs./Lacs)	30.58	36.80
	Rate/unit (Rs.)	5.14	5.20
(b)	Own Generation		
i)	Through diesel generator		
	Units	238500	21600
	Unit per ltr. of diesel oil	3.50	3.50
	Cost/unit (Rs.)	8.86	7.94
ii)	Through steam turbine/generator	N.A.	N.A.
2.	COAL Qty. (Kgs.)	N.A.	N.A.
	Value (Rs./Lacs)	N.A.	N.A.
3.	FURNACE OIL/ LDO		
	Qty. (Ltrs.)	20750	54000
	Value (Rs./Lacs)	7.45	14.75
	Rate/Unit (Rs.)	35.90	27.32
4.	HUSK		
	Qty. (Kg.)	-	-
	Value (Rs./Lacs)	-	-
	Rate/Unit (Rs.)	-	-
OTHERS : INTERNAL GENERATION		N.A.	N.A.

B. Consumption per unit of production:

Product	(Unit)	Electricity (Units)		Furnace Oil (KL)		Coal (KG.)		Husk (KG)	
		Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.
1. Readymade Garments	1000 Pcs.	2364	1726	-	-	-	-	-	-



ADDI INDUSTRIES LIMITED

Technology Absorption

The requisite particulars are given in Form B below:

FORM 'B'

Research and Development (R&D) : The Company continues to give due attention and stress on R&D activities to achieve maximum benefit for process and product by adapting to all round technological development. This is of utmost importance in today's customer-driven market, where both quality and lower cost are dominant factors. Beside development of new designs, high value added product and such like measures are imperative in the trade. The cumulative measures taken to update and use the latest technology for improvement in productivity are yielding positive results and are enabling the Company to concentrate upon high value added products. Expenditure on R&D is booked to respective heads, as it is not separately identified.

Technology Absorption, Adoption and Innovation: The company puts proper emphasis on absorption of design and manufacturing technology. Priority is given in using latest technology for improving productivity, product quality and reducing wastage in consumption of raw materials, consumables and fuels. No technology import is required, since the product manufacturing is specific and subjective operation.

Foreign Exchange Earnings and Outgo : Total Foreign exchange earned and used :

(Rs./Lacs)	<u>31.3.2007</u>	<u>31.3.2006</u>
Earnings	429.66	456.18
Outgoings	65.92	37.30

For and on behalf of the Board of Directors

Place : New Delhi
Dated : July 07, 2007

C.L. JAIN
Chairman & Mg. Director

Auditors' Certificate on Corporate Governance

To The Members of
ADDI INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Addi Industries Limited, for the year ended on 31st March 2007, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

We state in respect of the investor grievances received during the year ended 31st March 2007, that no complaints were pending as per the records maintained by the Company and presented to the Shareholders' Grievance Committee of the Company.

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

Place: New Delhi
Dated: 7th July, 2007.

For S.R. DINODIA & CO.
CHARTERED ACCOUNTANTS
SANDEEP DINODIA
PARTNER
M.No. 83689

MANAGEMENT DISCUSSION & ANALYSIS REPORT**1. INDUSTRY STRUCTURE & DEVELOPMENTS**

The knitwear sector in the textile industry plays an important role in the Indian Economy. This industry, however, is highly competitive and fragmented. During the year 2006-07 the exports of readymade garments showed some positive upward trend, after witnessing a declining trend in the aftermath of elimination of textile quota. Export growth was also severely affected due to several internal and external developments. Stiff global competition continued to have an adverse impact on business prospects and profitability.

2. OPPORTUNITIES & THREATS

Ample opportunities exist in the Textile Industry. The positive trend and the increasing growth in export of knitted garments augurs well for this segment of the textile industry. There is a perceptible change in the outlook and shift for diversified and high value-added products.

Textile Companies are always experiencing pricing pressures. The abolition of quota regime has opened trade to fierce competition. Prices are bound to be under pressure due to stiff international competition. Besides, lack of modern technology and archaic personnel laws are some of the other areas of significant threats.

Addi Industries is seized of all such factors having adverse effect on its exports. It is always eager and endeavouring to constantly update its plant & equipment for producing the best quality products.

Sales in Company's domestic retail outlets is gradually improving. Keeping in view the market requirements, new and diversified product lines are continuously being added in the domestic market.

3. SEGMENT-WISE PERFORMANCE

The Company operates in one segment only i.e. manufacturing of garments. Hence, no segment-wise performance reporting is available.

4. FINANCIAL AND OPERATIONAL PERFORMANCE

The performance during the year 2006-07 continued to be depressed due to a combination of factors. The Company achieved turnover of Rs. 727.43 Lacs (including exports of Rs. 429.66 Lacs) as against the turnover of Rs. 807.25 Lacs (including exports of Rs. 456.18 Lacs) in the previous year. However margins have been under pressure.

The company suffered an operational loss of Rs. 552.02 Lacs, which includes loss of Rs. 224.24 Lacs on sale of its old machinery & equipment. The operational loss in the year under report was however much lower compared to the operational loss of Rs. 1115.68 Lacs in the previous year.

5. OUTLOOK

Exports in the current year 2007-08 are looking up. The Company has achieved exports of Rs. 146.58 Lacs in the first quarter ended 30th June, 2007 as compared to the exports of Rs. 44.25 Lacs in the first quarter of the preceding year. The abolition of quota system, though largely viewed as a cost reduction measure, but it has surfaced as a tool for high pressure on selling prices of the export products. Exports also depend a lot on Govt. policies and developments in the international market.

6. RISKS & CONCERNS

The Company places its thrust on product excellence. Judicious risk management policies, strong systems, constant monitoring of various risk factors and a focus on greater market penetration continue to guide the business strategy of the Company. Strict monitoring is done to cut-down costs and overheads, wherever feasible, to make the product more price competitive.

7. INTERNAL CONTROL SYSTEMS

The Company has instituted a system of internal control and checks which are supplemented by an on-going programme of internal audits and Management Information System (MIS). An annual planning and budgeting system has been put into practice. The Audit Committee of the Board actively reviews internal control systems as well as financial disclosures normally on every quarterly periods.

8. MATERIAL DEVELOPMENTS IN HR

Personnel relations have been cordial. To conform to international standards, the Company conducts different training programmes in-house. The Company has also identified and included specific programme/s on Health, Safety & Environment in every employee/s performance targets. A self assessment system is in vogue amongst the staff which is reviewed by the top management from time to time.

CAUTIONARY STATEMENT

The Statements in the Report of the Board of Directors and the Management Discussion & Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : July 07, 2007

C.L. Jain
Chairman & Mg. Director

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

1. Corporate Philosophy

In order to bring about transparency in operation, maintaining professional approach and accountability, and optimising returns for its Shareholders, the Company endeavors to fully comply with the requirements of Corporate Governance under the revised Clause 49 of the Listing Agreement with the Stock Exchange. Regular Meetings of the Board and Committee/s thereof are held for transparency in management, effective leadership and for supervision and control. Regular monitoring of risk management and internal control functions is carried on, and the same is further being geared up to meet the progressive governance standards.

2. Board of Directors

The composition of the Board of Directors as on 31st March 2007 is four, two Executive Directors and two Non-executive Directors. The Agenda and other documents alongwith relevant information on the business to be discussed and decided in the Board/Committee Meeting/s are circulated well in advance. The Chairman & Managing Director is responsible for the conduct of the business as also the day-to-day affairs of the Company. The Executive Whole-time Director is in charge of Marketing, Product development, Quality control, Export & other Commercial functions of the Company. A Certificate of Statutory Compliance reporting compliance of the various rules and regulations, laws & clauses applicable to the Company is placed before the Board at every Meeting on a quarterly basis. The Statutory Auditors are special invitee/s to the Board / Committee Meeting/s as and when required, and particularly at the time of Annual & Half yearly Financial Statements.

The Board met 5 times on 29th April, 2006; 28th June, 2006; 29th July, 2006; 30th October, 2006 and 30th January, 2007 during the year ended 31st March, 2007:

Name of the Director & Designation	Executive/ Non Executive/ Independent	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the last AGM on 07.8.2006	Directorships In other Cos. incorporated In India	No. of other Cos. Board Committees, of Which Member/ Chairman
Shri C.L. Jain (Chairman & Mg. Dir.)	Executive (Promoter Grp)	5	5	Present	1	NIL
Shri V.B. Agarwal	Non-executive (Independent)	5	5	Present	NIL	NIL
Dr. B.K. Behera	Non-executive (Independent)	5	5	Present	NIL	NIL
Shri Hari Bansal (Whole-time Dir.)	Executive (Promoter Grp)	5	NIL	No	1	NIL

None of the Directors on the Board hold the office of Director in more than 10 Companies as Director or as Member of Committees of the Board. Particulars of a Director retiring by rotation and being re-elected, and of the Whole-time Director seeking re-appointment, are given at the end of this Report.

Directors resigned during the year.

There is no change in the Directorship/s of the Company during the year under report.

3. Committee/s of the Board
A. Audit Committee

An Audit Committee is duly constituted in terms of Section 292A of the Companies Act 1956 and in compliance with the requirements of Clause 49 of the Listing Agreement. Shri V.B. Agarwal, a non-Executive Independent Director, is the Chairman of the Audit Committee.

Shri V.B. Agarwal is a professionally qualified Cost Accountant & Company Secretary, and has the requisite financial acumen and a rich & varied expertise on financial matters. He attended and was present at the Annual General Meeting of the Members held on 7th August, 2006.

The Committee relies on the expertise and knowledge of management, the Statutory Auditors, and the Professionals in carrying out its oversight responsibilities, and for effectively looking after all the financial and other matters specified u/s 292A of the Act *ibid*. The Committee discharges such duties and functions indicated in Clause 49 of the Listing Agreement with the Stock Exchange and such other functions as may be specifically delegated to the Committee by the Board from time to time. The Company Secretary acts as Secretary to the Committee. The Auditors are permanent invitee/s to the meeting/s of the Committee, especially at the time of consideration of Half yearly and Annual Accounts.

Four Meetings of the Audit Committee were held on 28th June, 2006; 29th July, 2006; 30th October, 2006 and 30th January, 2007. All the members of the Audit Committee attended each and every meeting held during the year.

The employees of the Company have a right of access to the Audit Committee and its Members, without any information to their Superiors. The Company has a Whistle Blower Policy. The Company hereby affirms that it has not denied any personnel access to the Audit Committee of the Company and has provided protection to whistle blowers from any unfair termination and other unfair or prejudicial employment practices.

B. Remuneration Committee

The Remuneration Committee of the Company comprises of two non-executive independent Directors namely Shri V.B. Agarwal & Dr. B.K. Behera, and Shri C.L. Jain, Mg. Director, as its members. The Remuneration Committee is empowered to review the remuneration of the Chairman & Managing Director and Executive Directors. Only one Meeting of the Remuneration Committee was required, and was held on 28th June, 2006, during the year ended 31st March, 2007.

C. Selection Committee

The Selection Committee of the Company also comprises of two non-executive independent Directors namely Shri V.B. Agarwal and Dr. B.K. Behera, and Shri C.L. Jain, Mg. Director, as its Members. The Selection Committee functions for regulating the selection and appointment of any relative/s of a Director, to hold office or place of profit in the Company. No meeting of the Selection Committee was required to be held during the year ended 31st March, 2007.

D. (i) Investor Relations & Grievance Committee

The Investor Relations & Grievance Committee, functions under the Chairmanship of Shri C.L. Jain, CMD. Shri S.C. Singhal, a Practising Company Secretary & Professional Consultant, is a special invitee and assists the CMD in monitoring any grievances of the Shareholders and maintaining investor relations. No investor grievance was pending on 31st March 2007.

Two meetings of the Investor Relations & Grievance Committee were held on 31st January, 2007 & 31st March, 2007, during the year under report.

(ii) Share Transfer Committee

The Company has a Share Transfer Committee. The Board has delegated the powers to the Mg. Director to approve all case/s of transfer/ transmission/ issue of duplicate Share Certificate/s & other related matters, upto 2500 Equity Shares per case, held in physical form.

Such transfers and other related matters were approved on 20th April, 2006; 25th May, 2006; 20th June, 2006; 21st July, 2006; 31st August, 2006; 25th September, 2006; 9th December, 2006; 15th January, 2007; 26th February, 2007; 20th March, 2007 and 30th March, 2007. Proceedings of all the Share Transfers/ Transmissions/ other matters approved are placed at the ensuing Board Meeting/s, from time to time.

The Company Secretary acts as the Compliance Officer of the Committee. The Company attends the Shareholders'/ investors' communications/grievances expeditiously. Only 4 demat requests were pending due to non-receipt of DRFs within the stipulated time.

4. Remuneration to Directors

The Mg. Director & the Whole-time Directors are paid remuneration as decided & approved by the Remuneration Committee, the Board and the Shareholders, & thereafter, the approval of the Central Govt. is obtained wherever

required. The Company does not have any Stock Option Scheme.

The appointment of the Mg. Director & the Whole-time Directors is generally for a period of 5 years or as approved by the Board, and the Central Govt. if required, which can be terminated by giving one month Notice on either side. No severance fee is payable. There are no retirement benefits, but only provision for Leave Encashment and Gratuity to which the Mg. Director & other Whole-time Director/s are entitled at the end of their tenure or as per the rules of the Company.

The Central Govt. has approved the present appointment of Shri C.L. Jain as Mg. Director for a period of 5 years from 1st October, 2006. The present tenure of the Whole-time Director, Shri Hari Bansal, is expiring on 12th November, 2007. The Board of Directors have decided and approved his re-appointment for a further period of 5 years from 12th November, 2007, subject to the approval of the Members and the Central Govt.

The details of the remuneration paid to the Mg. Director and the Whole-time Director during the year under report are given below.

Structure of managerial remuneration during the financial year: (Rs./Lacs)

Name	Designation	Salary	Perquisites	Commission	Sitting Fees	Total
Sh. C.L. Jain	Mg. Dir.	12.00	9.00	Nil	Nil	21.00
Sh. V.B. Agarwal	Director	Nil	Nil	Nil	0.50	0.50
Dr. B.K. Behera	Director	Nil	Nil	Nil	0.50	0.50
Sh. Hari Bansal	W.T. Dir.	6.00	Nil	Nil	Nil	6.00
Total		18.00	9.00	Nil	1.00	28.00

Perquisites include rent paid. The sitting fees are for attendance of Board / Committee Meetings.

