



ADDI INDUSTRIES LIMITED

26th
ANNUAL REPORT
2007-08

BOARD OF DIRECTORS	:	Shri C.L. Jain	-	Chairman & Managing Director
	:	Dr. B.K. Behera	-	Director
	:	Shri V.B. Agarwal	-	Director
	:	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.

ADDI INDUSTRIES LIMITED



TO ALL MEMBERS:

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Addi Industries Ltd. will be held on Tuesday, the 30th day of September, 2008, at 9.00 A.M. at Ashoka White Farm House, Sector 70-71, Main Road Basai, 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, 2008, 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 V.B. Agarwal, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the current year 2008-2009 & 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.

For & on behalf of the Board

Regd. & Corp. Office:

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

Dated: July 29, 2008

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) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 25th day of September, 2008 to Tuesday, the 30th day of September, 2008 (both days inclusive).
- c) 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.
- d) 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.
- e) The Company's Equity Shares continue to remain listed on the Bombay Stock Exchange Ltd., and the listing fee has been duly paid.
- f) 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.
- g) A Statement u/s 212 of the Companies Act, 1956, in respect of the Subsidiary Company, Aum Texfab Pvt. Ltd., is contained hereinafter with the Consolidated Financial Statements. The Company undertakes that the Annual Accounts of the Subsidiary Company and the related detailed information will be made available to the Holding and Subsidiary Company Investors seeking such information at any point of time.



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- 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 Regd. & 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 Director retiring by rotation & seeking re-appointment, are annexed hereto.
- k) The Memorandum & Articles of Association of the Company, the Annual Accounts of the Subsidiary 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.

Details of Director, Shri V.B. Agarwal, retiring by rotation and to be re-elected, and seeking re-appointment at the Annual General Meeting scheduled to be held on 30th September, 2008.

Name of Director	Shri V.B. Agarwal
Date of Birth	12.05.1937
Date of Appointment	28.06.2004
Expertise of specific functional areas	Expertise in Finance, Cost Accounting, Audit & Management.
Qualification	B.Com(H), FICWA, ACS.
List of outside Directorship held	-NIL-
Chairman/Member of the Committees of the Board of Directors of the Company	<u>Chairman:</u> -Audit Committee -Remuneration Committee -Selection Committee -Committee of Directors
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-Sixth Annual Report & the Audited Statements of Account of the Company for the year ended on 31st March, 2008.

Financial Results

The performance of your Company for the financial year ended on 31st March, 2008 is summarized below:

	2007-2008	(Rs. in Lacs) 2006-2007
Turnover & other Income	2171.92	910.65
(incl. Exports)	(1303.51)	(429.66)
Gross Profit before	381.87	(378.93)
financial exp. & depreciation		
Less: Financial Expenses	23.07	13.19
Depreciation	85.23	159.90
Net Profit/(Loss) before Tax	273.57	(552.02)
Less : Provision for Taxation	-	-
Income Tax adj. for earlier years	1.28	63.45
Provision for Fringe Benefit Tax	1.62	2.25
Add: Adj. for deferred tax	(143.15)	67.45
Net Profit /(Loss) after tax	127.52	(550.27)
Add: Recoup/Transfer to General Reserve	-	345.48
Add: Amount b/f from last year	(204.79)	-
Balance transferred to Balance Sheet	(77.27)	(204.79)

Dividend

In view of the deficit in operations and the need to conserve resources for future operations, the Directors are not in a position to recommend dividend for the financial year 2007-08.

Operations

The performance of your Company during the financial year under review has marginally improved than that of the previous year. The turnover and exports of the Company have surged forward in the year under review. However, margins continue to be under pressure, mainly on account of high operational costs.

Technology upgradation, modernisation-cum-diversification

The Company has incurred nominal capital expenditure of Rs. 17.40 Lakhs on technology upgradation & modernization of machinery and equipment, wherever considered necessary, during the year under report, as against Rs.3.41 lakhs incurred in the preceding year.

Future Prospects

During the first quarter ended on 30th June, 2008, the Company has achieved turnover of Rs. 394.87 Lacs (incl. exports of Rs. 333.66 Lacs) as against Rs.195.46 Lacs (incl. exports of Rs.146.58 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. The Directors are making their best efforts and have taken effective steps to increase the turnover & exports and to improve the profitability of the Company. The performance is poised for improvement in the current year.

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 V.B. Aggarwal, Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**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.

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.

Acknowledgements

Industrial relations continue to be cordial during the year under report. The Directors appreciate the effort and contribution made by the Workers, Staff Members and Executives at all levels for the improvement in the Company's performance. 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 29, 2008

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 has been regularly monitoring the process of energy conservation through improved operational and maintenance activities. 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, to minimise losses. These measures have and are resulting in cost savings for the Company.

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Total energy consumption & consumption per unit during the year ended 31st March, 2008, is as per Form 'A' below :

FORM 'A'

A. Power and Fuel Consumption:

	Current year 31.3.2008	Previous Year 31.3.2007
1. ELECTRICITY		
(a) Purchased		
Units	854199	594892
Total amount (Rs./Lacs)	38.49	30.58
Rate/unit (Rs.)	4.51	5.14
b) Own Generation		
i) Through diesel generator		
Units	71648	238500
Unit per ltr. of diesel oil	3.50	3.50
Cost/unit (Rs.)	8.73	8.86
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.)	132854	20750
Value (Rs./Lacs)	39.46	7.45
Rate/Unit (Rs.)	29.70	35.90
4. OTHERS : INTERNAL GENERATION		

B. Consumption per unit of production:

Product	(Unit)	Electricity (Units)		Furnace Oil (KL)		Coal (KG.)	
		Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.
1.Ready made Garments	1000 Pcs.	1233	2364	-	-	-	-

Technology Absorption

The requisite particulars are given in Form B below:

FORM 'B'

Research and Development (R&D) : R&D has always been a crucial factor, being carried out in manufacturing operations. The Company continues to give due attention and stress on R&D activities to achieve maximum benefit for process and product by adapting 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 specifications/ 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)	31.3.2008	31.3.2007
Earnings :	1303.51	429.66
Outgoings :	110.92	65.92

For and on behalf of the Board of Directors

Place : New Delhi
Dated : July 29, 2008

C.L. JAIN
Chairman & Mg. Director

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

It is a recognized fact that 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 2007-08 the exports of readymade garments have surged forward. However, export growth was 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

The opportunities in the Textile Industry and the increasing growth in export of knitted garments augurs well for this vital segment. There is a perceptible change in the outlook and shift for diversified and high value added products.

Textile Companies are always experiencing pricing pressures, lately 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. A capital expenditure of Rs.17.40 Lacs was incurred during the year on technology upgradation and modernization of machinery & equipment, wherever considered necessary.

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 Company's performance during the financial year 2007-08 has marginally improved. The Company achieved turnover of Rs.1524.46 Lacs (including exports of Rs.1303.51 Lacs) as against the turnover of Rs.727.43 Lacs (including exports of Rs.429.66 Lacs) in the previous year. However, margins continued to be under pressure, mainly on account of high operational costs. The operational loss in the year under report was much lower compared to the operational loss of Rs.552.02 Lacs in the previous year.

5. OUTLOOK

Exports in the current year 2008-09 are looking up. The Company has achieved exports of Rs.333.66 Lacs in the first quarter ended 30th June, 2008 as compared to the exports of Rs.146.58 Lacs in the corresponding first quarter of the previous year. International competition has and is exerting 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, whatever 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 during the year under report 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, and a code of conduct amongst the senior management personnel, 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 29, 2008

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

The Company is committed to good Corporate Governance. It makes best efforts for, and monitors, full compliance with the requirements of Corporate Governance under the revised Clause 49 of the Listing Agreement with the Stock Exchange. There is a conscious endeavour to bring about transparency in operations and for maintaining professional approach and accountability so that the return to the shareholders is optimized. Regular meetings of the Board and Committee/s thereof are held for transparency in management, effective leadership and for supervision and control. Risk management and internal control functions are monitored on a regular basis and are geared up to meet the progressive governance standards.

2. Board of Directors

The composition of the Board of Directors, as at 31st March 2008, 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 27th April, 2007; 7th July, 2007; 30th July, 2007; 30th October, 2007 & 28th January, 2008 during the year ended 31st March, 2008:

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 10.09.2007	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	4	Present	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 Board Committee/s. Particulars of a Director retiring by rotation and being re-elected are given elsewhere in this Report.