5. SUBSIDIARY COMPANY:

The Company does not have any material non-listed subsidiary Company. The Chairman is the ex-officio Chairman of the subsidiary Company. The Audit Committee reviews the financial statements of the subsidiary, which are placed before the Audit Committee at its meetings, on quarterly basis.

6. General Body Meeting/s

The details of last three Annual General Meeting/s are as under:

Date	Time	Location (U.P.)	No. of Special Resolutions Passed
24.08.2004	9.30 a.m.	A-34, Industrial Area, Sikandrabad	1 (One)
05.09.2005	9.00 a.m.	A-6, Sector-33, Noida (U.P.)	3 (Three)
07.08.2006	9.00 a.m.	A-6, Sector-33, Noida (U.P.)	1 (One)

No business was required to be transacted through postal ballot.

7. Disclosures

There were no transactions of a materially significant nature with the Promoters, the Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large, other than transactions with related party as disclosed at Note 10 of Schedule 'N' to the Financial Statements.

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to Capital Markets during last three years. There were no penalties imposed nor any strictures passed on the Company by the Stock Exchange, SEBI or any other Statutory Authority relating to the above.

Certificate/s of Compliance signed by the Compliance Officer &/or the Authorised Signatory for the provisions of all applicable laws are regularly being placed before the Board of Directors, which are taken on record in the Board Meeting/s on a quarterly basis.

8. Means of Communication

Financial Results:

The Quarterly, Half Yearly and Annual Financial Results were faxed and sent by speed post to the Stock Exchange at Mumbai on the prescribed format immediately after the conclusion of the Board Meeting at which the results were

taken on record. The Results were published in the Pioneer (English) & Vir Arjun (Hindi), newspapers.

The Quarterly / Annual Results and the Shareholding Pattern for the quarters ended 30th June, 2006; 30th September, 2006; 31st December, 2006 & 31st March, 2007 are also available on the SEBI EDIFAR website.

The Management Discussion and Analysis Report for the year ended 31st March 2007 forms part of this Annual Report.

9. General Shareholder Information

A. Annual General Meeting

Date and Time : Monday, 10th September, 2007 at 9.00 A.M.
 Venue : Maharaja Agrasen Bhawan, A-6, Sector-33, Noida-201301
 Financial Calendar : April to March
 Date of Book Closure : 4.9.2007 to 10.9.2007 (both days inclusive)

B. Listing on Stock Exchange

Bombay Stock Exchange Ltd., Dalal Street, Mumbai – 400 001.

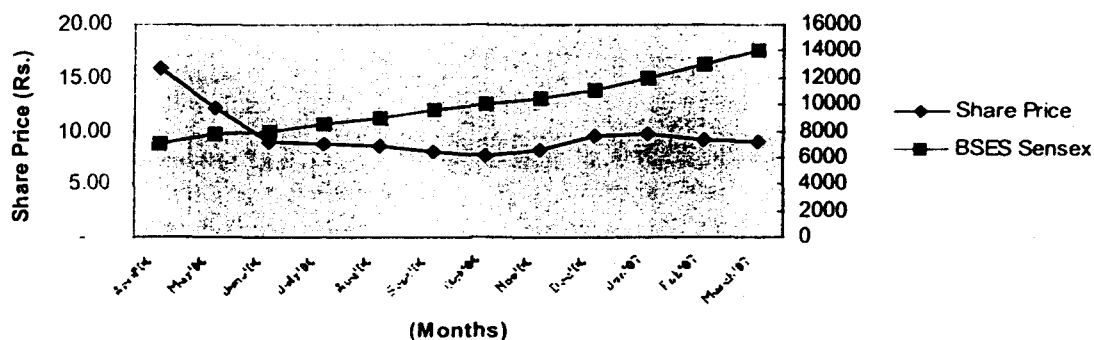
C. (i) Stock Price Data:

The trading in the Equity Shares of the Company is confined to the Mumbai Stock Exchange, being on-line connectivity.

Period	High (in Rs.)	Low (in Rs.)	Close (in Rs.)	Volume (in Nos.)
April 2006	17.90	13.00	15.92	8091
May 2006	16.00	11.50	12.15	31054
June 2006	11.55	8.75	9.00	7154
July 2006	9.00	6.60	8.78	3503
August 2006	10.66	8.30	8.55	10312
September 2006	10.38	6.97	7.99	103619
October 2006	9.33	7.70	7.70	37167
November 2006	9.39	7.11	8.30	81180
December 2006	12.33	7.65	9.45	62824
January 2007	9.85	8.56	9.66	19093
February 2007	10.14	8.42	9.15	7007
March 2007	9.47	7.18	9.00	425439

(ii). Stock Performance:

Performance of Company's Share Price in Comparison to BSE Sensex



D. Registrar & Transfer Agents

M/s. Beetal Financial & Computer Services (P) Ltd.,
 Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre
 Near Dada Harsukh Dass Mandir, New Delhi-110 062
 Phone : 29961281-82 Fax : 29961284

E. Investors' queries/requests for transfer, transmission, issue of duplicate share certificates, etc. may be sent either to the Regd. & Corporate Office of the Company at A-106, Sector-IV, Noida – 201 301 (U.P.), or to the Registrar & Transfer Agents, M/s. Beetal Financial & Computer Services (P) Ltd. at the address given above. No Investor queries/ complaints/ grievance is pending for a period of 30 days or more as at 31st March 2007.

F. Share Transfer System

The Shares of the Company are in compulsory demat mode. Hence, most of the transfers are executed electronically. However, a few cases of transfer/transmission are received by the company/registrar in physical mode. The Mg. Director as per the authority delegated by the Board approves all share transfers in physical mode upto 2500 shares per transfer. There have been no instance of share transfers beyond 2500 shares in physical mode, however, if there is any case, such transfers are approved by the Share Transfer Committee/ Board of Directors who meet periodically, and as and when required.

G. Equity Share Capital Reconciliation

The Company has obtained certificate from a practising Company Secretary confirming reconciliation of its equity share capital with reference to the authorised capital, admitted capital, the dematted & physical equity shares, as at 31st March, 2007.

10. Distribution of Shareholding as on 31st March:

No. of equity shares held	2007				2006			
	No. of share holders	% of share holders	No. of shares held	% Share holding	No. of share holders	% of share holders	No. of shares held	% Share holding
Upto 500	2980	93.30	964926	8.94	3019	94.08	969682	8.98
501 - 1000	114	3.57	166390	1.54	100	3.12	144387	1.34
1001-2000	49	1.53	139859	1.30	43	1.34	124952	1.16
2001-3000	10	0.31	48573	0.45	5	0.16	23134	0.21
3001-4000	10	0.31	65524	0.61	9	0.28	60502	0.56
4001-5000	7	0.22	65114	0.60	6	0.19	54276	0.50
5001-10000	3	0.09	48966	0.45	3	0.09	45838	0.43
Above 10001	21	0.66	9297222	86.11	24	0.75	9373803	86.82
Total	3194	100.00	10796574	100.00	3209	100.00	10796574	100.00

Shareholding Pattern as on 31st March:

Particulars	2007		2006	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters & Associates	6518972	60.380%	6518972	60.380%
Mutual Funds, UTI & Bank	11600	00.107%	12600	00.117%
Private Corporate Bodies	1810910	16.773%	2049634	18.984%
Indian Public	2349635	21.763%	2111431	19.556%
NRI's	105457	00.977%	103937	00.963%
Total	10796574	100.000%	10796574	100.000%

11. Dematerialisation of Equity Shares

The Equity Shares of the Company are in compulsory demat mode. Out of the total number of 10796574 Equity Shares of Rs. 5 each, 92.92 % i.e. 10031971 No. of Equity Shares are held in demat form as on 31.03.2007, as against 92.63% i.e. 10001058 Equity Shares as on 31.03. 2006.

12. There are no GDRs/ADRs/Warrants or any convertible instruments in the Company

13. Locations of the Plant, and address of the Regd. Office/ Corporate Office:

- Registered & Corporate Office : A-106, Sector-IV, Noida – 201 301 (U.P.)
- Plant Location : A-105,106, Sector-IV, Noida- 201 301 (U.P.)



ADDI INDUSTRIES LIMITED

14. The Company declared the following dividends in the last three years and the amounts outstanding as unpaid dividend as on 31st March, 2007 are as mentioned against each:

Fin. Year	Dividend Rate	Paid on	Amount of unpaid dividend
2002-03	10%	09.10.03	Rs.131678.00
2003-04	10%	31.08.04	Rs.113746.50
2004-05	10%	14.09.05	Rs.155047.00

Those Shareholders who have not been able to get their dividend warrants encashed have been requested to send the same to the Corporate Office of the Company for re-validation.

15. Compliance Officer and Contact Address

Shri Atul Jain
Finance Manager
Addi Industries Limited
Regd. & Corp. Off.: A-106, Sector-IV, Noida – 201 301 (U.P.)
Tel : 95120-2529336 Fax: 95120-2529334

16. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

The status of compliance in respect of non-mandatory requirements of Clause 49 of the Listing Agreement is as follows:

- i) **The Board:** The Company does not have a Non-Executive Chairman on its Board. No specific tenure has been specified for the independent Directors.
- ii) **Remuneration Committee:** Details are given under the heading "Remuneration Committee".
- iii) **Shareholders Rights:** The half yearly financial results including any significant events in the last six months were published in the newspapers pursuant to Clause 41 of the listing agreement and are also available on the SEBI's website www.sebidifair.nic
- iv) **Audit Qualifications:** The Auditors have reported for non-amortisation of leasehold land, In the financial statements. In respect of the same, clarification has been sought from the lessor for the period and exact amount of amortization required which is expected to be received shortly. As soon as the information is received the amortization of leasehold land will be effected in the current financial year ending 31st March, 2008.
- v) **Training of Board Members:** The Directors interact with the management in a very free and open manner on information that may be required by them.
- vi) **Mechanism for evaluation on non-executive Board Members:** The performance evaluation of non-executive member is done by the Board annually based on criteria of attendance and contributions at Board/Committee meetings, as also role played/ contributions other than at meetings.
- vii) **Whistle Blower Mechanism:** The Audit Committee had framed a Whistle-Blower Policy, which provides a formal mechanism for all employees of the Company to approach the Management and/ or Audit Committee, and make protective disclosures to the management about unethical behaviour, actual or suspected fraud. The Whistle-Blower Policy requires every employee to promptly report to the Management any possible violation that could affect the business or reputation of the Company. No employee of the Company has been denied access to the Audit Committee.

DECLARATION BY THE CEO/CFO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 sub-clause 1 (D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective codes of conduct, as applicable to them in the company, for the Financial Year ended March 31, 2007.

For ADDI INDUSTRIES LIMITED

New Delhi
July 07, 2007

Atul Jain
Finance Manager

C.L.JAIN
Chairman & Mg. Director

AUDITOR'S REPORT

To the Share Holders of
M/S ADDI INDUSTRIES LIMITED

We have audited the attached Balance sheet of **M/S ADDI INDUSTRIES LIMITED**, as at 31st March 2007, the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India, in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Company's Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 except :
 - ✱ Leasehold land has not been amortized in requirement with the "Accounting Standard-26 Intangible Assets".
- e) On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, subject to the *effect of non-amortization of leasehold land, the financial impact is not ascertained*, the said accounts 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii) in the case of the Profit & Loss Account, of the Loss for the year ended on that date; and
 - iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

For S. R. DINODIA & CO.
Chartered Accountants

(SANDEEP DINODIA)
P A R T N E R
M. No. 83689

PLACE: NEW DELHI
DATED: JULY 07, 2007

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our audit report of even date)

- i) (a) *Fixed asset register showing full particulars including quantitative details and situation of fixed assets was not made available at the time of the audit.* As explained to us, records pertaining to earlier years have been misplaced and work is in progress to retrieve the relevant information.
- (b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the program is reasonable having regard to the size of the Company and the nature of the fixed assets
Further, in view of the above, the discrepancies, if any, between the book records and the physical verification has not been ascertained.
- (c) The company has disposed off the Plant and Machinery of its "Dyeing unit" during the year covered under the audit, which does not effect the going concern status of the company .
- ii) (a) On the basis of information and explanation provided by the management, Inventories have been physically verified by the management during the year. In our opinion, frequency of verification is reasonable.
- (b) In our opinion, frequency and 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) In our opinion, the company is maintaining the proper records of inventory *except in the case of finished goods.* We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.
Further, in the case of finished goods, the discrepancies, if any, between the book records and the physical verification has not been ascertained.
- iii) (a) According to information and explanation given to us, the Company has not granted any loans to Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year.
- (b) According to information and explanation given to us, the Company has not taken any loans from Companies, firm or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets, sales of goods and services. According to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of opinion that the particulars of contracts or arrangements that need to be entered into a register maintained under section 301 of the Companies Act, 1956 are being so entered.
- (b) In our opinion and according to explanation given to us, transactions made in pursuance of contracts and arrangements entered in the register maintained under Section 301 in respect of any party during the year have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
- vi) The Company has not accepted any deposits during the year from the public as defined in section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) According to the information and explanations given to us, the central government has not prescribed cost records under clause (d) of sub- section (1) of section 209 of the Companies Act for the product manufactured by the Company .
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable to it. There was no undisputed amount outstanding at the year-end for a period more than six months from the date they become payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute, are as follows:

(Amount in Lacs)

S.No.	Name of the Statute	Nature of Dues	Amount	Period to which the amt. relates	Forum where the dispute is pending
1	ESI Act	ESI	77.42	During 1995-1996 to 1998-1999	Civil Court Ghaziabad
2	Trade Tax Act	Entry tax	0.89	2000-2001	Trade tax Tribunal Ghaziabad

- x) The Company has accumulated losses as at 31st March, 2007. The company has incurred cash losses during the financial year and in the immediately preceding financial year.
- xi) On the basis of information and explanation provided by the management, the Company has not made any default in the repayment of dues to the banks. The Company has not availed any loan from the debenture holders & financial institution.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
- xiii) In our opinion considering the nature of activities carried on by the company during the year, the provision of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to it.
- xiv) The company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv) On the basis of information and explanation provided, the Company has not given guarantee for loans taken by other from the bank during the year.
- xvi) On the basis of records available and information and explanation given to us, during the year, the Company has not taken any fresh term loan.
- xvii) On the basis of information and explanation given to us and an overall examination of the balance sheet, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
- xviii) According to information and explanation given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money by public issues during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For S. R. DINODIA & CO.
Chartered Accountants

(SANDEEP DINODIA)
PARTNER
M. No. 83689

PLACE: NEW DELHI
DATED: July 07, 2007



ADDI INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2007

	SCH	As At 31.03.2007 (Amt in Lacs)	As At 31.03.2006 (Amt in Lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	540.00	540.00
Reserves & Surplus	B	1376.50	1721.98
		<u>1916.50</u>	<u>2261.98</u>
Loan Funds			
Secured	C	42.75	31.10
Deferred Tax Liability (Net)	D	-	42.68
		<u>1959.25</u>	<u>2335.76</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	2,854.13	3589.02
Less: Depreciation		<u>2,162.53</u>	<u>2,393.30</u>
Net Block		691.60	1,195.72
Capital Work-in-Progress		0.90	16.93
Deferred Tax Assets	D	24.77	-
Investments	F	173.53	106.79
Current Assets, Loans & Advances			
Inventories	G	304.00	279.43
Sundry Debtors		47.11	45.75
Cash and Bank Balances		302.46	736.70
Loans and Advances		<u>300.03</u>	<u>405.12</u>
		<u>953.60</u>	<u>1,467.00</u>
Less: Current Liabilities & Provisions			
Current Liabilities	H	77.67	366.13
Provisions		<u>12.27</u>	<u>84.55</u>
		<u>89.94</u>	<u>450.68</u>
Net Current Assets		863.66	1,016.32
Profit and Loss Account		204.79	-
		<u>1959.25</u>	<u>2335.76</u>
Significant Accounting Policies & Notes to the Account			
	N		

As per our report of even date attached

For S.R. DINODIA & CO.
CHARTERED ACCOUNTANTS

(SANDEEP DINODIA)
P A R T N E R
M. No. 83689

Place : New Delhi
Dated : July 07, 2007

For and on behalf of the Board of Directors

C.L.Jain
Chairman & Mg. Director

Hari Bansal
Whole-time Director

V. B. Agarwal
Director

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

PARTICULARS	SCH	For the Year Ended 31.03.2007 (Amt in Lacs)	For the Year Ended 31.03.2006 (Amt in Lacs)
INCOME			
Turnover	I	727.43	807.25
Other Income	J	183.22	133.11
		<u>910.65</u>	<u>940.36</u>
EXPENDITURE			
Manufacturing, Selling, Administrative & Other Expenses	K	1,180.01	1,721.10
Personnel Expenses	L	109.57	139.30
Financial Expenses	M	13.19	27.31
Depreciation		159.90	168.33
		<u>1,462.67</u>	<u>2,056.04</u>
Profit/(Loss) Before Tax		(552.02)	(1,115.68)
Less : Provision for Tax		-	-
Add : Adjustment for Deferred Tax (Refer Note B-8 of Schedule - 'N')		67.45	3.52
Less: Provision for Fringe Benefit Tax		2.25	2.98
Less : Income Tax adjusted for earlier years		63.45	226.30
Profit/(Loss) After Tax		(550.27)	(1,341.44)
Add: Recoup/Transferred to General Reserve		345.48	1.36
Add: Amount b/f from last year		-	1,340.08
Balance Transferred to Balance Sheet		(204.79)	(-)
Basic / Diluted Earning per share (Rs.)		(5.10)	(12.42)
Significant Accounting Policies & Notes to the Account	N		

As per our report of even date attached

For S.R. DINODIA & CO.
CHARTERED ACCOUNTANTS

(SANDEEP DINODIA)
PARTNER
M. No. 83689

Place : New Delhi
Dated : July 07, 2007

For and on behalf of the Board of Directors

C.L.Jain
Chairman & Mg. Director

Hari Bansal
Whole-time Director

V. B. Agarwal
Director

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

PARTICULARS	For the year ended 31.03.2007 (Amt. In Lacs)	For the year ended 31.03.2006 (Amt. In Lacs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & extraordinary items	(552.02)	(1,115.68)
Adjustments For :		
Depreciation	159.90	168.33
Profit on Sale of Investments	(0.09)	(1.19)
Loss on sale of Fixed Assets	224.24	328.15
Interest paid	4.22	6.40
Investment written back	(66.74)	-
Provision no longer required	(51.49)	-
Interest Received	(29.29)	(54.28)
Operating profit before working capital Changes	(311.27)	(668.27)
Adjustments For :		
Trade and other receivables	103.33	750.37
Inventories	(24.57)	358.12
Trade & other Payable	(308.55)	(11.45)
Bank Borrowings	11.65	(301.40)
Cash generated from operations before extraordinary items		
Direct Tax Paid	(66.06)	(16.93)
Cash generated from operations after extraordinary items	(284.20)	778.71
NET CASH FLOW FROM OPERATING ACTIVITIES	(595.47)	110.44
B CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	136.16	98.80
(Purchase)/Sale of Investment	-	(74.05)
Interest Received	29.29	54.28
NET CASH USED IN INVESTING ACTIVITIES	165.45	79.03
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4.22)	(6.40)
Dividend Paid	-	(53.98)
NET CASH FLOW FROM FINANCING ACTIVITIES	(4.22)	(60.38)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(434.24)	129.09
Cash & Cash equivalents as at 01-4-2006 (Opening Balance)	736.70	607.61
Cash & Cash equivalents as at 31-3-2007 (Closing Balance)	302.46	736.70
Cash & Cash Equivalents include :		
- Cash in hand	9.97	3.54
Balances with Schedule Banks		
- In Current Accounts	18.72	49.25
- In Deposit Account	273.77	683.91

As per our report of even date attached

For and on behalf of the Board of Directors

For S.R. DINODIA & CO.
CHARTERED ACCOUNTANTS

C.L.Jain
Chairman & Mg. Director

(SANDEEP DINODIA)
PARTNER
M. No. 83689

Hari Bansal
Whole-time Director

V. B. Agarwal
Director

Place : New Delhi
Dated : July 07, 2007

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31.03.2007 (Amt in Lacs)	As At 31.03.2006 (Amt in Lacs)
--	--------------------------------------	--------------------------------------

SCHEDULE - A

SHARE CAPITAL

AUTHORISED

150,00,000 Equity Shares of Rs 5/- each (Previous Year 150,00,000 Equity Shares of Rs.5/- each)	750.00	750.00
---	--------	--------

ISSUED, SUBSCRIBED AND PAID-UP

107,96,574 Equity Shares of Rs 5/- each fully paid - up (Previous Year 107,96,574 Equity Shares of Rs.5/- each fully paid-up)	539.83	539.83
--	--------	--------

Amount received on Equity Shares Forfeited (Pr. year Rs. 0.17 Lacs) (Amount originally paid up)	0.17	0.17
--	------	------

540.00

540.00

SCHEDULE - B

RESERVES AND SURPLUS

	Opening Bal. As At 1.4.2006	Addition During the year	Recoup/ Transfer During the year	Closing Bal As At 31.3.2007
Capital Reserve	57.99	-		57.99
Share Premium	1,318.51	-		1,318.51
General Reserve	345.48	-	345.48	-
	1,721.98	-	345.48	1376.50

SCHEDULE - C

SECURED LOANS

From Scheduled Bank :

-Packing Credit & Others	42.75	31.10
--------------------------	-------	-------

(Secured by hypothecation of Current Assets & Fixed Assets (both present & future) & Guarantee of promoter/ Mg. Director)

42.75

31.10

SCHEDULE - D

DEFERRED TAX ASSET/(LIABILITY)

Deferred Tax Liability	(42.68)	(58.40)
Add:		
Deferred Tax Asset	67.45	15.72
(Refer Note B-8 of Schedule 'N')	<u>24.77</u>	<u>(42.68)</u>

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

**SCHEDULE-E
FIXED ASSETS**

(Rs./ Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31.3.06	Additions during the year	Sale/Adj. during the year	Total As At 31.03.07	Up to 31.03.06	For the year	Adj/ Del	Total upto 31.03.07	Value As At 31.03.07	Value As At 31.03.06
Leasehold Land	128.52	-	-	128.52	-	-	-	-	128.52	128.52
Building:										
- Office	76.74	-	-	76.74	4.72	1.25	-	5.97	70.77	72.02
- Factory	470.88	18.35	-	489.23	191.71	15.98	-	207.69	281.54	279.17
- Flat	55.64	-	55.64	-	0.03	0.68	0.71	0.00	(0.00)	55.61
Plant and Machinery	2,439.57	3.41	671.95	1,771.03	1,968.82	106.07	368.92	1,705.97	65.06	470.75
Leasehold Improvements	-	3.70	-	3.70	-	1.13	-	1.13	2.57	-
Electrical Installation	136.44	-	20.44	116.00	111.78	6.22	15.45	102.55	13.45	24.66
Furniture & Fixture	122.02	-	-	122.02	42.76	7.72	-	50.48	71.54	79.26
Vehicles	62.68	-	13.40	49.28	21.75	5.10	5.59	21.26	28.02	40.93
Computer	96.53	1.08	-	97.61	51.73	15.75	-	67.48	30.13	44.80
Total	3,589.02	26.54	761.43	2,854.13	2,393.30	159.90	390.67	2,162.53	691.60	1,195.72
Previous Year	4,382.20	114.04	907.22	3,589.02	2,623.61	168.33	398.64	2,393.30	1,195.72	

CAPITAL WORK-IN-PROGRESS

Capital work-in-progress including Capital advance of Rs. 0.90 Lacs (Previous Year Rs. 16.93 Lacs)

0.90	16.93
0.90	16.93



ADDI INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31.03.2007 (Amt in Lacs)	As At 31.03.2006 (Amt in Lacs)
SCHEDULE - F		
INVESTMENTS		
Long Term Investments		
Investment in Subsidiary		
Un-quoted Trade Investments in equity shares		
Aum Texfab Pvt. Ltd.		
790007 Equity Shares of Rs. 10/- each fully paid-up	75.24	75.24
@ Rs. 9.50 per Equity Share		
Others		
Quoted - Non-Trade		
- 63100(Previous Year 63100) Equity shares of	98.29	31.55
Rs. 10/- each fully paid up of PNR Capital Services Ltd.		
(Refer Note '(i)' and '(ii)' given below)		
	<u>173.53</u>	<u>106.79</u>

Notes

(i) In the financial year 2002-2003, the Company had devalued its investments by Rs. 66.74 Lacs due to decrease in the book value of investments and charged the entire amount to its profit and loss account. In the current year, the board of directors (BOD) had again reviewed the financials of PNR Capital Services Limited, which indicate the improvement in the financial results of the said company. Therefore, BOD have decided to reinstate the investments at cost, this has resulted in the increase in current year's profit by Rs. 66.74 Lacs which is shown under the head "Investment written back" in Schedule J-Other income.

(ii) The company is listed on the Delhi Stock Exchange (DSE) of which market value is not available.

SCHEDULE - G

CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

Inventories

(As taken, valued & certified by the management)

Raw Materials	92.18		76.77	
Stores & Spares	18.12		31.91	
Finished Goods	186.16		155.79	
Stock-in-Process	<u>7.54</u>	304.00	<u>14.96</u>	279.43

Sundry Debtors

(Unsecured & Considered good)

Exceeding six months				
Other Debtors	<u>47.11</u>	47.11	<u>45.75</u>	45.75

Cash & Bank Balances

Cash in hand	9.97		3.54	
With Scheduled Banks				
- In Current Account	18.72		49.25	
- In Deposit Account *	<u>273.77</u>	302.46	<u>683.91</u>	736.70

* Pledged with appropriate authorities Rs. 3.41 Lacs (Previous Year Rs. 2.70 Lacs)



ADDI INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31.03.2007 (Amt in Lacs)	As At 31.03.2006 (Amt in Lacs)
SCHEDULE - G (Contd.)		
Other Current Assets		
LOANS & ADVANCES		
(Unsecured-considered good unless otherwise stated)		
Loans (Inter - corporate Deposits)	100.00	63.76
Advances recoverable in cash or in kind or for value to be received		
Considered good		
Balance with Excise Authorities	2.54	2.54
Others	57.38	43.61
	59.92	46.15
Considered Doubtful	34.50	34.50
	94.42	80.65
Less: Provision for Doubtful debts	34.50	34.50
	59.92	46.15
Security Deposits	50.51	96.51
Interest Accrued but not due on FDR	30.40	27.02
Drawback Receivable	36.69	71.36
Advance Tax (Including TDS)	19.90	97.34
Advance Fringe Benefit Tax	2.61	2.98
	953.60	1,467.00

SCHEDULE -H

CURRENT LIABILITIES & PROVISIONS

Current Liabilities

Sundry Creditors		
Due to SSI	-	0.25
Other than SSI	23.33	25.63
(Refer Note B-3 of Schedule -'N')		
Security Received	18.00	16.00
Unclaimed Dividend *	4.00	4.08
Other Liabilities	32.34	320.17
	77.67	366.13

* It does not include any amount transferable to Investor Education & Protection Fund.