None of the non-executive independent Directors hold any shares in the company, either in their own name or in the name of their relatives/associates, or hold shares in any other company exceeding 2% of the share capital of the company.

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 10th September, 2007.

The Committee relies on the expertise and knowledge of the 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 invariably 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 27th April, 2007; 7th July, 2007; 30th October, 2007 & 28th January, 2008, during the year ended 31st March, 2008. All the members of the Audit Committee attended each and every meeting held during the year.

The Company has a "Whistle Blower Policy". Every employee has a right of access to the Audit Committee and its Members, without any information to their Superiors. 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 Managing Director and Executive Directors. Only one Meeting of the Remuneration Committee was required, and was held on 7th July, 2007, during the year ended 31st March, 2008.

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, 2008.

D. Committee of Directors (COD)

In terms of the revised clause 41 of the Listing Agreement, a Committee of Directors (COD), other than the Audit Committee, has been constituted with Shri V.B. Agarwal, non- executive independent Director as its Chairman and Shri C.L. Jain, Mg. Director as its Member, for the purpose of overseeing and monitoring the Limited Review Report of the Statutory Auditors, before its submission to the Stock Exchange.

Only one meeting of the said Committee was held on 29th February, 2008, after it was constituted by the Board of Directors of the Company.

E. (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 2008.

One meeting of the Investor Relations & Grievance Committee was held on 31st January, 2008 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 25th April, 2007; 18th August, 2007; 28th September, 2007; 15th October, 2007; 5th November, 2007; 10th December, 2007; 31st December, 2007; 7th February, 2008 and 29th February, 2008. 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 Shareholder's/

Investor's communications/grievances expeditiously. Only 1 demat request was 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, and also of the Whole-time Director, Shri Hari Bansal, for a period of five years w.e.f. 12th November, 2007.

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	0.45	0.45
Sh. Hari Bansal	W.T. Dir.	6.00	Nil	Nil	Nil	6.00
Total		18.00	9.00	Nil	0.95	27.95

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

5. SUBSIDIARY COMPANY:

The Company has a wholly-owned 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. Such Financial Statements are also placed before, and reviewed by the Board of Directors of the Company.

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
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)
10.09.2007	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 B-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 Bombay Stock Exchange Ltd. 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, 2007; 30th September, 2007; 31st December, 2007 & 31st March, 2008 are also available on the SEBI EDIFAR website.

The Management Discussion & Analysis Report for the year ended 31st March, 2008 forms part of this Annual Report.

9. General Shareholder Information

A. Annual General Meeting :

Date and Time : Tuesday, 30th September, 2008 at 9.00 A.M.
 Venue : Ashoka White Farm House, Sector 70-71,
 Main Road Basai, Noida-201301
 Financial Calendar : April to March
 Date of Book Closure : 25.09.2008 to 30.09.2008 (both days inclusive)

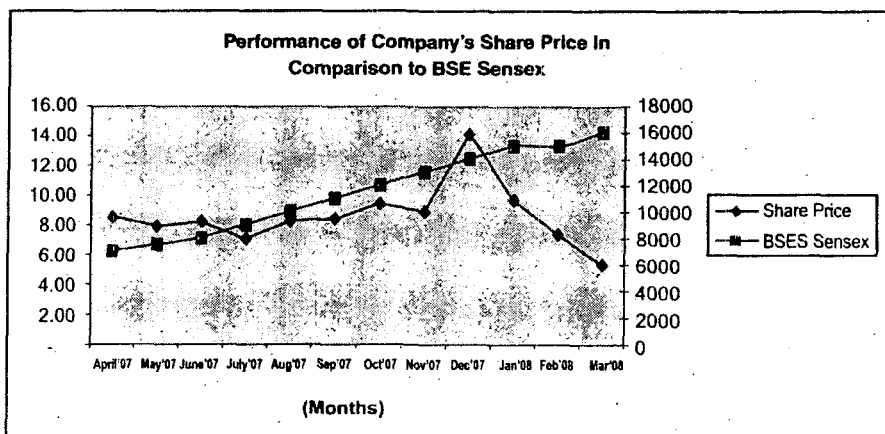
B. Listing on Stock Exchange : Bombay Stock Exchange Ltd., Dalal Street, Mumbai- 400 001.

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 2007	10.25	7.20	8.50	138724
May 2007	10.45	6.62	7.90	99849
June 2007	9.45	6.76	8.21	25650
July 2007	8.63	6.95	7.05	18299
August 2007	9.70	7.06	8.25	154076
September 2007	9.27	7.53	8.42	28781
October 2007	10.38	7.46	9.45	897344
November 2007	12.12	8.15	8.90	875808
December 2007	14.29	8.32	14.11	154516
January 2008	15.75	9.70	9.70	83141
February 2008	9.30	6.66	7.37	69390
March 2008	7.40	4.77	5.33	19476

(ii). Stock Performance:



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 was pending for a period of 30 days or more as at 31st March, 2008.

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 has 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, 2008.

10. Distribution of Shareholding as on 31st March:

No. of equity shares held	2008				2007			
	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	3025	93.02	967051	8.96	2980	93.30	964926	8.94
501 - 1000	122	3.75	184263	1.71	114	3.57	166390	1.54
1001-2000	55	1.69	161348	1.49	49	1.53	139859	1.30
2001-3000	12	0.37	58465	0.54	10	0.31	48573	0.45
3001-4000	10	0.31	68670	0.64	10	0.31	65524	0.61
4001-5000	4	0.12	36800	0.34	7	0.22	65114	0.60
5001-10000	8	0.25	125767	1.16	3	0.09	48966	0.45
Above 10001	16	0.49	9194210	85.16	21	0.66	9297222	86.11
Total	3252	100.00	10796574	100.00	3194	100.00	10796574	100.00

Shareholding Pattern as on 31st March:

Particulars	2008		2007	
	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	0.107%	11600	00.107%
Private Corporate Bodies	2399520	22.225%	1810910	16.773%
Indian Public	1761425	16.315%	2349635	21.763%
NRI's	105057	0.973%	105457	0.977%
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, 93.07 % i.e. 10048271 No. of Equity Shares are held in demat form as on 31.03.2008, as against 92.92% i.e. 10031971 Equity Shares as on 31.03. 2007.

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:**

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

14. The Company declared the following dividends in the last three years and the amounts outstanding as unpaid dividend as on 31st March, 2008 are as mentioned against each:

Fin. Year	Dividend Rate	Paid on	Amount of unpaid dividend
2002-03	10%	09.10.03	Rs.131050.00
2003-04	10%	31.08.04	Rs.113018.50
2004-05	10%	05.09.05	Rs.153622.00

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.sebiedifair.nic.
- iv) **Audit Qualifications:** During the year under review, there was no qualification on the Company's financial statements for the period ended March 31, 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, 2008.

For ADDI INDUSTRIES LIMITED

Place : New Delhi
Dated : July 29, 2008

Atul Jain
Finance Manager

C.L.JAIN
Chairman & Mg. Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**To the Members of Addi Industries Limited**

We have examined the compliance of the conditions of the Corporate Governance by Addi Industries Ltd. for the year ended on 31st March 2008, as stipulated in clause 49 of the Listing agreement of the said Co. 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 further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.R. DINODIA & CO,
CHARTERED ACCOUNTANTS**

**SANDEEP DINODIA
PARTNER**

Place : NEW DELHI

Dated : 29th July, 2008

M.NO.083689

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, 2008, 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 Govt. 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.
- e) On the basis of written representations received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 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, 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, 2008;
 - ii) in the case of the Profit & Loss Account, of the Profit 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)
PARTNER
M. No. 83689**

Place: New Delhi

Dated: 29th July, 2008

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) *In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.*
- 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 & 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 there under.*
- 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.*

ADDI INDUSTRIES LIMITED



- (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:

S.No.	Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amt. relates	Forum where the dispute is pending
1	ESI Act	ESI	7,742,020	During 1995-1996 to 1998-1999	Civil court Ghaziabad
2	Trade Tax Act	Entry tax	89,311	2000-2001	Trade tax tribunal Ghaziabad

- x) The Company has accumulated losses as at 31st March, 2008. The company has not incurred cash losses during the financial year but has cash losses 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: 29th July, 2008



ADDI INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2008

(Amount in Rs.)