Provisions

Gratuity	7.87	7.30
Leave Encashment	2.15	10.67
Fringe Benefit Tax	2.25	2.98
Income Tax	-	63.60
	12.27	84.55



ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	For the Year Ended 31.03.2007 (Amt in Lacs)	For the Year Ended 31.03.2006 (Amt in Lacs)
SCHEDULE - I		
TURNOVER		
Export Sales	429.66	456.18
Domestic Sales	297.77	349.58
Job Work - Tax deducted Rs. Nil (Previous year Rs. .03 Lacs)	-	1.49
	<u>727.43</u>	<u>807.25</u>
SCHEDULE - J		
OTHER INCOME		
Export Incentive	24.20	38.42
Provision No Longer Required	51.49	-
Investment Written back	66.74	-
Profit on Sale of Current Investments	0.09	1.19
Profit on Sale of Fixed Assets	-	38.94
Miscellaneous Income	11.40	0.28
Interest Income		
- On Fixed Deposits - TDS Rs. 7.71 Lacs (Pr. Year Rs. 4.25 Lacs)	23.07	29.93
- On ICDs - TDS Rs. 1.31 Lacs (Previous Year Rs. 5.50 Lacs)	5.85	24.35
- On Interest on Security - TDS Rs .03 Lacs(Previous Year Nil)	0.14	-
- On Others	0.24	-
	<u>183.22</u>	<u>133.11</u>
SCHEDULE - L		
PERSONNEL EXPENSES		
Salary and other benefits	97.08	127.66
Contribution to Provident & other funds	9.75	8.62
Staff welfare expenses	2.74	3.02
	<u>109.57</u>	<u>139.30</u>
SCHEDULE - M		
FINANCIAL EXPENSES		
Interest:		
On working Capital	4.22	6.40
Bank charges	8.97	20.91
	<u>13.19</u>	<u>27.31</u>

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	For the Year Ended 31.3.2007 (Amt in Lacs)	For the Year Ended 31.3.2006 (Amt in Lacs)
SCHEDULE -K		
MANUFACTURING , SELLING, ADMINISTRATIVE & OTHER EXPENDITURE		
Raw Materials consumed	165.69	356.80
Freight & Cartage inward	3.71	4.45
(Increase)/Decrease in Stock		
Finished goods - Opening Stock	<u>155.79</u>	<u>69.36</u>
Stock-in-process- Opening Stock	<u>14.96</u>	<u>224.08</u>
	170.75	293.44
Finished goods - Closing Stock	<u>186.16</u>	<u>155.79</u>
Stock-in-process - Closing Stock	<u>7.54</u>	<u>14.96</u>
	193.70	170.75
	(22.95)	122.69
Processing Charges	71.73	70.56
Stores, Spares & Packing material Consumed	102.27	77.97
Purchase of Traded Items	0.01	10.24
Loss of Material by Flood	5.30	-
Fabrication Wages	115.68	195.14
Power & Fuel	79.59	71.65
Other Manufacturing Expenses	42.00	42.01
Sample & Designing Expenses	4.00	2.30
Rent, Rates & Taxes	85.39	65.58
Insurance	42.91	48.28
Repairs & Maintenance		
- Machinery	26.60	9.71
- Building	4.41	4.41
- Others	<u>19.04</u>	<u>12.94</u>
	50.05	27.06
Travelling & Conveyance		
- Directors	7.51	7.51
- Others	<u>11.03</u>	<u>14.12</u>
	18.54	21.63
Vehicle Running & Maintenance	5.12	4.42
Communication Expenses	10.58	14.29
Directors' Sitting Fees	1.00	1.25
Printing & Stationery	3.96	4.34
Membership & Subscription	0.33	1.22
Legal, Professional & Service charges	12.53	14.92
Payment to Auditors	2.52	1.79
Outward Freight & Cartage	14.25	20.75
Advertisement & Publicity	0.54	24.47
Exchange Fluctuations	4.70	1.49
Business Promotion	-	1.20
Commission, Claims & Discounts	75.27	105.78
Miscellaneous Expenses	39.01	17.28
Charity & Donation	0.16	0.90
Security Expenses	21.88	23.55
Loss on Sale of Fixed Assets	224.24	367.09
Total	<u>1,180.01</u>	<u>1,721.10</u>

Schedule Forming Part of the Balance Sheet and Profit & Loss Account

SCHEDULE - N

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A Significant Accounting Policies

1 Accounting Concepts :

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.

2 Uses of Estimates

The financial statements are prepared using estimates and assumptions that effect the reported balances of the assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of balance sheet and the profit and loss account during the year. Contingencies are recorded when it is probable that a liability has been incurred and amount can be reasonably estimated. Actual results could differ from these estimates. The actual results are recognized in the year in which the results are known/materialised.

3 Fixed Assets:

Fixed Assets are stated at cost , less accumulated depreciation. Leasehold Land is shown at Cost without any amortisation.

4 Method of Depreciation & Amortisation

- Depreciation is provided at the rates specified in the Schedule XIV of the Companies Act, 1956 by using the Straight Line Method.
- Depreciation on additions to Fixed Assets is calculated prorata from the date of such addition.
- Assets costing less than Rs. 5,000/- has been depreciated fully in the year of purchase.
- Leasehold Improvements have been written off on the basis of the duration of lease agreement.

5 Valuation of Inventories

Method of Valuation

- | | |
|---------------------|--|
| a) Raw Material | At Lower of Cost or Net realisable value.* |
| | *The cost is determined on Weighted Average basis. |
| b) Finished Goods | At Lower of Cost or Net realisable value. |
| c) Stock-in-Process | At Cost. |
| d) Stores & Spares | At Cost |

* Cost comprises expenditure incurred in the normal course of business in bringing such inventories to the present location and condition. Finished Goods and Work- in Progress includes cost of conversion.

6 Foreign Currency Transactions

Transaction in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Current Assets and Current Liabilities are reinstated at the rate prevailing at the year end and the difference between the year end rate and the exchange rate at the date of the transaction is recognised as Income or Expenses in the Profit & Loss Account except the exchange difference in respect of Fixed Assets acquired from outside India is adjusted to the carrying cost of Fixed Assets.

7 Retirement Benefits:

- Retirement Benefits to employee viz provident fund, pension scheme whether in pursuance of any law or otherwise are accounted on accrual basis and charged to profit and loss account for the year.
- Payment for present liability of future payment of gratuity is made on the basis of actuarial valuation made at the year end and charged to profit and loss account for the year.
- Leave Encashment benefits have been provided on the basis of actuarial valuation at the year end.

8 Revenue Recognition

- Export Sales are booked on the basis of date of Foreign Cargo Receipt.
- Duty Drawbacks, DEPB and Other exports benefits are recognised in the Profit & Loss Account on accrual basis.
- Domestic sales are recognised (net of sales tax, sales returns and trade discount) at the point of despatch of goods.

9 Purchases

Purchases are booked at the time of receipt of material at Factory Gate.

10 Investments

- a) Current Investments are stated at lower of cost and fair value.
- b) Long Term Investments are stated at Cost unless there is a diminution of permanent nature, if any in the opinion of the management.

11 Earnings Per Share

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

12 Cash Flow Statement

Cash flow Statement is made as per the indirect method prescribed under Accounting Standard - 3 "Cash Flow Statement issued by the Institute of Chartered Accountants of India.

13 Current Tax

Current tax provided on the basis of taxable income according to prevalent Tax Laws. Advance tax paid/payable adjusted if any on the completion of assessment.

14 Deferred Tax

Deferred Tax resulting from timing difference between book and taxable profit is accounted for using the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet Date. Deferred Tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

15 Provision, Contingent Liabilities and Contingent Assets

Provision 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.

16. Leases

- a) In respect of lease transactions entered into prior to April 1, 2001, lease rentals of assets acquired are charged to profit & loss account.
- b) Lease transactions entered into on or after April 1, 2001:
 - Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the liability for each period.
 - Assets acquired under leases where a significant portion of all risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit & loss account on accrual basis.

B NOTES TO THE ACCOUNT

- 1 Estimated amount of contracts remaining to be executed on Capital account- Rs.0.45 Lacs net of advances (Previous Year Rs. Nil)

2 Contingent Liabilities

- a) Claims against the company, not accepted and not provided for :
 - Rs. 77.42 Lacs towards Employees State Insurance (Previous Year Rs. 77.42 Lacs).
 - Rs. 86.76 Lacs towards claim for recovery by the Franchisee (Previous Year Rs. Nil)
- b) Bills discounted with Bank outstanding Rs. 25.47 Lacs (Pr.Yr. Rs. Nil)

- c) Trade tax Liability for Rs 0.89 Lacs (Previous Year Rs. 0.89 Lacs) under Appeal with Trade Tax Tribunal.
- d) Guarantees given by Bankers on Company's behalf - Rs. 3.29 Lacs for which Margin of Rs. 3.29 Lacs has been provided as F.D. (Previous Year Rs. 2.29).

- 3 As per the information provided by the Management, the Company does not owe any sum to small scale industrial undertakings as at 31st March, 2007.
- 4 No provision for current tax has been made in view of brought forward accumulated losses.
- 5 Certain Heads of Account include prior period expenses/(income), include Rs. (1.17) Lacs (Pr. Yr. Rs. Nil lakhs), as stated below :

Particulars	Current Year Rs.(In Lacs)	Previous Year Rs.(In Lacs)
Prior Period Expenses		
Water & Electricity	6.41	-
Repair & Maintenance	2.90	-
Total (A)	9.31	-
Prior Period Income		
Misc. Income	10.48	-
Total (B)	10.48	-
Net Prior Period Expenditure/(Income) (A-B)	(1.17)	-

6 Managerial Remuneration to Directors

Chairman & Managing Director

Salary	12.00	17.85
Perquisites (including Rent Rs. 9.00 Lacs (P/Y Rs. 9.00 Lacs)	9.00	9.15

Whole-Time Directors

Salary	6.00	19.62
Perquisites	-	1.98
	27.00	48.60

- 7 A Computation of Managerial remuneration & Commission payable u/s 349 of the Companies Act has not been given since the remuneration paid is as minimum remuneration.

8 Deferred Tax

As per the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company estimates the deferred Tax charge/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year.

(Amount in Lacs)

	Upto 31.03.06	For the year	As at 31.03.07
Deferred Tax Liabilities			
Related to Fixed Assets	58.40	(69.68)	(11.28)
Deferred Tax Assets			
Disallowances under section 43B of the Income Tax Act	15.72	2.23	13.49
Deferred Tax Assets/(Liability)	42.68	(67.45)	24.77

The deferred tax assets charge of Rs. 67.45 Lacs (Previous year 3.52 Lacs) for the year ended 31st March, 2007 has been charged in the profit and loss account.

Note :

Keeping in view the principle of prudent as per Accounting Standard - "22 - Accounting for Taxes on Income" issued by the ICAI, since there is no virtual certainty of future profits to absorb the entire business losses, the company has not recognised deferred tax assets on the brought forward losses and unabsorbed depreciation.

9 Payment to Auditors

- Audit Fees	1.63	1.38
- Tax Audit Fees	0.28	0.27
- Others	2.60	-
- Out-of-pocket expenses	0.08	0.14

Note

The above expenditures have been charged under the account head "Legal and Professional Charges" and "Auditor's Expenditures".

10 Related Party Disclosure

As per Accounting Standard -18, related party disclosures of the Institute of Chartered Accountants of India, related parties and transaction with them are follows

a) Name and nature of related party relationship.

- | | |
|--------------------------------|---|
| (i) - Name of related Party: | M/S REVATY R. EXPORTS |
| - Description of Relationship: | Partners are related to two Directors. |
| (ii) - Name of related Party: | MR. ABHISHEK BANSAL |
| - Description of Relationship: | Related to two Directors, Employed as Manager Mktg. |
| (iii) - Name of related Party: | MRS. URMILA JAIN |
| - Description of Relationship: | Related to two Directors, Employed as G M- Production |
| (iv) - Name of related Party: | AUM TEXTFAB PVT. LTD. |
| - Description of Relationship: | Wholly - owned Subsidiary Company |
| (v) Key Managerial Personnel | 1- Sh. C.L. Jain, Chairman & Managing Director
2- Sh. Hari Bansal, Whole-time Director
3- Smt. Urmila Jain, General Manager- Production
4- Sh. Abishek Bansal, Manager Mktg. |

b) * Transaction with related parties referred to in 10 A above.

- | | |
|--|--|
| - Description of the nature of transaction | Sale, Purchase, Supply of material & services for cash at the prevailing market rates. |
|--|--|

Particulars	Current Year	(Amt. in Lacs) Previous Year
i) Sale/ Services	-	1.49
ii) Purchases	0.01	-
iii) Investment in Equity Shares	-	75.24
iv) Payment to Key Managerial Personnel		
- Managerial Remuneration (Directors)	27.00	48.60
- Rent	15.00	15.00
- Salary (Others)	24.05	23.42
c) Balance outstanding as at year end		
- Aum Textfab Pvt. Ltd.	75.24	75.24

11 Basic/Diluted Earning per Share

- Profit (Loss) after Tax (A)	(550.27)	(1,341.44)
- No. of Equity Shares(Weighted) (B)	107.97	107.97
- Nominal Value Per Shares (Rs.)	5.00	5.00
- Earning per Share	(5.10)	(12.42)

12 Capacities, Production, Purchases, Turnover and Stocks

a) Licensed and Installed Capacities

As certified by the management as per the norms laid down by the Central Government no licence is required for the class of goods manufactured by the company and hence information pertaining to the licensed is not given. The Company is of the view that the installed capacity of its machinery in terms of measurable unit can not be determined as it varies, based on the design/process of its range of products hence installed capacity is not given.

b) Details of Production, Purchases & Turnover
(Amount in Lacs)

Particulars	Unit	Quantity		Value	
		Production	Purchase	Turnover	Turnover
Cotton Knitted & Woven	Pcs	251,650*	-	247,064**	724.59
Garments except samples		(410,068)	-	(363,574)	(793.43)

** It does not include NIL Pcs (Previous Year 100 Pcs.) of samples

c) Details of Opening & Closing Stock (Finished Goods)
(Rs in Lacs)

Particulars	Unit	Opening Stock		Closing Stock	
		Qty	Value	Qty	Value
Cotton Knitted	Pcs	84,088	152.40	88,680	179.48
Garments		(37,692)	(64.97)	(84,088)	(152.40)

13 Raw Materials Consumed
(Amount in Lacs)

	Unit	Qty	Value
Yarn/Fabric	Kgs	126,150	165.69
		(144,332)	(228.15)
Others		-	(140.88)
TOTAL		126,150	165.69
		(144,332)	(369.03)

14 Value of Imports calculated on CIF Basis
(Amount in Lacs)

	Current Year	Previous Year
Raw Material	-	(5.35)
Stores & Spares (Consumables)	38.74	(20.25)

15 Expenditure in Foreign Currency
(Amount in Lacs)

	Current Year	Previous Year
Travelling	9.34	(11.70)
Legal and Professional	1.22	-
Commission	16.62	-

16 The value of consumption of directly imported and indigenously obtained raw materials, spare parts (including packing material) and components and percentage of each to total consumption.
(Amount in Lacs)

	Raw Material	Percentage%	Components & Stores	Percentage%
a) Imported	-	-	38.74	37.89
	(5.35)	(1.45)	(20.25)	(30.80)
b) Indigenous	165.69	100%	63.52	62.11
	(363.68)	(98.55)	(45.49)	(69.20)

17 Earnings in Foreign Exchange :

FOB value of Goods Exports

Rs. 429.66 Lacs (Previous Year Rs. 456.18 Lacs)

18 Trading Operations
(Amt in Lacs)

Items	Opening Stock		Purchases		Sales/ Adj.		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Leather accessories	1,144	2.46	-	-	666	1.05	478	2.88
	(2,190)	(4.02)	(595)	(4.41)	(1,641)	(7.04)	(1,144)	(2.46)
Jewellery	1,645	0.93	-	-	914	1.79	731	3.80
	(1,426)	(0.37)	(1,838)	(5.81)	(1,619)	(5.25)	(1,645)	(0.93)
Garments	-	-	6	0.01	6	0.014	-	-
	-	-	-	-	-	-	-	-



ADDI INDUSTRIES LIMITED

19 Sale & Purchase of Current Investment

Description	Purchase		Sale	
	Qty. (Nos.)	Value (In Lacs)	Qty. (Nos.)	Value (In Lacs)
Units of Franklin Templeton Mutual Fund Previous Year	5625.5450	70.00	5631.444	70.09
Equity Shares of Rs. 10 each fully paid-up of Karam Chand Thapar & Bros. Ltd.	(11,904.00)	(8.33)	(11904)	(9.52)

20 The company is in business of single product "ready garments". Therefore, the requirements in context of the Accounting Standard - 17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India are not applicable.

21 Assets Taken on Lease

The company has taken certain assets on non-cancellable operating lease and lease rent amounting to Rs. 47.08 Lacs (Previous Year : 16.24 Lacs) has been debited to profit and loss account. The future minimum lease payments is as under :

Minimum Lease Payment Payables	(Rs. in lacs)	Current Year	Previous Year
(i) not later than in 1 years		47.79	16.24
(ii) later than 1 year but not later than 5 years		88.13	32.75
(iii) later than 5 years			

General Description of Lease Terms

(i) Operating Lease (ii) Lease Rent paid for Running Show rooms

22. Figures in bracket denotes for previous year.

23. Previous year figures have been regrouped/rearranged wherever considered necessary.

24. Information pursuant to part IV of Schedule VI is annexed.

Signatures to Schedule A to N forming part of Balance Sheet, Profit & Loss Account and Cash Flow Statement.

As per our report of even date attached

For and on behalf of the Board of Directors

For S.R. DINODIA & CO.
CHARTERED ACCOUNTANTS

(SANDEEP DINODIA)

PARTNER

M. No. 83689

Place : New Delhi

Dated : July 07, 2007

Hari Bansal
Whole-time Director

Atul Jain
Manager (Finance)

C.L.Jain
Chairman & Mg. Director

V. B. Agarwal
Director

Dr. B.K. Behera
Director

AUDITOR'S REPORT

AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD DIRECTORS OF M/S ADDI INDUSTRIES LIMITED

We have audited the attached consolidated Balance sheet of **M/S ADDI INDUSTRIES LIMITED** (the Company), and its Subsidiary (the company & its subsidiary constitute 'the Group') as at **31st March 2007** and the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary, whose financial statements reflect total assets (net) of Rs. 77.79 Lacs as at 31st March, 2007, total revenues of Rs. 5.30 Lacs and net cash flows from operating activities amounting to Rs. 4.28 Lacs for the year ended March 31, 2007. These financial statements and other financial information have been audited by other qualified auditors whose reports have been furnished to us by the Management of the Group, and in our opinion, is based solely on the reports of the other auditors.

Subject to our remarks in paragraph 3 above :

- We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard "21" Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial statements and on the other financial information of the components, and to the best of our information and explanations given to us, *subject to the leasehold land has not been amortized in requirement with the "Accounting Standard-26-Intangible assets" and the financial effect of which is not ascertained*, we are of opinion that the attached consolidated financial statements given a true and fair view in conformity with the accounting principles generally accepted in India :
 - in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - in the case of the Consolidated Profit & Loss Account, of the Losses of the group for the year ended on that date; and
 - in the case of Consolidated Cash flow statement, of the cash flow of the group for the year ended on that date.

For S. R. DINODIA & CO.
CHARTERED ACCOUNTANTS
(SANDEEP DINODIA)
PARTNER
M. No. 83689

PLACE: NEW DELHI
DATED: JULY 07, 2007



ADDI INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2006

	SCH	As At 31.03.2007 (Amt in Lacs)	As At 31.03.2006 (Amt in Lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	540.00	540.00
Reserves & Surplus	B	1379.18	1,726.01
		<u>1919.18</u>	<u>2,266.01</u>
Loan Funds			
Secured	C	42.75	31.10
Deferred Tax Liability (Net)	D	-	42.68
		<u>1961.93</u>	<u>2,339.79</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	2,854.13	3,598.02
Less: Depreciation		<u>2,162.53</u>	<u>2,393.30</u>
Net Block		691.60	1,195.72
Capital Work-in-Progress		0.90	16.93
Deferred Tax Assets	D	24.77	-
Investments	F	98.29	31.55
Current Assets, Loans & Advances			
Inventories	G	304.00	279.53
Sundry Debtors		47.11	45.75
Cash and Bank Balances		376.05	800.81
Loans and Advances		<u>305.55</u>	<u>414.92</u>
		<u>1032.71</u>	<u>1,541.01</u>
Less: Current Liabilities & Provisions			
Current Liabilities	H	77.68	366.15
Provisions		<u>13.58</u>	<u>84.75</u>
		<u>91.26</u>	<u>450.90</u>
Net Current Assets		941.45	1,090.11
Profit and Loss Account		201.27	-
Miscellaneous Expenditure		3.65	5.48
(To the extent not yet w/off or adjusted)		<u>1961.93</u>	<u>2,339.79</u>
Significant Accounting Policies & Notes to the Accounts N			

As per our report of even date attached
For S.R. DINODIA & CO.

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS

(SANDEEP DINODIA)
P A R T N E R
M. No. 83689

C.L.Jain
Chairman & Mg. Director

Place : New Delhi
Dated : July 07, 2007

Hari Bansal
Whole Time Director

V. B. Agarwal
Director

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

PARTICULARS	SCH	For the Year Ended 31.03.2007 (Amt in Lacs)	For the Year Ended 31.03.2006 (Amt in Lacs)
INCOME			
Turnover	I	727.53	807.34
Other Income	J	188.43	136.74
		<u>915.96</u>	<u>944.08</u>
EXPENDITURE			
Manufacturing, Selling, Administrative & Other Expenses	K	1,180.19	1,721.40
Personnel Expenses	L	109.57	139.30
Financial Expenses	M	13.21	27.36
Depreciation		1.83	1.82
		<u>159.90</u>	<u>168.33</u>
		<u>1,464.70</u>	<u>2,058.21</u>
Profit/(Loss) Before Tax		(548.74)	(1,114.13)
Less : Provision for Tax		1.11	0.20
Add : Adjustment for Deferred Tax (Refer Note C-8 of Schedule N)		67.45	3.52
Less: Provision for Fringe Benefit Tax		2.25	2.98
Less : Income Tax adjusted for earlier years		63.45	226.30
Profit/(Loss) After Tax		(548.10)	(1,340.09)
Add: Recoup/Transfer to General Reserve		346.83	0.01
Add: Amount b/f from last year		(0.00)	1,340.08
Balance Transferred to Balance Sheet		(201.27)	(0.00)
Basic / Diluted Earning per share (Rs.)		(5.08)	(12.41)
Significant Accounting Policies & Notes to the Accounts	N		

As per our report of even date attached
For S.R. DINODIA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(SANDEEP DINODIA)
P A R T N E R
M. No. 83689

C.L.Jain
Chairman & Mg. Director

Place : New Delhi
Dated : July 07, 2007

Hari Bansal
Whole Time Director

V. B. Agarwal
Director

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST MARCH 2007

Particulars	For the Year ended 31/03/2007	For the Year ended 31/03/2006
A CASH FLOW FROM OPERATING ACTIVITIES	(Rs./Lacs)	(Rs./Lacs)
Net profit before Tax & extraordinary Items	(548.74)	(1,114.13)
Adjustments For :		
Depreciation	159.90	168.33
Investment Written back	(66.74)	-
Amount Written off	1.83	1.87
Provision no longer required	(51.49)	-
Profit on Sale of Investments	(0.09)	(1.49)
Loss on sale of Fixed Assets	224.24	328.15
Interest Paid	4.22	6.40
Interest Received	(34.51)	(57.59)
Operating profit before working capital Changes	(311.38)	(668.47)
Adjustments For :		
Trade and other receivables	107.67	754.92
Inventories	(24.47)	358.02
Trade & other Payable	(307.46)	(11.24)
Bank Borrowings	11.65	(301.40)
Cash generated from operations before extraordinary items		
Direct Tax Paid	(67.17)	(17.66)
Cash generated from operations after extraordinary items	(279.83)	782.64
NET CASH FLOW FROM OPERATING ACTIVITIES	(591.21)	114.18
B CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	136.16	98.80
(Purchase)/sale of Investment	-	(73.75)
Interest Received	34.51	57.59
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES	170.64	82.64
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4.22)	(6.40)
Dividend Paid	-	(53.98)
NET CASH FLOW FROM FINANCING ACTIVITIES	(4.22)	(60.38)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(424.76)	136.44
Cash & Cash equivalents as at 01-4-2006(Op. Balance)	800.81	664.37
Cash & Cash equivalents as at 31-3-2007(Cl. Balance)	376.05	800.81
Cash & Cash Equivalents include :		
- Cash in hand	10.15	3.62
Balances with Schedule Banks		
- In Current Accounts	18.93	51.98
- In Deposit Account	346.97	745.21

As per our report of even date attached

For S.R. DINODIA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

(SANDEEP DINODIA)
PARTNER
M. No. 83689

C.L.Jain
Chairman & Mg. Director

Place : New Delhi
Dated : July 07, 2007

Hari Bansal
Whole Time Director

V. B. Agarwal
Director

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As At 31.03.2007 (Amt in Lacs)	As At 31.03.2006 (Amt. in Lacs)
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
150,00,000 Equity Shares of Rs. 5/- each (Previous Year 150,00,000 Equity Shares of Rs.5/- each	750.00	750.00
ISSUED, SUBSCRIBED AND PAID-UP		
107,96,574 Equity Shares of Rs 5/- each fully paid - up (Previous Year 107,96,574 Equity Shares of Rs.5/- each fully paid-up)	539.83	539.83
Amount received on Equity Shares Forfeited (Pr. year Rs. 0.17 Lacs) (Amount originally paid-up)	0.17	0.17
	<u>540.00</u>	<u>540.00</u>

SCHEDULE - B RESERVES AND SURPLUS

	Opening Bal As At 1.4.2006	Addition During the year	Recoup/ Transfer During the year	Closing Bal As At 31.3.2007
Capital Reserve	60.67	-		60.67
Share Premium	1,318.51	-		1,318.51
General Reserve	346.83	-	346.83	-
TOTAL	1,726.01	-	346.83	1,379.18

SCHEDULE - C SECURED LOANS

From Scheduled Bank :

-Packing Credit & Others

(Secured by hypothecation of Current Assets & Fixed Assets (both present & future) & Guarantee of promoter/ Mg. Director)

42.75	31.10
<u>42.75</u>	<u>31.10</u>

SCHEDULE - D DEFERRED TAX LIABILITY (NET)

Deferred Tax Liability

Less:

Deferred Tax Asset

(Refer Note B- 14 of Schedule 'N')

(42.68)	(57.40)
67.45	15.72
<u>24.77</u>	<u>(42.68)</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE-E
FIXED ASSETS

(Rs./ Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31.3.06	Additions during the year	Sale/Adj. during the year	Total As At 31.03.07	Up to 31.03.06	For the year	Adj/ Del	Total upto 31.03.07	Value As At 31.03.07	Value As At 31.03.06
Leasehold Land	128.52	-	-	128.52	-	-	-	-	128.52	128.52
Building:										
- Office	76.74	-	-	76.74	4.72	1.25	-	5.97	70.77	72.02
- Factory	470.88	18.35	-	489.23	191.71	15.98	-	207.69	281.54	279.17
- Flat	55.64	-	55.64	-	0.03	0.68	0.71	0.00	(0.00)	55.61
Plant and Machinery	2,439.57	3.41	671.95	1,771.03	1,968.82	106.07	368.92	1,705.97	65.06	470.75
Leasehold Improvements	-	3.70	-	3.70	-	1.13	-	1.13	2.57	-
Electrical Installation	136.44	-	20.44	116.00	111.78	6.22	15.45	102.55	13.45	24.66
Furniture & Fixture	122.02	-	-	122.02	42.76	7.72	-	50.48	71.54	79.26
Vehicles	62.68	-	13.40	49.28	21.75	5.10	5.59	21.26	28.02	40.93
Computer	96.53	1.08	-	97.61	51.73	15.75	-	67.48	30.13	44.80
Total	3,589.02	26.54	761.43	2,854.13	2,393.30	159.90	390.67	2,162.53	691.60	1,195.72
Previous Year	4,382.20	114.04	907.22	3,589.02	2,623.61	168.33	398.64	2,393.30	1,195.72	
CAPITAL WORK-IN-PROGRESS										
Capital work-in-progress including Capital advance of Rs. 0.90 Lacs (Previous Year Rs. 16.93 Lacs)									0.90	16.93
									0.90	16.93



ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As At 31.03.2007 (Amt. in Lacs)	As At 31.03.2006 (Amt. in Lacs)
SCHEDULE - F		
INVESTMENTS		
Long Term Investments		
Others		
Quoted - Non-Trade		
- 63100(Previous Year 63100) Equity shares of Rs. 10/- each fully paid up of PNR Capital Services Ltd.	* 98.29	31.55
	<u>98.29</u>	<u>* 31.55</u>

Notes

- (i) In the financial year 2002-2003, the Company had devalued its investments by Rs. 66.74 Lacs due to decrease in the book value of investments and charged the entire amount to its profit and loss account. In the current year, the board of directors (BOD) had again reviewed the financials of PNR Capital Services Limited, which indicate the improvement in the financial results of the said company. Therefore, BOD have decided to reinstate the investments at cost, this has resulted in the increase in current year's profit by Rs. 66.74 Lacs which is shown under the head "Investment written back" in Schedule J-Other income.
- (ii) The company is listed on the Delhi Stock Exchange (DSE) of which market value is not available.