	Schedule	As at March 31, 2008	As at March 31, 2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	54,000,370	54,000,370
Reserves & Surplus	B	137,649,603	137,649,603
		<u>191,649,973</u>	<u>191,649,973</u>
Loan Funds			
Secured	C	24,709,578	4,274,970
Deferred Tax Liability (Net)	D	11,837,949	-
		<u>228,197,500</u>	<u>195,924,943</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	287,250,573	285,412,911
Less: Depreciation		179,165,858	216,253,511
Net Block		108,084,715	69,159,400
Capital Work-in-Progress		-	90,000
Deferred Tax Assets	D	-	2,476,788
Investments	F	17,353,234	17,353,234
Current Assets, Loans & Advances			
Current Assets			
Inventories	G	43,142,718	30,399,457
Sundry Debtors		22,988,252	4,711,417
Cash and Bank Balances		29,152,189	30,246,246
Loans and Advances		18,297,987	29,778,295
		<u>113,581,145</u>	<u>95,135,415</u>
Less: Current Liabilities & Provisions	H		
Current Liabilities		15,888,105	7,766,828
Provisions		2,661,138	1,002,722
		<u>18,549,243</u>	<u>8,769,550</u>
Net Current Assets		<u>95,031,902</u>	<u>86,365,865</u>
Profit and Loss Account		<u>7,727,649</u>	<u>20,479,657</u>
		<u>228,197,500</u>	<u>195,924,943</u>

Significant Accounting Policies & Notes to the Account 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
Partner
M. No. 83689

C.L. Jain
Chairman & Mg. Director

V. B. Agarwal
Director

Place : New Delhi
Dated : 29th July, 2008

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director

ADDI INDUSTRIES LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2008

(Amount in Rs.)

	Schedule	Current Year	Previous Year
INCOME			
Turnover	I	152,446,521	72,743,019
Other Income	J	19,654,454	18,321,801
Excess Depreciation Written Back		45,090,885	-
TOTAL		217,191,860	91,064,820
EXPENDITURE			
Manufacturing, Selling, Administrative & Other Expenses	K	162,599,404	118,001,411
Personnel Expenses	L	16,405,116	10,957,230
Financial Expenses	M	2,306,956	1,318,598
Depreciation		8,523,411	15,990,238
TOTAL		189,834,888	146,267,476
Profit/(Loss) Before Tax		27,356,972	(55,202,657)
Less :Provision for Tax		-	-
Less : Adjustment for Deferred Tax (Refer note B-8 of Schedule-N)		(14,314,921)	(6,745,000)
Less: Provision for Fringe Benefit Tax		161,600	225,000
Less : Income Tax adjusted for earlier years		128,443	6,345,000
Profit/(Loss) After Tax		12,752,008	(55,027,657)
Add: Recoup /Transferred from: General Reserve		-	34,548,000
Add: Amount b/f from last year		(20,479,657)	-
Balance Transferred to Balance Sheet		(7,727,649)	(20,479,657)
Basic / Diluted Earning per share (Rs.) (Refer Note B-11 of Schedule-N)		1.18	(5.10)

Significant Accounting Policies & Notes to the Account 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
Partner
M. No. 83689

C.L.Jain
Chairman & Mg. Director

V. B. Agarwal
Director

Place : New Delhi
Dated : 29th July, 2008

Atul Jain
Manager (Finance)

Dr. B.K. Behara
Director



ADDI INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Amount in Rs.)

	Current Year	Previous Year
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & extraordinary items	27,356,972	(55,202,657)
Adjustments For :		
Depreciation	8,523,411	15,990,238
Profit on Sale of Investments	-	(8,596)
Loss on sale of Fixed Assets	292,971	22,423,539
Interest paid	868,096	422,104
Investment written back	-	(6,674,403)
Provision no longer required	(2,545,552)	(5,148,860)
Interest Received	(4,103,640)	(2,928,709)
Excess Dep. Written Back	(45,090,885)	-
Operating profit before working capital Changes	(14,698,627)	(31,127,344)
Adjustments For :		
Trade and other receivables	(4,405,342)	10,333,000
Inventories	(12,743,261)	(2,457,000)
Trade & other Payable	9,779,508	(30,855,000)
Bank Borrowings	20,434,608	1,165,000
Cash generated from operations before extraordinary items		
Direct Tax Paid	(135,676)	(6,606,000)
Cash generated from operations after extraordinary items	12,929,838	(28,420,000)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,768,789)	(59,547,344)
B CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	(2,560,812)	13,616,000
(Purchase)/sale of Investment	-	-
Interest Received	4,103,640	2,928,709
NET CASH USED IN INVESTING ACTIVITIES	1,542,828	16,544,709
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(868,096)	(422,104)
NET CASH FLOW FROM FINANCING ACTIVITIES	(868,096)	(422,104)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,094,057)	(43,424,739)
Cash & Cash equivalents as at 01-4-2007(Opening Balance)	30,246,246	73,670,773
Cash & Cash equivalents as at 31-3-2008(Closing Balance)	29,152,189	30,246,246
Cash & Cash Equivalents include :		
-Cash in Hand	209,080	997,114
Balances with Schedule Banks		
- In Current Accounts	5,998,761	1,871,956
- In Deposit Account	22,944,347	27,377,176

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)
P A R T N E R
M.No. 83689

V.B Agarwal
Director

PLACE: NEW DELHI
DATED: 29th July, 2008

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director

ADDI INDUSTRIES LIMITED



Schedules forming part of the Accounts

Schedule	(Amt in Rs.)	
	As at March 31, 2008	As at March 31, 2007
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
15,000,000 Equity Shares of Rs 5/- each (Previous Year 15,000,000 Equity Shares of Rs.5/- each)	75,000,000	75,000,000
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)	53,982,870	53,982,870
Amount received on Equity Shares Forfeited (Pr. year Rs. 17,500) (Amount originally paid up)	17,500	17,500
	54,000,370	54,000,370

SCHEDULE - B

RESERVES AND SURPLUS

	Opening Bal As At 1.4.2007	Addition During the year	Recoup/Tr. During the year	Closing Bal As At 31.3.2008
Capital Reserve	5,799,016	-	-	5,799,016
Share Premium	131,850,587	-	-	131,850,587
TOTAL	137,649,603	-	-	137,649,603

SCHEDULE - C

SECURED LOANS

From Scheduled Bank :

-Packing Credit & Others

(Repayable within one year Rs. 17,887,299-
Previous year Rs. 4,274,970)

-Cash Credit

17,887,299	4,274,970
6,822,279	-
24,709,578	4,274,970

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

SCHEDULE - D

DEFERRED TAX ASSET/(LIABILITY)

Deferred Tax Asset /(Liabilities)

Add: Deferred Tax Asset /(Liabilities)

(Refer Note B-8 of Schedule 'N')

2,476,972	(4,268,212)
(11,837,949)	6,745,000
(14,314,921)	2,476,788

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE - E

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As At 01.4.07	Additions during the year	Sale/Adj. during the year	Total As At 31.03.08	Up to 31.03.07	For the year	Adj.(Dep. W/B)	Del	Total upto 31.03.08	Value As At 31.03.08	Value As At 31.03.07
Leasehold Land	12,851,942	-	-	12,851,942	-	2,678,901			2,678,901	10,173,041	12,851,942
Building:											
- Office	7,674,212	-	-	7,674,212	597,249	125,090			722,339	6,951,873	7,076,963
- Factory	48,923,261	-	-	48,923,261	20,769,205	1,634,037			22,403,242	26,520,019	28,154,056
Plant and Machinery	177,102,655	1,740,453	344,000	178,499,108	170,597,321	436,885	(45,090,885)	254,501	125,688,820	52,810,288	6,505,334
Leasehold Improvements	370,111	906,435	-	1,276,546	113,090	295,422		-	408,512	868,034	257,021
Electrical Installation	11,600,131	-	-	11,600,131	10,254,526	551,006		-	10,805,532	794,599	1,345,605
Furniture & Fittings	12,201,666	-	-	12,201,666	5,047,717	772,302		-	5,820,019	6,381,647	7,153,949
Vehicles	4,927,984	-	617,150	4,310,834	2,126,035	439,661		265,678	2,300,018	2,010,816	2,801,949
Computer	9,760,949	151,924	-	9,912,873	6,748,368	1,590,106		-	8,338,474	1,574,399	3,012,581
Current Year	285,412,911	2,798,612	961,150	287,250,573	216,253,511	8,523,411	(45,090,885)	520,179	179,165,858	108,084,715	69,159,400
Previous Year (Rs. in Lacs)	3,589.20	26.54	761.43	2,854.13	2,393.30	159.90	-	390.67	2,162.53	691.60	1,195.72

CAPITAL WORK-IN-PROGRESS

Capital work-in-progress including Capital advance of Rs.NIL (Previous year Rs. 90,000)

90,000

90,000

ADDI INDUSTRIES LIMITED



Schedules forming part of the accounts

	(Amt in Rs.)	
	As at March 31, 2008	As at March 31, 2007
SCHEDULE - F		
INVESTMENTS		
Long Term Investments		
Investment in Subsidiary		
Un-quoted Trade Investments in equity shares		
Aum Texfab Pvt. Ltd.		
790,007 (P.Y. 790,007) Equity Shares of Rs. 10/- each fully paid-up @ Rs. 9.50 per Equity Share	7,523,831	7,523,831
Others		
Quoted - Non-Trade		
- 63,100 (Previous Year 63,100) Equity shares of Rs. 10/- each. fully paid up of PNR Capital Services Ltd. (Refer note given below)	9,829,403	9,829,403
	17,353,234	17,353,234
Note :		
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	16,183,600	9,217,787
Stores & Spares	2,968,453	1,811,858
Finished Goods	20,950,531	18,616,111
Stock-in-Process	3,040,134	753,701
	43,142,718	30,399,457
Sundry Debtors		
(Unsecured & Considered good)		
Exceeding six months	-	-
Other Debtors	22,988,252	4,711,417
	22,988,252	4,711,417
Cash & Bank Balances		
Cash in hand	209,080	997,114
With Scheduled Banks		
In Current Account	5,998,761	1,871,956
In Deposit Account *	22,944,347	27,377,176
	29,152,189	30,246,246
* Pledged with appropriate authorities Rs. 606,219 (Previous Year Rs. 341,448)		
Other Current Assets		
LOANS & ADVANCES		
(Unsecured-considered good unless otherwise stated)		
Loans (Inter - corporate Deposits)	-	10,000,000
Advances recoverable in cash or in kind or for value to be received		
Considered good	4,128,935	5,738,280
Considered Doubtful	904,661	3,450,213
	5,033,596	9,188,493
Less: Provision for Doubtful debts	904,661	3,450,213
	4,128,935	5,738,280
Security Deposits	4,087,922	5,051,150
Interest Accrued but not due on FDR	2,518,868	3,039,781
Export Incentive Receivable	5,690,644	3,668,962
Balance with Excise Authorities	-	25,137
Advance Tax (Including TDS)	1,870,785	1,990,178
Advance Fringe Benefit Tax	833	35,807
[Net of Provision of Rs. 386,600 (P.Y. Rs. 225,000)]	113,581,145	95,135,415



ADDI INDUSTRIES LIMITED

Schedules forming part of the accounts

	As at March 31, 2008	(Amt in Rs.) As at March 31, 2007
SCHEDULE -H		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Due to SME/SSI		
Other than SME/SSI	3,316,964	2,332,463
(Refer Note B-3 of Schedule 'N')		
Security Received	1,440,000	1,800,000
Unclaimed Dividend *	397,690	400,472
Other Liabilities	10,733,451	3,233,893
	<u>15,888,105</u>	<u>7,766,828</u>
* It does not include any amount transferable to Investor Education & Protection Fund.		
Provisions		
Gratuity	2,139,618	787,387
Leave Encashment	521,520	215,335
	<u>2,661,138</u>	<u>1,002,722</u>
	Current Year	Previous Year
SCHEDULE -I		
TURNOVER		
Export Sales	130,351,254	42,965,847
Domestic Sales	22,046,527	29,777,172
Job Work	48,739	-
	<u>152,446,521</u>	<u>72,743,019</u>
SCHEDULE -J		
OTHER INCOME		
Export Incentive	12,714,192	2,420,454
Provision No Longer Required	2,545,552	5,148,860
Provision for diminuation of Investment Written back	-	6,674,403
Profit on Sale of Current Investments	-	8,596
Exchange fluctuation	139,921	-
Miscellaneous Income	151,150	1,140,779
Interest Income		
- On Fixed Deposits - TDS Rs. 365,111 (Pr. Year Rs. 770,568)	1,724,454	2,306,554
- On ICDs - TDS Rs. 53,278 (Previous Year Rs. 131,228)	258,630	584,789
- Interest on Security -TDS Rs .Nil (Previous Year Rs 3,074)	-	13,696
- On Others - TDS Rs 435,004 (Previous Year Rs. Nil)	2,120,556	23,670
	<u>19,654,454</u>	<u>18,321,801</u>
SCHEDULE -L		
PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary and other benefits	12,324,305	7,907,829
Directors' Remuneration	1,800,000	1,800,000
Contribution to Provident & other funds	2,001,927	975,268
Staff welfare expenses	278,884	274,133
	<u>16,405,116</u>	<u>10,957,230</u>
SCHEDULE - M		
FINANCIAL EXPENSES		
INTEREST :		
- Working Capital	803,096	334,376
- Others	65,000	87,728
Bank charges	1,438,860	896,494
	<u>2,306,956</u>	<u>1,318,598</u>

ADDI INDUSTRIES LIMITED



Schedules forming part of the accounts

Particulars		Current Year	Previous Year
SCHEDULE -K			
MANUFACTURING , SELLING, ADMINISTRATIVE & OTHER EXPENDITURE			
Raw Materials consumed		28,979,244	16,569,326
Freight & Cartage inward		690,851	370,703
(Increase)/Decrease in Stock			
Finished goods - Opening Stock	18,616,111		15,579,086
Stock-in-process- Opening Stock	753,701		1,496,400
	<u>19,369,812</u>		<u>17,075,486</u>
Finished goods - Closing Stock	20,950,531		18,616,111
Stock-in-process - Closing Stock	3,034,035		753,701
	<u>23,985,366</u>	(4,615,554)	<u>19,369,812</u>
Processing Charges		16,211,576	7,173,399
Stores, Spares & Packing material Consumed		17,473,748	10,226,932
Purchase of Traded Items		2,690	990
Loss of Material by Flood		-	529,953
Fabrication Wages		24,519,532	11,567,895
Power & Fuel		9,169,474	7,959,402
Other Manufacturing Expenses		18,920,703	4,200,055
Sample & Designing Expenses		449,891	399,682
Rent, Rates & Taxes		8,750,530	8,539,201
Insurance		4,087,095	4,290,558
Repairs & Maintenance			
- Machinery	1,031,551		2,659,904
- Building	<u>1,918,874</u>	2,950,425	<u>2,344,654</u>
Travelling & Conveyance			5,004,558
- Directors	144,000		751,000
- Others	<u>818,096</u>	962,096	<u>1,103,677</u>
Vehicle Running & Maintenance		565,385	512,018
Communication Expenses		1,392,183	1,057,733
Directors' Sitting Fees		95,000	100,000
Printing & Stationery		495,678	395,719
Legal, Professional & Service charges		2,056,869	1,253,408
Payment to Auditors		223,632	252,261
Outward Freight & Cartage		9,337,377	1,425,344
Advertisement & Publicity		67,709	53,557
Exchange Fluctuations		-	469,967
Insurance claim Written Off		895,440	-
Commission, Claims & Discounts		14,181,929	7,527,202
Miscellaneous Expenses		2,740,073	3,950,137
Security Expenses		1,702,857	2,187,522
Loss on Sale of Fixed Assets		292,971	22,423,539
Total		<u>162,599,404</u>	<u>118,001,111</u>

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

SCHEDULE - N

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNT

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. Company holds the perpetual lease for land. Hence it is shown at Cost.

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 other than perpetual lease have been written off on the basis of the duration of lease agreement.