SCHEDULE - G

CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

Inventories

(As taken, valued & certified by the management)

Raw Materials	92.18		76.77	
Stores & Spares	18.12		31.91	
Finished Goods	186.16		155.89	
Stock-in-Process	<u>7.54</u>	304.00	<u>14.96</u>	279.53

Sundry Debtors

(Unsecured & Considered good)

Exceeding six months	-		-	
Other Debtors	<u>47.11</u>	47.11	<u>45.75</u>	45.75

Cash & Bank Balances

Cash in hand	10.15		3.62	
With Scheduled Banks				
-In Current Account	18.93		51.98	
-In Deposit Account *	<u>346.97</u>	376.05	<u>745.21</u>	800.81

*Pledged with appropriate authorities Rs. 5.51 Lacs (Previous Year Rs. 4.80 Lacs)

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As At 31.03.2007 (Amt. in Lacs)	As At 31.03.2006 (Amt. in Lacs)
SCHEDULE - G (Contd.)		
Other Current Assets		
LOANS & ADVANCES		
(Unsecured-considered good unless otherwise stated)		
Loans (Inter - corporate Deposits)	100.00	70.26
Advances recoverable in cash or in kind or for value to be received		
Considered good		
Balance with Excise Authorities	2.54	2.54
Others	<u>61.00</u>	<u>46.19</u>
	63.54	48.73
Considered Doubtful	<u>34.50</u>	<u>34.50</u>
	98.04	83.23
Less: Provision for Doubtful debts	<u>34.50</u>	<u>34.50</u>
	63.54	48.73
Security Deposits	50.51	96.51
Interest Accrued but not due on FDR	30.40	27.02
Drawback Receivable	36.69	71.36
Advance Tax (Including TDS)	21.80	98.06
Advance Fringe Benefit Tax	2.61	2.98
	<u><u>1,032.71</u></u>	<u><u>1,541.01</u></u>
SCHEDULE -H		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Due to SSI	-	0.25
Other than SSI	23.33	25.63
(Refer Note C-3 of Schedule -'N')		
Security Received	18.00	16.00
Unclaimed Dividend *	4.00	4.08
Other Liabilities	<u>32.35</u>	<u>320.19</u>
	<u><u>77.68</u></u>	<u><u>366.15</u></u>
Provisions		
Gratuity	7.87	7.30
Leave Encashment	2.15	10.67
Fringe Benefit Tax	2.25	2.98
Income Tax	1.31	63.80
	<u><u>13.58</u></u>	<u><u>84.75</u></u>

*It does not include any amount transferable to Investor Education & Protection Fund.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	For the Year Ended 31.3.2007 (Amt. in Lacs)	For the Year Ended 31.3.2006 (Amt. in Lacs)
SCHEDULE - I		
TURNOVER		
Export Sales	429.66	456.18
Domestic Sales	297.87	349.67
Job Work - Tax deducted Rs. NIL (Previous year Rs. 0.03 Lacs)	-	1.49
	<u>727.53</u>	<u>807.34</u>
SCHEDULE - J		
OTHER INCOME		
Export Incentive	24.20	38.42
Provision No Longer Required	51.49	-
Investment Written back	66.74	-
Profit on Sale of Current Investment	0.89	1.49
Profit on Sale of Fixed Assets	-	38.94
Miscellaneous Income	11.40	0.30
Interest Income		
- On Fixed Deposits - TDS Rs. 7.71 Lacs (Pr. Year Rs. 4.25 Lacs)	27.81	32.72
- On ICDs - TDS Rs. 1.31 Lacs (Previous Year Rs. 5.50 Lacs)	6.32	24.87
- Interest on Security - TDS Rs. 0.3 Lacs (Previous Year NIL)	0.14	-
- on others	0.24	-
	<u>100.43</u>	<u>136.74</u>
SCHEDULE - L		
PERSONNEL EXPENSES		
Salary and other benefits	97.88	127.66
Contribution to Provident & other funds	9.75	8.62
Staff welfare expenses	2.74	3.02
	<u>109.57</u>	<u>139.30</u>
SCHEDULE - M		
FINANCIAL EXPENSES (NET)		
INTEREST :		
On Working Capital	4.22	6.40
Bank charges	8.99	20.96
	<u>13.21</u>	<u>27.36</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	For the Year Ended		For the Year Ended
	31.3.2007		31.3.2006
	(Amt. in Lacs)		(Amt. in Lacs)
SCHEDULE -K			
MANUFACTURING , SELLING, ADMINISTRATIVE & OTHER EXPENDITURE			
Raw Materials consumed	165.69		356.80
Freight & Cartage inward	3.71		4.45
(Increase)/Decrease in Stock			
Finished goods - Opening Stock	155.89	69.36	
Stock-in-process- Opening Stock	14.96	224.08	
	<u>170.85</u>	<u>293.44</u>	
Finished goods - Closing Stock	186.16	155.89	
Stock-in-process - Closing Stock	7.54	14.96	
	<u>193.70</u>	<u>170.85</u>	
	(22.85)		122.59
Processing Charges	71.73		70.56
Stores, Spares & Packing material	102.27		77.97
Purchase of Traded Items	0.01		10.24
<u>Loss of Material by</u>	5.30		-
Fabrication Wages	115.68		195.14
Power & Fuel	79.59		71.65
Other Manufacturing Expenses	42.00		42.01
Sample & Designing Expenses	4.00		2.30
Rent, Rates & Taxes	85.39		65.61
Insurance	42.91		48.28
Repairs & Maintenance			
- Machinery	26.60	9.71	
- Building	4.41	4.41	
- Others	19.04	12.94	27.06
Travelling & Conveyance			
- Directors	7.51	7.51	
- Others	11.03	14.12	21.63
Vehicle Running & Maintenance	5.12		4.42
Communication Expenses	10.58		14.29
Directors' Sitting Fees	1.00		1.25
Printing & Stationery	3.96		4.34
Membership & Subscription	0.33		1.22
Legal, Professional & Service charges	12.56		15.07
Payment to Auditors	2.54		1.81
Outward Freight & Cartage	14.25		20.75
Advertisement & Publicity	0.54		24.47
Exchange Fluctuations	4.70		1.49
Business Promotion	-		1.20
Commission, Claims & Discounts	75.27		105.78
Miscellaneous Expenses	39.04		17.48
Charity & Donation	0.16		0.90
Security Expenses	21.88		23.55
Loss on Sale of Fixed Assets	224.24		367.09
Total	<u>1,180.19</u>		<u>1,721.40</u>

Schedule Forming Part of the Consolidated Financial Statements

SCHEDULE - N

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A Basis of Consolidation:

The Consolidated financial statements relate to Addi Industries Limited (the Company) and its subsidiary company. The Company and its subsidiary constitute the Group.

a) Basis of Accounting:

- (i) The Financial Statements of the subsidiary Company used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ending March 31, 2007.
- (ii) The Financial Statements of the Group have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, and other generally accepted accounting principles.

b) Principles of Consolidation:

- (i) The Financial Statement of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealized profits or losses have been fully eliminated.
- (ii) The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made , is recognized as "goodwill" being as assets in the Consolidated Financial Statements . Alternatively, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investment of the Company, it is recognized as "Capital reserve" and shown under the head " Reserves and Surplus", in the consolidated Financial Statements.
- (iii) The Consolidated Financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

c) The following subsidiary company is considered in the Consolidated financial statements:

Name of the Company	Country of Incorporation	% of holding either directly or through subsidiary	
		As at March , 2007	As at March 2006
AUM TEXFAB PVT LTD	India	100	100

B Significant Accounting Policies

1 Accounting Concepts :

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.

2 Uses of Estimates

The financial statements are prepared using estimates and assumptions that effect the reported balances of the assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of balance sheet and the profit and loss account during the year. Contingencies are recorded when it is probable that a liability has been incurred and amount can be reasonably estimated. Actual results could differ from these estimates. The actual results are recognized in the year in which the results are known/materialized.

3 Fixed Assets:

Fixed Assets are stated at cost , less accumulated depreciation. Leasehold Land is shown at cost without any amortization.

4 Method of Depreciation & Amortization

- a) Depreciation is provided at the rates specified in the Schedule XIV of the Companies Act, 1956 by using the Straight Line Method.
- b) Depreciation on additions to Fixed Assets is calculated prorata from the date of such addition.
- c) Assets costing less than Rs. 5,000/- has been depreciated fully in the year of purchase.
- d) Leasehold Improvements have been written off on the basis of the duration of lease agreement.

5 Valuation of Inventories Method of Valuation

a) Raw Material

At Lower of Cost or Net realizable value.*

*The cost is determined on Weighted Average basis.

b) Finished Goods

At Lower of Cost or Net realizable value.

c) Stock-in-Process

At Cost.

d) Stores & Spares

At Cost

* Cost comprises expenditure incurred in the normal course of business in bringing such inventories to the present location and condition. Finished Goods and Work- in Progress includes cost of conversion.

6 Foreign Currency Transactions

Transaction in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Current Assets and Current Liabilities are reinstated at the rate prevailing at the year end and the difference between the year end rate and the exchange rate at the date of the transaction is recognized as Income or Expenses in the Profit & Loss Account except the exchange difference in respect of Fixed Assets acquired from outside India is adjusted to the carrying cost of Fixed Assets.

7 Retirement Benefits:

a) Retirement Benefits to employee viz provident fund, pension scheme whether in pursuance of any law or otherwise are accounted on accrual basis and changed to profit and loss account for the year.

b) Payment for present liability of future payment of gratuity is made on the basis of actuarial valuation made at the year end and charged to profit and loss account for the year.

c) Leave Encashment benefits have been provided on the basis of actuarial valuation at the year end.

8 Revenue Recognition

a) Export Sales are booked on the basis of date of Foreign Cargo Receipt.

b) Duty Drawbacks, DEPB and Other exports benefits are recognized in the Profit & Loss Account on accrual basis.

c) Domestic sales are recognized (net of sales tax, sales returns and trade discount) at the point of dispatch of goods.

9 Purchases

Purchases are booked at the time of receipt of material at Factory Gate.

10 Investments

a) Current Investments are stated at lower of cost and fair value.

b) Long Term Investments are stated at Cost unless there is a diminution of permanent nature, if any in the opinion of the management.

11 Earnings Per Share

a) Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.

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

12 Cash Flow Statement

Cash flow Statement is made as per the indirect method prescribed under Accounting Standard - 3 " Cash Flow Statement issued by the Institute of Chartered Accountants of India.

13 Current Tax

Current tax provided on the basis of taxable income according to prevalent Tax Laws. Advance tax paid/payable adjusted if any on the completion of assessment.

14 Deferred Tax

Deferred Tax resulting from timing difference between book and taxable profit is accounted for using the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet Date. Deferred Tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

15 Provision, Contingent Liabilities and Contingent Assets

Provision 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.

16 Leases

- a) In respect of lease transactions entered into prior to April 1, 2001, lease rentals of assets acquired are charged to profit & loss account.
- b) Lease transactions entered into on or after April 1, 2001:
 - Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the liability for each period.
 - Assets acquired under leases where a significant portion of all risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the profit & loss Account on accrual basis.

C NOTES TO THE ACCOUNT

- 1 Estimated amount of contracts remaining to be executed on Capital account- Rs.0.45 Lacs net of advances (Previous Year Rs. Nil)
- 2 **Contingent Liabilities**
 - a) Claims against the company, not accepted and not provided for :
 - Rs. 77.42 Lacs towards Employees State Insurance (Previous Year Rs. 77.42 Lacs).
 - Rs. 86.76 Lacs towards claim for recovery by the Franchisee (Previous Year Rs. Nil)
 - b) Bills discounted with Bank outstanding Rs. 25.47 Lacs (Pr. Yr. Rs. Nil)
 - c) Trade tax Liability for Rs. 0.89 Lacs (PY Rs. 0.89 Lacs) under Appeal with Trade Tax Tribunal.
 - d) Guarantees given by Bankers on Company's behalf - Rs. 3.29 Lacs for which Margin of Rs. 3.41 Lacs has provided in form of FDR (Previous Year Rs. 2.29).
- 3 As certified by the Management, the Company does not owe any sum to small scale industrial undertakings as at 31st March, 2007.
- 4 No provision for current tax has been made in view of brought forward accumulated losses.
- 5 Certain Heads of Account include prior period expenses/(income), include Rs. (1.17) Lacs (Pr. Yr. Rs. Nil lakhs), as stated below :

Particulars	Current Year Rs.(In Lacs)	Previous Year) Rs.(In Lacs)
Prior Period Expenses		
Water & Electricity	6.41	-
Repair & Maintenance	2.90	-
Total (A)	9.31	-
Prior Period Income		
Misc. Income	10.48	-
Total (B)	10.48	-
Net Prior Period Expenditure/(Income) (A-B)	(1.17)	-

6 Managerial Remuneration to Directors

Chairman & Managing Director

Salary	12.00	17.85
Perquisites (including Rent Rs. 9.00 Lacs (P/Y Rs. 9.00 Lacs)	9.00	9.15
Whole-Time Directors		
Salary	6.00	19.62
Perquisites	-	1.98
	27.00	48.60

- 7 A computation of Managerial remuneration & Commission payable u/s 349 of the Companies Act has not been given since the remuneration paid is as minimum remuneration.

8 Deferred Tax

As per the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company estimates the deferred Tax charge/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year.