5 Valuation of Inventories

a) Raw Material

Method of Valuation

At Lower of Cost or Net realisable value.*

b) Finished Goods

*The cost is determined on Weighted Average basis.

c) Stock-in-Process

At Lower of Cost or Net realisable value.

d) Stores & Spares

At Cost.

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.

7 Employee Benefits

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employees Benefits (Revised 2005) issued by the ICAI.

(i) Post Employment Benefit Plans

Payments to Defined Contribution Retirement Benefit Schemes are charged as an expense as they fall due. For Defined Benefit Schemes: the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

(ii) Short Term Employee Benefits.

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service

8 Revenue Recognition

- Export Sales are booked on the basis of date of Foreign Cargo Receipt.
- Domestic sales are recognised (net of sales tax, sales returns and trade discount) at the point of despatch of goods.

- c) Duty Drawbacks, DEPB and Other exports benefits are recognised in the Profit & Loss Account on accrual basis.
- d) Interest income is recognized on accrual basis.

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 is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

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.

14 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.

15 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.

B NOTES TO THE ACCOUNT

- 1 Estimated amount of contracts remaining to be executed on Capital account (Net of advances) - Rs. Nil (Previous Year Rs. 45,000).
- 2 Contingent Liabilities
 - a) Claims against the company, not accepted and not provided for :
 - Rs.7,742,020 towards Employees State Insurance (Previous Year Rs.7,742,020)
 - Rs.8, 675,514 towards claim for recovery by the Franchisee (Previous Year Rs.8,675,514)
 - b) Bills discounted with Bank outstanding Rs 4,414,249 (Pr. Yr. Rs. 2, 546,695)
 - c) Trade tax Liability for Rs. 89,311 (Previous Year Rs. 89,311) under Appeal with Trade Tax Tribunal.
3. The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end March, 2008 together with interest paid/payable under this Act has not been given. As per the information provided by the Management, the Company does not owe any sum to Small Scale Industrial Undertakings as at 31st March, 2008.

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. 42,505,314 (Pr. Yr. Rs.117, 662), as stated below:

Particulars	Current Year	Amount in Rs. Previous Year
Prior Period Expenses		
Commission Paid	4,660	-
Entry Tax	6,465	-
Legal & Professional Expenses	38,775	-
Land Amortization Charges	2,535,691	-
Water & Electricity:	-	640,549
Repair & Maintenance	-	289,691
Total (A)	2,585,571	930,240
Excess depreciation written back	45,090,885	-
Misc. Income	-	1,047,902
Total (B)	45,090,885	1,047,902
Net Prior Period Expenditure / (Income) (A-B)	42,505,314	(117,662)

6. Managerial Remuneration to Directors

Chairman & Managing Director

Salary	1,200,000	1,200,000
Perquisites	900,000	900,000

Whole-Time Director

Salary	600,000	600,000
	2,700,000	2,700,000

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 Rs.)	Upto 31.03.07	For the year	As at 31.03.08
Deferred Tax Liabilities			
Depreciation	(1,128,026)	14,552,309	13,424,282
Deferred Tax Assets			
Disallowances under section 43B of the income Tax Act	1,348,762	185,841	1,586,333
Deferred Tax Assets/(Liability)	2,476,788	(14,314,737)	(11,837,949)

The Deferred Tax Liabilities charge of Rs 14,314,737 (Previous year Deferred Tax Assets Rs. 67.45 Lacs) for the year ended 31st March 2008 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 recognized deferred tax assets on the brought forward losses and unabsorbed depreciation.

9. Payment to Auditors

Amount in Rs.

- Audit Fees	162,922	162,748
- Tax Audit Fees	28,090	28,060
- Others	193,281	295,000
- Out-of-pocket expenses	14,175	-

Note : The other 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 Texfab 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. Abhishek 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	(Amount in Rs.)	Current Year	Previous Year
i) Sales/Services		46,150	-
ii) Purchases/Services		385,232	990
iii) Payment to Key Managerial Personnel			
- Managerial Remuneration (Directors)		2,700,000	2,700,000
- Rent		1,652,190	1,500,000
- Salary (Others)		2,404,992	2,404,992
c) Balance outstanding as at year end			
- Investment in Aum Texfab Pvt. Ltd		7,523,831	7,523,831

11 Basic/Diluted Earning per Share

- Profit (Loss) after Tax (A)	12,752,008	(55,027,657)
- No. of Equity Shares (Weighted) (B)	10,796,574	10,796,574
- Nominal Value Per Shares (Rs.)	5.00	5.00
- Earnings per Share	1.18	(5.10)

12 Employee Benefits

(a) Defined Contribution Plans

Contribution to Defined Conscription Plan, recognized as expenses for the year are as under : 2007-08
Employer's Contribution to Provident Fund/ Pension Fund Rs. 70,869
The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes

(b) Defined Benefit plans

The employee's gratuity fund scheme defined unfunded benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The obligation for leave encashment is a defined unfunded benefit plan, which is reconized in the same manae as gratuity.

I. Changes in present value of Defined Benefit obligations :

(Amount in Rs.)

Particulars	Gratuity Unfunded	Leave Encashment
Defined Benefit obligation as at the beginning of the year	787,387	215,335
Current Service Cost	571,790	382,167
Interest Cost	62,991	17,227
Actuarial (gain) / loss on obligations	717,450	(93,209)
Benefits Paid	-	-
Defined Benefit obligation at the year end	2,139,618	521,520

II. Change in the Fair value of Plan Assets :
(Amount in Rs.)

Particulars	Gratuity /Leave Encashment
Fair value of plan assets at the begning of the year	NIL
Expected return on plan assets	NIL
Actuarial gain/ (loss)	NIL
Employer Contribution	NIL
Benefit paid	NIL
Fair value of plan assets at the year end	NIL

III. Change in the Fair Value of assets and obligation
(Amount in Rs.)

Particulars	Gratuity Unfunded	Leave Encashment
Fair value of plan assets	NIL	NIL
Present value of obligation	2,139,618	521,520
Amount recognized in balance sheet	(2,139,618)	(521,520)

The amount is shown in balance sheet under the head advances recoverable in cash or kind or for value to be received

IV. Expenses/ (Income) recognized in the Profit & Loss
(Amount in Rs.)

Particulars	Gratuity Unfunded	Leave Encashment Unfunded
Current Service Cost	571,790	382,167
Interest Cost	62,991	17,227
Expected Return on plan assets	-	-
Axtuarial (gain)/ loss	717,450	(93,209)
Net Cost	1,352,231	306,185

V. Actuarial Assumptions
(Amount in Rs.)

Particulars	Gratuity Unfunded	Leave Encashment
Mortality Table (LIC)	1994-96 (Duly Modified)	1994-96 (Duly Modified)
Discount rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	N.A.	N.A.
Rate of escalation in salary (per annum)	5.5%	5.5%

Notes :(i) The estimate of rate of escalation in salary considered in acuarial valuation, taken into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the employment market.

(ii) Being the first year of adoption revised Accounting Standard-15, previous year's figure and disclosure requirements as required in the standard have not been disclosed.

13 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 Compnay 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

Particulars	Production (Pcs.)	Purchase	Turnover (Pcs.)	Turnover (Rs.)
Cotton Knitted & Woven	692,813	-	665,402*	151,893,506
Garments except samples	(251650)	(-)	(247,064)	(73,468,774)

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

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c) Details of Opening & Closing Stock (Finished Goods)

Particulars	Unit	Opening Stock		Closing Stock	
		Qty	Value (Rs.)	Qty	Value (Rs.)
Cotton Knitted Garments	Pcs	88,680 (84088)	17,947,856 (15,240,106)	116,091 (88,680)	20,282,216 (17,947,856)

Note : Figures in brackets represent previous year's figures

14 Trading Operations

Items	Opening Stock		Purchases		Sales/ Adj.		Closing Stock	
	Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Value(Rs.)
Leather accessories	478 (1,144)	288,101 (245,580)	- (-)	2690 (990)	- (666)	2,690 (105,000)	478 (478)	288,101 (288,101)
Jewellery	731 (1,645)	380,154 (92,500)	- (-)	- (-)	- (914)	- (178,600)	731 (731)	380,154 (380,154)
Garments	- (-)	- (-)	- (6)	- (990)	- (6)	- (1,350)	- (-)	- (-)

Note : Figures in brackets represent previous year's figures

15 Raw Materials Consumed

	Unit	Qty	Value (Rs.)
Yarn/Fabric	Kgs	254,373 (126,150)	28,979,244 (16,569,326)

16 Value of Imports calculated on CIF Basis

(Amount in Rs)

	Current Year	Previous Year
Raw Material	-	-
Stores & Spares (Consumables)	9,667,168	(3,874,485)

17 Expenditure in Foreign Currency

(Amount in Rs)

	Current Year	Previous Year
Travelling	222,900	(934,307)
Legal and Professional	406,871	(122,215)
Commission, claim & Discount	795,186	(1,661,901)

18 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 Rs.)	Raw Material		Components & Stores	
	Amount	%	Amount	%
a) Imported	- (-)	- (-)	9,667,168 (3,874,485)	55.32 (37.89)
b) Indigenous	28,979,244 (16,569,326)	100% (100%)	7,806,580 (6,352,447)	44.68 (62.11)

19 Earnings in Foreign Exchange :

(Amount in Rs.)

FOB value of Goods Exports

Rs. 130,351,254

(Previous Year Rs. 42,965,847)

20 Sale & Purchase of Current Investment

Description	Purchase		Sale	
	Qty. (Nos.)	Value (In Rs)	Qty. (Nos.)	Value (In Rs)
Current Year	-	-	-	-
Previous Year :				
Units of Franklin Templeton Mutual Fund	(5625.545)	(7,000,000)	(5631.444)	(7,008,596)



ADDI INDUSTRIES LIMITED

21 The company is in business of single product "readymade garments". Therefore, the requirements in context of the Accounting Standard - 17 Segmental Reporting" issued by the ICAI are not applicable.

22 Assets Taken on Lease

The company has taken certain assets on non-cancellable operating lease and lease rent amounting to Rs 4,090,764 (Pr. Yr. :4,708,050) has been debited to profit and loss account. The future minimum lease payments is as under :

Minimum Lease Payment Payables	(Rs.)	Current Year	Previous Year
(i) not later than in 1 years		2,522,014	2,550,000
(ii) later than 1 year but not later than 5 years		6,092,073	5,675,000
(iii) later than 5 years		1,892,273	

General Description of Lease Terms. : (i) Operating Lease (ii) Lease Rent paid for Running Show rooms

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

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.

For and on behalf of the Board of Directors

Chartered Accountants

SANDEEP DINODIA

C.L.Jain

Partner

Chairman & Mg. Director

M. No. 83689

Place : New Delhi

Atul Jain

Dr. B.K. Behera

V. B. Agarwal

Dated : 29th July, 2008

Manager (Finance)

Director

Director

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 2008** 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. 8,317,353 as at 31st March, 2008, total revenues of Rs. 763,801 and net cash flows from operating activities amounting to Rs. (785,564) for the year ended March 31, 2008. 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, we are of opinion that the attached consolidated financial statements give 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, 2008;
 - in the case of the Consolidated Profit & Loss Account, of the Profit of the group for the year ended on that date;
 - 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

PLACE: NEW DELHI
DATED: 29TH JULY, 2008

(SANDEEP DINODIA)
PARTNER
M. NO. 83689

ADDI INDUSTRIES LIMITED



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

Amount in Rs.

	Schedule	As at March 31, 2008	As at March 31, 2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	54,000,370	54,000,370
Reserves & Surplus	B	<u>137,917,587</u>	<u>137,917,587</u>
		191,917,957	191,917,957
Loan Funds			
Secured	C	24,709,578	4,274,970
Deferred Tax Liability (Net)	D	<u>11,837,949</u>	-
		<u>228,465,484</u>	<u>196,192,927</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	287,250,573	285,412,911
Less: Depreciation		<u>179,165,858</u>	<u>216,253,511</u>
Net Block		108,084,715	69,159,400
Capital Work-in-Progress		-	90,000
Deferred Tax Assets	D	-	2,476,788
Investments	F	9,829,403	9,829,403
Current Assets, Loans & Advances			
Current Assets			
Inventories	G	43,142,616	30,399,457
Sundry Debtors		22,988,252	4,711,417
Cash and Bank Balances		36,489,642	37,605,463
Loans and Advances		<u>19,286,315</u>	<u>30,199,317</u>
		121,906,825	102,915,654
Less: Current Liabilities & Provisions	H		
Current Liabilities		15,896,532	7,768,512
Provisions		<u>2,661,138</u>	<u>1,002,722</u>
		18,557,670	8,771,234
Net Current Assets		<u>103,349,155</u>	<u>94,144,420</u>
Profit and Loss Account		7,019,599	20,127,694
Miscellaneous Expenditure		<u>182,612</u>	<u>365,222</u>
		<u>228,465,484</u>	<u>196,192,927</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
Partner
M. No. 83689

For and on behalf of the Board of Directors

C.L.Jain
Chairman & Mg. Director

V. B. Agarwal
Director

Place : New Delhi
Dated : 29th July, 2008

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(Amt in Rs.)

PARTICULARS	Schedule	Current Year	Previous Year
INCOME			
Turnover	I	152,446,521	72,752,819
Other Income	J	20,418,255	18,842,784
Excess Depreciation Written Back		45,090,885	-
TOTAL		217,955,661	91,595,603
EXPENDITURE			
Manufacturing, Selling, Administrative & Other Expenses	K	162,630,848	118,019,588
Personnel Expenses	L	16,438,716	10,957,230
Financial Expenses	M	2,307,016	1,320,631
Preoperative Exp. W/OFF		182,610	182,610
Depreciation		8,523,411	15,990,238
TOTAL		190,082,602	146,470,297
Profit/(Loss) Before Tax		27,873,059	(54,874,694)
Less : Provision for Tax		160,000	111,000
Less : Adjustment for Deferred Tax Charge/(Release)		14,314,737	(6,745,000)
(Refer Note B-8 of Schedule-N)			
Less: Provision for Fringe Benefit Tax		161,600	225,000
Less : Income Tax adjusted for earlier years		128,443	6,345,000
Profit/(Loss) After Tax		13,108,095	(54,810,694)
Add: Recoup /Transferred to General Reserve		-	34,683,000
Add: Amount b/f from last year		(20,127,694)	-
Balance Transferred to Balance Sheet		(7,019,599)	(20,127,694)
Basic / Diluted Earning per share (Rs.)		1.21	(5.08)
(Refer Note B-11 of Schedule - N)			
Significant Accounting Policies & Notes to the Account	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
Partner
M. No. 83689

C.L.Jain
Chairman & Mg. Director

V. B. Agarwal
Director

Place : New Delhi
Dated : 29th July, 2008

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director

ADDI INDUSTRIES LIMITED



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

(Amount in Rs.)

	Current Year	Previous Year
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & extraordinary items	27,873,059	(54,874,694)
Adjustments For :		
Depreciation	8,523,411	15,990,238
Profit on Sale of Investments	-	(8,596)
Loss on sale of Fixed Assets	292,971	22,423,539
Preoperative Expenses written off	182,610	182,610
Interest paid	2,307,016	422,104
Investment written back	-	(6,674,403)
Provision no longer required	2,545,552	(5,148,860)
Interest Received	(4,867,441)	(3,450,571)
Excess Dep. Written Back	(45,090,885)	-
Operating profit before working capital Changes	(8,233,706)	(31,138,633)
Adjustments For :		
Trade and other receivables	(10,066,409)	10,764,100
Inventories	(12,743,159)	(2,447,490)
Trade & other Payable	9,786,251	(30,746,500)
Bank Borrowings	20,434,608	1,165,000
Cash generated from operations before extraordinary items		
Direct Tax Paid	(293,019)	(6,717,450)
Cash generated from operations after extraordinary items	7,118,273	(27,982,340)
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,115,433)	(59,120,973)
B CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	(2,560,812)	13,616,568
(Purchase)/sale of Investment	-	-
Interest Received	4,867,441	3,450,571
NET CASH USED IN INVESTING ACTIVITIES	2,306,629	17,067,139
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(2,307,016)	(422,104)
NET CASH FLOW FROM FINANCING ACTIVITIES	(2,307,016)	(422,104)
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,115,821)	(42,475,938)
Cash & Cash equivalents as at 01-4-2007(Opening Balance)	37,605,463	80,081,400
Cash & Cash equivalents as at 31-3-2008(Closing Balance)	36,489,642	37,605,463
Cash & Cash Equivalents include :		
-Cash in Hand	209,161	1,014,863
Balances with Schedule Banks		
- In Current Accounts	6,016,134	1,893,424
- In Deposit Account	30,264,347	34,697,176

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

V.B Agarwal
Director

Place : New Delhi
Dated : 29th July, 2008

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director



ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Amt in Rs.)