(Amount in Lacs)

	Upto 31.03.06	For the year	As at 31.03.07
Deferred Tax Liabilities			
Related to Fixed Assets	58.40	(69.68)	(11.28)
Deferred Tax Assets			
Disallowances under section 43B of the Income Tax Act	15.72	2.23	13.49
Deferred Tax Assets/(Liability)	42.68	(67.45)	24.77

The deferred tax assets charge of Rs. 67.45 Lacs (Previous year 3.52 Lacs) for the year ended 31st March, 2007 has been charged in the profit and loss account.

Note :

Keeping in view the principle of prudent as per Accounting Standard - "22 - Accounting for Taxes on Income" issued by the ICE, since there is no virtual certainty of future profits to absorb the entire business losses, the company has not recognized deferred tax assets on the brought forward losses and unabsorbed depreciation.

9 Payment to Auditors	Rs. in Lacs	Current Year	Previous Year
- Audit Fees		1.65	1.40
- Tax Audit Fees		0.28	0.27
- Others		2.60	-
- Out-of-pocket expenses		0.08	0.14

Note : The above expenditures have been charged under the account head "Legal and Professional Charges" and "Auditor's Expenditures".

10 Related Party Disclosure

As per Accounting Standard -18, related party disclosures of the Institute of Chartered Accountants of India, related parties and transaction with them are follows

a) **Name and nature of related party relationship.**

(i) -Name of related Party:	M/S REVATY R. EXPORTS
- Description of Relationship:	Partners are related to two Directors.
(ii) - Name of related Party:	MR. ABHISHEK BANSAL
- Description of Relationship:	Related to two Directors, Employed as Manager Mktg.
(iii) - Name of related Party:	MRS. URMILA JAIN
- Description of Relationship:	Related to two Directors, Employed as G M- Production
(iv) -Name of related Party:	AUM TEXTFAB PVT. LTD.
- Description of Relationship:	Wholly - owned Subsidiary Company
(v) Key Managerial Personnel	1- Sh. C.L. Jain, Chairman & Managing Director 2- Sh. Hari Bansal, Whole-time Director 3- Smt. Urmila Jain, General Manager- Production 4- Sh. Abishek Bansal, Manager Mktg.

b) **Transaction with related parties referred to in 10 A above.**

- Description of the nature of transaction

Sale, Purchase, Supply of material & services for cash at the prevailing market rates.

Particulars	(Amt. in Lacs)	Current Year	Previous Year
i) Sale/ Services		-	1.49
ii) Purchases		0.01	-
iii) Investment in Equity Shares		-	75.24
iv) Payment to Key Managerial Personnel			
- Managerial Remuneration (Directors)		27.00	33.60
- Rent		15.00	15.00
- Salary (Others)		24.05	23.42

c) **Balance outstanding as at year end**

- Aum Textfab Pvt. Ltd.	75.24	75.24
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Note : For the purpose of the identification of parties, we have relied upon the information and explanation provided by the management.

11 Basic/Diluted Earning per Share

- Profit (Loss) after Tax (A)	(548.10)	(1,340.09)
- No. of Equity Shares(Weighted) (B)	107.97	107.97
- Nominal Value Per Shares (Rs.)	5.00	5.00
- Earning per Share	(5.08)	(12.41)

12 Capacities, Production, Purchases, Turnover and Stocks
a) Licensed and Installed Capacities

As certified by the management as per the norms laid down by the Central Government no license is required for the class of goods manufactured by the company and hence information pertaining to the licensed is not given. The Company is of the view that the installed capacity of its machinery in terms of measurable unit can not be determined as it varies, based on the design/process of its range of products hence installed capacity is not given.

b) Details of Production, Purchases & Turnover
(Amount in Lacs)

Particulars	Unit	Quantity		Value	
		Production	Purchase	Turnover	Turnover
Cotton Knitted & Woven	Pcs	251,650	-	247,092 *	724.59
Garments except samples		(410,068)	-	(363,574)	(793.43)

* It does not include Nil Pcs (Previous Year 100 Pcs) of samples.

c) Details of Opening & Closing Stock (Finished Goods)
(Amount in Lacs)

Particulars	Unit	Opening Stock		Closing Stock	
		Qty	Value	Qty	Value
Cotton Knitted	Pcs	84,116	152.50	88,680	179.48
Garments		(37,692)	(64.97)	(84,116)	(152.50)

13 Raw Materials Consumed
(Amount in Lacs)

	Unit	Qty	Value
Yarn/Fabric	Kgs	126,150 (144,332)	165.69 (228.15)
TOTAL		126,150 (144,332)	165.69 (369.03)

14 Value of Imports calculated on CIF Basis
(Amount in Lacs)

	Current Year	Previous Year
Raw Material	-	(5.35)
Stores & Spares (Consumables)	38.74	(20.25)

15 Expenditure in Foreign Currency
(Amount in Lacs)

	Current Year	Previous Year
Travelling	9.34	(11.70)
Legal and Professional	1.22	-
Commission	16.62	-

16 The value of consumption of directly imported and indigenously obtained raw materials, spare parts (including packing material) and components and percentage of each to total consumption.
(Amt. in Lacs)

	Raw Material	Percentage %	Components & Stores	Percentage %
a) Imported	- (5.35)	- (1.45)	38.74 (20.25)	37.89 (30.80)
b) Indigenous	165.69 (363.68)	100% (98.55)	63.52 (45.49)	62.11 (69.20)

17 Earnings in Foreign Exchange :

FOB value of Goods Exports Rs 429.66 Lacs (Previous Year Rs. 456.18 Lacs)



ADDI INDUSTRIES LIMITED

18 Trading Operations

(Amt in Lacs)

Items	Opening Stock		Purchases		Sales/ Adj.		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Leather accessories	1,144 (2,190)	2.46 (4.02)	- (595)	- (4.41)	666 (1,641)	1.05 (7.04)	478 (1,144)	2.88 (2.46)
Jewellery	1,645 (1,426)	0.93 (0.37)	- (1,838)	- (5.81)	914 (1,619)	1.79 (5.25)	731 (1,645)	3.80 (0.93)
Garments	- -	- -	6 -	0.01 -	6 -	0.014 -	- -	- -

19 Sale & Purchase of Current Investment

Description	Purchase		Sale	
	Qty. (Nos.)	Value (In Lacs)	Qty. (Nos.)	Value (In Lacs)
Units of Franklin Templeton Mutual Fund	5625.5450	70.00	5631.444	70.09
Previous Year Equity shares of Rs. 10 each fully paid-up of Karam Chand Thapar & Bros. Ltd.	(14,904.00)	(10.43)	(14,904.00)	(11.92)

20 The company is in business of single product "ready garments". Therefore, the requirements in context of the Accounting Standard - 17 "Segmental Reporting" issued by the Institute of Chartered Accountants of India are not applicable.

21 Assets Taken on Lease

The company has taken certain assets on non-cancellable operating lease and lease rent amounting to Rs. 47.08 Lacs (Previous Year : Rs. 16.24 Lacs) has been debited to profit and loss account. The future minimum lease payments is as under :

(Rs. In Lacs)

Minimum Lease Payment Payables	Current Year	Previous Year
(i) not later than in 1 years	47.79	16.24
(ii) later than 1 year but not later than 5 years	88.13	32.75
(iii) later than 5 years	-	-

General Description of Lease Terms

(i) Operating Lease (ii) Lease Rent paid for Running Show Rooms

22 Figures in bracket denotes for previous year.

23 Previous year figures have been regrouped/rearranged wherever considered necessary.

24 Information pursuant to part IV of Schedule VI is annexed.

Signatures to Schedule A to N forming part of Balance Sheet, Profit & Loss Account and Cash Flow Statement.

As per our report of even date attached

For S.R. DINODIA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

SANDEEP DINODIA
Partner
M. No. 83689

Hari Bansal
Whole-time Director

C.L.Jain
Chairman & Mg. Director

V.B. Agarwal
Director

Place : New Delhi
Dated : July 07, 2007

Atul Jain
Manager (Finance)

Dr. B. K. Behera
Director



ADDI INDUSTRIES LIMITED

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Company's Interest in Subsidiary Company for the financial year 2006-07

**Details of Subsidiary Company
(Rs./Lacs)**

S. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.	Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.
1	The Financial year of Subsidiary Company ended on	31st March, 2007	1	Capital	79.00
2	Date from which it become Subsidiary Company	18th April, 2005	2	Reserves	2.44
3.a.	Number of Shares held by Addi Industries Ltd. with its nominees in the Subsidiary at the end of financial year of the Subsidiary Company	790007 Equity Shares of Rs. 10 each fully paid up	3	Total Assets	81.44
			4	Total liabilities	81.44
b.	Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	100%	5	Investment	NIL
4	The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the members of the Holding Company		6	Turnover/ Total Income	5.31
a.	Not dealt with in the Holding Company's Accounts:		7	Profit before Taxation	3.28
	i) For the financial year ended 31st March, 2007	Rs. 2.17 Lacs	8	Provision for Taxation	1.11
	ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs. 1.40 Lacs	9	Profit after Taxation	2.17
b.	Dealt with in the Holding Company's Accounts :		10	Proposed Dividend	NIL
	i) For the financial year ended 31st March, 2007	NIL			
	ii) For the previous Financial year of the Subsidiary Company since it became the Holding Company's Subsidiary.	NIL			

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

Hari Bansal
Whole-time Director

V.B. Agarwal
Director

Place : New Delhi
Dated : July 07, 2007

Atul Jain
Manager (Finance)

Dr B.K. Behera
Director



ADDI INDUSTRIES LIMITED

Subsidiary Company. **AUM TEXFAB PRIVATE LIMITED**

AUDITORS

M/s Mega & Associates
Chartered Accountants
DG II/286D, Vikas Puri
New Delhi - 110018

DIRECTORS

Shri Atul Jain

Shri Sunil Agarwal

REGD. OFFICE

B-44, Maharani Bagh

New Delhi - 110065

DIRECTORS' REPORT

Dear Members

The Directors of your Company take pleasure in presenting their Sixteenth Annual Report alongwith the audited State-ments of Account of the Company for the financial year ended on 31st March, 2007.

Working Results :

The performance of your Company during the financial year 2006-07 is as follows :

	(Rs./Lacs)	2006-07	2005-06
Total Income		5.31	3.81
Total Expenditure		2.03	2.21
Profit before tax		3.28	1.60
Provision for tax		1.11	0.20
Net Profit after tax		2.17	1.40
Excess provision in earlier year w/off			(0.05)
Amount b/f from last year	<u>0.27</u>	0.27	<u>(1.08)</u> (1.13)
Balance transferred to Balance Sheet		2.44	0.27

No suitable business activity could be crystallized during the year under Report. The Directors are making efforts and exploring various propositions to start some suitable and profitable commercial venture to improve the profitability and to augment the resources of the Company. The Directors are hopeful of comparatively better performance in the current year.

Dividend :

In view of funds requirement for future operations, the Directors are not in a position to recommend any dividend for the year under Report.

Deposits :

The Company has neither invited nor accepted any deposits from the Public during the year under Report.

Directors :

Shri Atul Jain, Director, retires by rotation and, being eligible, offers himself for re-appointment.

Auditors :

You are requested to appoint Auditors for the current year 2007-08 & fix their remuneration.

M/s. Mega & Associates, Chartered Accountants, New Delhi, the present Auditors, retire and being eligible, offer them-selves for re-appointment. The Company has received their consent and the requisite Certificate u/s 224(1B) of the Companies Act, 1956 from them.

Subsidiary Company :

Your Company continues to be the wholly-owned Subsidiary of Addi Industries Limited, a Listed Company.

Compliance Certificate :

The Compliance Certificate pursuant to Section 383A of the Companies Act, 1956, read with the Companies (Compliance Certificate) Rules, 2001, is annexed hereto and forms part of this Report.

Directors' Responsibility Statement :

As required u/s 217 (2AA) of the Companies Act, 1956, your Directors state that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures in the financial statement;
- the accounting policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made when required so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts for the financial year have been prepared on a going concern basis.

Particulars of Employees :

There were no employees within the meaning of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Energy Conservation, Technology Absorption, Foreign Exchange Earnings etc. :

Since the Company has not yet set up any manufacturing facility, the information u/s 217 (1)(e) of the Companies Act, 1956 with regard to conservation of energy, technology absorption etc. may be taken as Nil. There were no foreign exchange earnings & outgo during the year under Report.

Acknowledgements :

Your Directors acknowledge with gratitude the co-operation and assistance from the concerned Authority/ies and support from its Shareholders.

For and on behalf of the Board
AUM TEXFAB PVT. LTD.

Place : New Delhi -110 065

Dated : June 19, 2007

SUNIL AGARWAL
DIRECTOR

ATUL JAIN
DIRECTOR

AUDITOR'S REPORT

The Members of
M/s. AUM TEXFAB PRIVATE LTD.

We have audited the attached Balance Sheet of M/s AUM TEXFAB PRIVATE LTD. as at 31st March, 2007 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order 2003, issued by the Central Government, in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order in so far as they are applicable to this Company.

Further to our comments in the annexure referred to above, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (c) The Company's Balance Sheet and Profit & Loss Account referred to with this report are in agreement with the books of account.
- (d) In our opinion, Balance Sheet, Profit & Loss Account & Cash Flow Statement dealt with by this report comply with the accounting standards to the extent applicable, and as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors, and taken on record by the Board of directors, we report that none of the directors is disqualified as at 31st March'2007 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.
- (f) In the absence of any notification in the official gazette by the Central Government, no cess is payable under section 441A of the Companies Act, 1956 for the year ended 31st March'2007.

(g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required read together with the explanatory notes give a true and fair view:-

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March'2007.

(ii) In the case of the Profit & Loss Account, of the Profit for the period ended on that date.

(iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

**For MEGA & ASSOCIATES
CHARTERED ACCOUNTANTS**

PLACE : NEW DELHI

**(N. Parasuraman)
PARTNER**

DATED : June 19, 2007.