	As at March 31, 2008	As at March 31, 2007
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED		
15,000,000 Equity Shares of Rs 5/- each (Previous Year 15,000,000 Equity Shares of Rs.5/- each)	75,000,000	75,000,000
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)	53,982,870	53,982,870
Amount received on Equity Shares Forfeited (Pr. year Rs. 17,500) (Amount originally paid up)	17,500	17,500
	<u>54,000,370</u>	<u>54,000,370</u>

SCHEDULE - B **RESERVES AND SURPLUS**

	Opening Bal As At 1.4.2007	Addition During the year	Recoup/Tr. During the year	Closing Bal As At 31.3.2008
Capital Reserve	6,067,000	-		6,067,000
Share Premium	131,850,587	-		131,850,587
TOTAL	137,917,587	-	-	137,917,587

SCHEDULE - C **SECURED LOANS**

From Scheduled Bank :

-Packing Credit & Others (Repayable within one year Rs.17,887,299 Previous year Rs. 4,274,970)	17,887,299	4,274,970
-Cash Credit	6,822,279	-
	<u>24,709,578</u>	<u>4,274,970</u>

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

SCHEDULE - D **DEFERRED TAX ASSET/(LIABILITY)**

Deferred Tax Asset /(Liabilities)	2,476,972	(4,268,212)
Add: Deferred Tax Asset /(Liabilities)	(11,837,949)	6,745,000
(Refer Note B-8 of Schedule 'N')	<u>(14,314,921)</u>	<u>2,476,788</u>

ADDI INDUSTRIES LIMITED



SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE - E

FIXED ASSETS

(Amount in Rs.)											
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As At 01.4.07	Additions during the year	Sale/Adj. during the year	Total As At 31.03.08	Up to 31.03.07	For the year	Adj.(Dep.W/B)	Del	Total upto 31.03.08	Value As At 31.03.08	Value As At 31.03.07
Leasehold Land	12,851,942	-	-	12,851,942	-	2,678,901			2,678,901	10,173,041	12,851,942
Building:											
- Office	7,674,212	-	-	7,674,212	597,249	125,090			722,339	6,951,873	7,076,963
- Factory	48,923,261	-	-	48,923,261	20,769,205	1,634,037			22,403,242	26,520,019	28,154,056
Plant and Machinery	177,102,655	1,740,453	344,000	178,499,108	170,597,321	436,885	(45,090,885)	254,501	125,688,820	52,810,288	6,505,334
Leasehold Improvements	370,111	906,435	-	1,276,546	113,090	295,422			408,512	868,034	257,021
Electrical Installation	11,600,131	-	-	11,600,131	10,254,526	551,006			10,805,532	794,599	1,345,605
Furniture & Fittings	12,201,666	-	-	12,201,666	5,047,717	772,302			5,820,019	6,381,647	7,153,949
Vehicles	4,927,984	-	617,150	4,310,834	2,126,035	439,661		265,678	2,300,018	2,010,816	2,801,949
Computer	9,760,949	151,924	-	9,912,873	6,748,368	1,590,106			8,338,474	1,574,399	3,012,581
Current Year	285,412,911	2,798,812	961,150	287,250,573	216,253,511	8,523,411	(45,090,885)	520,179	179,165,858	108,084,715	69,159,400
Previous Year (Rs. in Lacs)	3,589.20	26.54	761.43	2,854.13	2,393.30	159.90	-	390.67	2,162.53	691.60	1,195.72

CAPITAL WORK-IN-PROGRESS

Capital work-in-progress including Capital advance of Rs.NIL (Previous year Rs. 90,000)

- 90,000

- 90,000



ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Amount in Rs.)

	As at March 31, 2008	As at March 31, 2007
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. (Refer note given below)	9,829,403	9,829,403
	<u>9,829,403</u>	<u>9,829,403</u>
Note :		
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	16,183,600	9,217,787
Stores & Spares	2,968,453	1,811,858
Finished Goods	20,950,531	18,616,111
Stock-in-Process	<u>3,040,032</u>	<u>753,701</u>
	43,142,616	30,399,457
Sundry Debtors		
(Unsecured & Considered good)		
Exceeding six months		
Other Debtors	<u>22,988,252</u>	<u>4,711,417</u>
	22,988,252	4,711,417
Cash & Bank Balances		
Cash in hand	209,161	1,014,863
With Scheduled Banks		
In Current Account	6,016,134	1,893,424
In Deposit Account *	<u>30,264,347</u>	<u>34,697,176</u>
	36,489,642	37,605,463
* Pledged with appropriate authorities Rs. 816,219 (Previous Year Rs. 551,448)		
Other Current Assets		
LOANS & ADVANCES		
(Unsecured-considered good unless otherwise stated)		
Loans (Inter - corporate Deposits)	-	10,000,000
Advances recoverable in cash or in kind or for value to be received		
Considered good	5,060,988	6,100,471
Considered Doubtful	<u>904,662</u>	<u>3,450,213</u>
	5,965,650	9,550,684
Less: Provision for Doubtful debts	<u>904,661</u>	<u>3,450,213</u>
	5,060,989	6,100,471
Security Deposits	4,087,922	5,051,050
Interest Accrued but not due on FDR	2,518,868	3,039,781
Export Incentive Receivable	5,690,644	3,668,962
Balance with Excise Authorities	-	254,137
Advance Tax (Including TDS)	1,927,059	2,049,109
[Net of provisions of Rs. 291,000 (P.Y. Rs.131,000)		
Advance Fringe Benefit Tax	833	35,807
[Net of provisions of Rs. 386,600 (P.Y. Rs.225,000)		
	<u>121,906,825</u>	<u>30,199,317</u>

ADDI INDUSTRIES LIMITED



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Amount in Rs.)

	As at March 31, 2008	As at March 31, 2007
SCHEDULE -H		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Due to SME		
Other than SME	3,316,964	2,332,463
(Refer Note B-3 of Schedule -'N')		
Security Received	1,440,000	1,800,000
Unclaimed Dividend *	397,690	400,472
Other Liabilities	10,741,878	3,235,577
	<u>15,896,532</u>	<u>7,768,512</u>
* It does not include any amount transferable to Investor Education & Protection Fund.		
Provisions		
Gratuity	2,139,618	787,387
Leave Encashment	521,520	215,335
	<u>2,661,138</u>	<u>1,002,722</u>

Current Year

Previous Year

SCHEDULE -I

TURNOVER

Export Sales	130,351,254	42,965,847
Domestic Sales	22,046,527	29,786,972
Job Work	48,739	-
	<u>152,446,521</u>	<u>72,752,819</u>

SCHEDULE -J

OTHER INCOME

Export Incentive	12,714,192	2,420,454
Provision No Longer Required	2,545,552	5,148,860
Provision for diminuations Investment Written back	-	6,674,403
Profit on Sale of Current Investments	-	8,596
Exchange fluctuation	139,921	-
Miscellaneous Income	151,150	1,141,100
Interest Income		
- On Fixed Deposits	2,488,255	2,780,030
[TDS Rs. 522,454 (Pr. Year Rs. 868,104)]		
- On ICDs	258,630	631,975
[TDS Rs. 53,278 (Previous Year Rs. 140,928)]		
-Interest on Security	-	13,696
[TDS Rs. NIL (Previous Year Rs. 3,074)]		
- ON OTHERS	2,120,556	23,670
[TDS RS 435,004 (Previous Year Rs NIL)]		
	<u>20,418,255</u>	<u>18,842,784</u>



ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Amount in Rs.)