M. No. 83102

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i) The Company has no fixed assets as on the date of the Balance Sheet.
- ii) In our opinion, the company is maintaining proper records of inventory. On the basis of information and explanation provided by the management, Inventories have been physically verified during the year and no discrepancies have been noticed on physical verification. In our opinion, frequency and 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.
- iii) According to information and explanation given to us, the company has not granted or taken any loans to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business.
- v)
 - (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of opinion that the transactions that need to be entered in a register maintained under section 301 of the Companies Act, 1956 are being so entered, however there have been no such cases.
 - (b) In our opinion and according to the explanations given to us, transactions made in pursuance of contracts and arrangements entered in the register maintained under section 301 and exceeding the value of Rs. five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevalent market prices. However there have been no such cases.
- vi) The company has not accepted deposits from the public as defined in section 58A and 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The provisions of Provident Fund Act and Employees State Insurance Scheme are not applicable to the Company.
- ix) According to information and explanation given to us, no disputed/undisputed amount in respect of income tax, custom duty, wealth tax, service tax, sales tax, excise duty and cess, was outstanding as on the last day of the financial year concerned for a period of more than 6 months.
- x) The company has not taken any loan from financial institutions or banks or debenture holders.
- xi) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii) On the basis of information and explanation provided, the company has not given guarantees for loans taken by others from the banks or financial Institutions.
- xiii) The company has not obtained any term loans that were not applied for the purpose for which these were raised.
- xiv) On the basis of information and explanation given to us and an overall examination of the balance sheet, we report that there are no funds raised on short-term basis which have been used for long term investments.
- xv) According to information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xvi) During the period covered by our audit report, the company has not issued any debentures.
- xvii) The company has not raised any money by public issues during the year.
- xviii) According to information and explanations given to us and in our opinion, no fraud on or by the company has been noticed or reported during the audit period.



ADDI INDUSTRIES LIMITED

BALANCE SHEET AS AT 31st MARCH'2007

PARTICULARS		AS AT 31.03.2007 (Rs. In Lacs)	AS AT 31.03.2006 (Rs. In Lacs)
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
SHARE CAPITAL	A	79.00	79.00
PROFIT & LOSS ACCOUNT		2.44	0.27
TOTAL SOURCES OF FUNDS		81.44	79.27
APPLICATION OF FUNDS			
CURRENT ASSETS	B		
Inventory			0.10
Cash & Bank Balance		73.59	64.10
Other Current assets		5.52	9.81
LESS : CURRENT LIABILITIES & PROVISIONS	C	1.32	0.22
Net Current Assets		77.79	73.79
MISCELLANEOUS EXPENDITURE	D	3.65	5.48
(To the extent not yet w/off or adjusted)			
TOTAL APPLICATION OF FUNDS		81.44	79.27
NOTES TO THE ACCOUNTS	F		

As per our report of even date attached

For Mega & Associates
CHARTERED ACCOUNTANTS

N. Parasuraman
PARTNER
M.No.83102

For and on behalf of the Board of Directors

SUNIL AGARWAL
DIRECTOR

ATUL JAIN
DIRECTOR

Place : New Delhi
Dated : June 19, 2007.



ADDI INDUSTRIES LIMITED

TRADING, PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH' 2007

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2007 (Rs. In Lacs)	FOR THE YEAR ENDED 31.03.2006 (Rs. In Lacs)
INCOME			
Sales		0.10	0.08
Interest Income	E	5.21	3.33
Profit on Sale of Investments		-	0.30
Closing Stock		-	0.10
		<u>5.31</u>	<u>3.81</u>
EXPENDITURE			
Opening Stock		0.10	-
Purchases		-	0.15
Bank Charges		0.02	0.05
Rate, Taxes Charges		0.00	0.00
Filing Fee		0.02	0.02
Legal & Professional Exps.		0.03	0.14
General Charges		0.01	0.00
Payment to Auditors		0.02	0.02
Pre-operative expenses w/off		1.83	1.83
		<u>2.03</u>	<u>2.21</u>
Net Profit before tax		3.28	1.60
Provision for tax		1.11	0.20
Net Profit after tax		2.17	1.40
Less : Excess provision in earlier year w/off		-	0.05
Amount B/F from last year		0.27	1.13
Balance Transfer to Balance Sheet		<u>2.44</u>	<u>0.27</u>
Earning Per Share (Rs.)		0.27	0.18
NOTES TO THE ACCOUNTS	F		

As per our report of even date attached

For Mega & Associates
CHARTERED ACCOUNTANTS

N. Parasuraman
PARTNER
M.No.83102

For and on behalf of the Board of Directors

SUNIL AGARWAL
DIRECTOR

ATUL JAIN
DIRECTOR

Place : New Delhi
Dated : June 19, 2007.



ADDI INDUSTRIES LIMITED

CASH FLOW STATEMENT AS AT 31ST MARCH, 2007

	31.03.2007 (Rs./Lacs)	31.03.2006 (Rs./Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	3.28	1.60
Adjustments for:		
Depreciation	-	-
Amount Written off	1.83	1.83
Profit on Sale of Investments	-	(0.30)
Loss on sale of Fixed Assets	-	-
Interest paid	-	-
Interest Received	(5.21)	(3.33)
Dividend Received	-	-
PERATING PROFIT BEFORE WORKING CAPITAL CHARGES	(0.10)	(0.20)
Adjustments for:		
Trade and other Receivables	(4.29)	(4.06)
Inventories	(0.10)	(0.10)
Trade & other Payables	(1.11)	(0.20)
Bank borrowings	-	-
CASH GENERATED FROM OPERATIONS BEFORE EXTRAORDINARY ITEMS		
Direct Taxes Paid	1.11	0.24
Interest paid	-	-
CASH GENERATED FROM OPERATIONS AFTER EXTRAORDINARY ITEMS	(4.38)	(3.92)
NET CASH FLOW FROM OPERATING ACTIVITIES	4.28	3.72
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(Purchase)/ Sale of Fixed Assets including Capital Work-in-Progress	-	-
Loss on Sale of Fixed Assets	-	-
(Purchase)/Sale of Investments	-	0.30
Interest received	5.21	3.33
Dividend received	-	-
NET CASH USED IN INVESTING ACTIVITIES	5.21	3.63
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	-	-
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9.49	7.34
Cash and cash equivalents as at 01.04.2006 (Op. Balance)	64.11	56.76
Cash and cash equivalents as at 31.03.2007 (Cl. Balance)	73.59	64.10

As per our report of even date attached

For Mega & Associates
CHARTERED ACCOUNTANTS

N. Parasuraman
PARTNER
M.No.83102

For and on behalf of the Board of Directors

SUNIL AGARWAL
DIRECTOR

ATUL JAIN
DIRECTOR

Place : New Delhi
Dated : June 19, 2007.



ADDI INDUSTRIES LIMITED

ANNEXURE TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH'2007

PARTICULARS	AS AT 31.03.2007 (Rs. In Lacs)	AS AT 31.03.2006 (Rs. In Lacs)
SCHEDULE A: SHARE CAPITAL		
SHARE CAPITAL		
AUTHORISED		
10000000 (10000000) Equity Shares of 10 each	1000.00	1000.00
ISSUED, SUBSCRIBED & PAID UP		
790007 (Pr.Yr. 790007) Equity Shares of Rs. 10 each	79.00	79.00
Fully Paid-up	79.00	79.00
SCHEDULE B: CURRENT ASSETS, LOANS & ADVANCES		
INVENTORY		
Finished goods	0.00	0.10
CASH & BANK BALANCES		
Cash in Hand	0.18	0.08
Cash at Bank in a) Current Account	0.21	2.72
b) Fixed Deposits	73.20	61.30
	73.59	64.10
LOANS AND ADVANCES		
Inter Corporate Deposit	0.00	6.50
Advances recoverable in cash or kind or for value to be received	3.62	2.58
TDS Receivable	1.90	0.73
	5.52	9.81
	79.11	74.01
SCHEDULE C : CURRENT LIABILITIES & PROVISIONS		
OTHER LIABILITIES & PROVISIONS		
Audit fees payable	0.01	0.02
Provision for Tax	1.31	0.20
	1.32	0.22
SCHEDULE D: MISC. EXPENDITURE		
PREOPERATIVE EXPENSES		
Balance as per Last Balance Sheet	5.48	7.31
Less : Write off during the year (1/5th)	1.83	1.83
	3.65	5.48

ANNEXURE TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH'2007

PARTICULARS	FORTHEYEAR ENDED 31.03.2007 (Rs. In Lacs)	FORTHEYEAR ENDED 31.03.2006 (Rs. In Lacs)
SCHEDULE E: INTEREST INCOME		
Interest on FDR's received -TDS Rs 106400- (Previous Year Rs.61273)	4.74	2.80
Interest on ICD's received -TDS Rs.10589- (Previous Year Rs.11669)	0.47	0.52
Interest on Income Tax Refund	-	0.01
	5.21	3.33



ADDI INDUSTRIES LIMITED

SCHEDULE-F

(SCHEDULE FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31-03-2007

A. ACCOUNTING POLICIES

1. Significant accounting policies adopted in the preparation of the accounts are as under:-

A. System of Accounting

The company adopts the accrual concept in the preparation of the accounts.

B. Income

Income is taken on accrual basis.

C. Deferred Revenue Expenditure

Pre-operative expenses are written off in equal installment over a period of 5 year

D. Deferred Tax Consequent to the Accounting Standard 22-"Accounting for taxes on income" becoming mandatory, the differences that result between the profit offered for income tax and the profit as per financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for are Rs.Nil (Previous year Nil)

3. There is no contingent liability against the Company

B. NOTES TO THE ACCOUNTS

4. Payment to Auditors include	(Rs. In Lacs)	Year-2006-07	Year-2005-06
Audit Fees		0.02	0.02
Out of Pocket Expenses		-	-
Total		0.02	0.02

5. Related Party disclosure : There are no Related Party disclosures.

6. a) Earning in Foreign currency (FOB Value of Exports) Rs.Nil (P/Yr.Rs.Nil)

b) Expenditure in foreign currency Rs.Nil (P/Yr. Rs.Nil)

7. Fixed deposits include Rs.2.10 Lacs (Previous Yr.Rs.2.10 Lacs) pledged as securities against guarantees issued by the Bank in favour of sales tax department.

8. Detail of Opening & Closing Stock : **FINISHED GOODS - KNITTED GARMENTS**

Opening Stock		Purchase		Sale		Closing Stock	
Qty	Value	Qty	Value	Qty	Value	Qty	Value
(Pcs)	(Rs./Lacs)	(Pcs)	Rs./Lacs	(Pcs)	Rs./Lacs	(Pcs)	Rs./Lacs
Cur.Yr. 28	0.10	-	-	28	0.10	-	-
Pr.Yr. (-)	(-)	(43)	(0.15)	(15)	(0.08)	(28)	(0.10)

9. Sale & Purchase of Current Investment

Description Rs. In Lacs)

Current yr.
Prev. Yr.
Equity Shares of Rs.10 each of Karam Chand Thapar & Bros.Limited.

Purchase		Sale	
Qty	Value	Qty	Value
(Nos)	Rs./Lacs	(Nos)	Rupees/Lacs
-	-	-	-
(3000)	(2.10)	(3000)	(2.40)

10. Figures in brackets denote for previous year.

11. Previous year figures have been regrouped & rearranged wherever necessary to conform to current year figures.

12. Information pursuant to Part IV of Schedule VI is annexed.

Schedules A to F form an integral part of the Balance Sheet and Profit & Loss Account.

As per our report of even date attached

For Mega & Associates
CHARTERED ACCOUNTANTS

N. Parasuraman
PARTNER
M.No.83102

For and on behalf of the Board of Directors

SUNIL AGARWAL
DIRECTOR

ATUL JAIN
DIRECTOR

Place : New Delhi
Dated : June 19, 2007.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.

State Code

Balance Sheet

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue

Right Issue

Bonus Issue

Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities

Total Assets

Sources of Funds
Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds
Net Fixed Assets

Investments

Net Current Assets

Misc. Expenditure

Accumulated Losses

Deferred Tax Assets

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover/Total Income

Total Expenditure

+ - Profit/ Loss Before Tax
 -

+ - Profit/(Loss) After Tax
 -

Please tick Appropriate box (+) for Profit (-) for loss

Earning per Share in Rs.

Dividend Rate (%)

V. GENERAL NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)

Product Description

For and on behalf of the Board of Directors

C.L.Jain
Chairman & Mg. Director

Hari Bansal
Whole-time Director

V. B. Agarwal
Director

Place : New Delhi
Dated : July 07, 2007

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

ADDI INDUSTRIES LIMITED

Regd. Office : A-106, Sector IV, Noida - 201301 (U.P.)

PROXY FORM ANNUAL GENERAL MEETING

I/We.....of.....in the district
of.....being Member(s) of the above named Company hereby appoint Mr./Mrs.
Miss.....
of.....in the district of or failing him/her,
Mr./Mrs./Miss..... of.....
as my/our Proxy to vote for me/us on my/our behalf at the Twenty-Fifth Annual General Meeting of the Company to be held
on Monday, the 10th day of September, 2007 at 9.00 A.M. and at any adjournment thereof.

Signed this..... day of 2007

Registered Folio No.....

OR DP. Id./ Client Id. No.

No. of Shares held.....

Address.....

Signature.....

Affix
One Rupee
Revenue
Stamp

This Proxy form must be deposited at the Registered Office of the Company at least 48 hours before the time fixed for the holding of the meeting.

ADDI INDUSTRIES LIMITED
Regd. & Corp.Office: A-106, Sector-IV, Noida – 201 301 (U.

ATTENDANCE SLIP

Full Name of the Shareholder/ Proxy (In Block Letters)	Regd. Folio No. OR DP Id. / Client Id. No.
	No. of Shares Held

If Proxy, full name of Shareholder.....

(IN BLOCK LETTERS)

I hereby record my presence at the Twenty-Fifth Annual General Meeting of the Company being held at the Maharaja Agrasen Bhawan, A-6, Sector-33, Noida- 201 301, Distt. Gautam Budh Nagar (U.P.) on Monday, the 10th day of September, 2007 at 9.00 A.M.

(Signature of Shareholder / Proxy)

IMPORTANT : This attendance slip duly filled in may please be handed over at the entrance of the Meeting Hall.

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A-106, Sector-IV,
Noida-201301 (U.P.)

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