	Current Year		Previous Year
SCHEDULE -K			
MANUFACTURING, SELLING, ADMINISTRATIVE & OTHER EXPENDITURE			
Raw Materials consumed		28,979,244	16,569,326
Freight & Cartage inward		690,851	370,703
(Increase)/Decrease in Stock			
Finished goods - Opening Stock	18,616,111		15,588,822
Stock-in-process- Opening Stock	753,701		1,496,400
	<u>19,369,812</u>		<u>17,085,222</u>
Finished goods - Closing Stock	20,950,531		18,616,111
Stock-in-process - Closing Stock	3,034,835		753,701
	<u>23,985,366</u>	(4,615,554)	<u>19,369,812</u>
			(2,284,590)
Processing Charges		16,211,576	7,173,399
Stores, Spares & Packing material Consumed		17,473,748	10,226,932
Purchase of Traded Items		2,690	990
Loss of Material by Flood		-	529,953
Fabrication Wages		24,519,532	11,567,895
Power & Fuel		9,169,474	7,959,402
Other Manufacturing Expenses		18,920,703	4,200,055
Sample & Designing Expenses		449,891	399,682
Rent, Rates & Taxes		8,752,198	8,541,293
Insurance		4,087,095	4,290,558
Repairs & Maintenance			
- Machinery	1,031,551		2,659,904
- Building	<u>1,918,874</u>	2,950,425	<u>2,344,654</u>
			5,004,558
Travelling & Conveyance			
- Directors	144,000		751,000
- Others	<u>818,096</u>	962,096	<u>1,103,677</u>
			1,854,677
Vehicle Running & Maintenance		565,385	512,018
Communication Expenses		1,392,183	1,057,821
Directors' Sitting Fees		95,000	100,000
Printing & Stationery		495,678	395,719
Legal, Professional & Service charges		2,059,093	1,256,833
Payment to Auditors		232,059	253,945
Outward Freight & Cartage		9,337,377	1,425,344
Advertisement & Publicity		67,709	53,557
Exchange Fluctuations		-	469,967
Insurance claim Written Off		895,440	-
Commission, Claims & Discounts		14,181,929	7,527,202
Miscellaneous Expenses		2,759,198	3,951,289
Security Expenses		1,702,857	2,187,522
Loss on Sale of Fixed Assets		292,971	22,423,539
Total		<u>162,630,848</u>	<u>118,019,588</u>

ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Amount in Rs.)

	Current Year	Previous Year
SCHEDULE - L		
PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary and other benefits	12,357,905	7,907,829
Directors' Remuneration	1,800,000	1,800,000
Contribution to Provident & other funds	2,001,927	975,268
Staff welfare expenses	278,884	274,133
	16,438,716	10,957,230
SCHEDULE - M		
FINANCIAL EXPENSES		
INTEREST :		
- Working Capital	803,096	334,376
- Others	65,000	87,728
Bank charges	1,438,920	898,527
	2,307,016	1,320,631

SCHEDULE - N

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A 1 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:

- 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, 2008
- 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:

- 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 of losses have been fully eliminated.
- 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.
- 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, 2008 As at March 2007
AUM TEXFAB PVT LTD	India	100 100

A-2 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. Company holds the perpetual lease for land, hence is shown at cost.

4 Method of Depreciation & Amortization

- 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

a) Raw Material

Method of Valuation

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 Employee Benefits

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employees Benefits (Revised 2005) issued by the ICAI.

(i) Post Employment Benefit Plans

Payments to Defined Contribution Retirements Benefit Schemes are charged as an expense as they fall due.

For Defined Benefit Schemes: the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

(ii) Short Term Employee Benefits.

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service

8 Revenue Recognition

- 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 . d) Interest income is recognized on accrual basis.

9 Purchases

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

10 Investments

- 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.

ADDI INDUSTRIES LIMITED

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 is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

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.

14 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.

15 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 (net of advances).- Rs. Nil (Previous Year Rs. 45, 000).
2. Contingent Liabilities
 - a) Claims against the company, not accepted and not provided for :
 - Rs.7,742,020 towards Employees State Insurance (Previous Year Rs.7,742,020)
 - Rs.8, 675,514 towards claim for recovery by the Franchisee (Previous Year Rs.8,675,514)
 - b) Bills discounted with Bank outstanding Rs 4,414,249 (Pr. Yr. Rs. 2, 546,695)
 - c) Trade tax Liability for Rs. 89,311 (Previous Year Rs. 89,311) under Appeal with Trade Tax Tribunal.
3. The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end March, 2008 together with interest paid/payable under this Act has not been given. As per the information provided by the Management, the Company does not owe any sum to small scale industrial undertakings as at 31st March, 2008.
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. 42,505,314 (Pr. Yr. Rs. 117, 662), as stated below: (Amount in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Prior Period Expenses		
Commission Paid	4,660	-
Entry Tax	6,465	-
Legal & Professional Expenses	38,775	-
Land Amortisation Charges	2,535,691	-
Water & Electricity	-	640,549
Repair & Maintenance	-	289,691
Total (A)	2,585,571	930,240
Excess depreciation written back	45,090,885	-
Misc. Income	-	1,047,902
Total (B)	45,090,885	1,047,902
Net Prior Period Expenditure / (Income) (A-B)	42,505,314	(117,662)

6. **Managerial Remuneration to Directors** (Amount in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Chairman & Managing Director		
Salary	1,200,000	1,200,000
Perquisites	900,000	900,000
Whole-Time Director		
Salary	600,000	600,000
Perquisites	-	-
Total	2,700,000	2,700,000

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 Rs.)	Upto 31.03.07	For the year	As at 31.03.08
Deferred Tax Liabilities			
Depreciation	(1,128,026)	14,552,309	13,424,282
Deferred Tax Assets			
Disallowances under section 43B of the income Tax Act	1,348,762	185,841	1,586,333
Deferred Tax Assets/(Liability)	2,476,788	(14,314,737)	(11,837,949)

The Deferred Tax Liabilities charge of Rs. 14,314,737 (Previous year Deferred Tax Assets Rs.67.45 Lacs) for the year ended 31st March 2008 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 recognized deferred tax assets on the brought forward losses and unabsorbed depreciation.

ADDI INDUSTRIES LIMITED



9. Payment to Auditors

(Amount in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Audit Fees	171,349	164,432
Tax Audit Fees	28,090	28,060
Others	193,281	295,000
Out of Pocket expenses	14,175	-

Note: The other 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 Texfab 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. Abhishek 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.

(Amount in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Sales/Services	46,150	-
Purchases/Services	385,232	990
Payment to Key Managerial Personnel		
- Managerial Remuneration (Directors)	2,700,000	2,700,000
- Rent	1,652,190	1,500,000
- Salary (Others)	2,404,992	2,404,992

c) Balance outstanding as at year end

(Amount in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Investment in Aum Texfab Pvt. Ltd.	7,523,831	7,523,831

11. Basic/Diluted Earning per Share

(Amount in Rs.)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Profit (Loss) after Tax (A)	131,008,095	(54,610,694)
No. of Equity Shares (Weighted) (B)	10,796,574	10,796,574
Nominal Value Per Share (Rs.)	5.00	5.00
Earnings per Share	1.21	(5.08)

12 Employee Benefits
(a) Defined Contribution Plans

Contribution to Defined Conscripton Plan, recognized as expenses for the year are as under : 2007-08
Employer's Contribution to Provident Fund/ Pension Fund Rs. 70,869
The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes

(b) Defined Benefit plans

The employee's gratuity fund scheme defined unfunded benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as given rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. The obligation for leave encashment is a defined unfunded benefit plan, which is reconized in the same manaeer as gratuity.

I. Changes in present value of Defined Benefit obligations : (Amount in Rs.)

Particulars	Gratuity Unfunded	Leave Encashment
Defined Benefit obligation as at the beginning of the year	787,387	215,335
Current Service Cost	571,790	382,167
Interest Cost	62,991	17,227
Actuarial (gain) / loss on obligations	717,450	(93,209)
Benefits Paid	-	-
Defined Benefit obligation at the year end	2,139,618	521,520

II. Change in the Fair value of Plan Assets : (Amount in Rs.)

Particulars	Gratuity /Leave Encashment
Fair value of plan assets at the begning of the year	NIL
Expected return on plan assets	NIL
Actuarial gain/ (loss)	NIL
Employer Contribution	NIL
Benefit paid	NIL
Fair value of plan assets at the year end	NIL

III. Change in the Fair Value of assets and obligation (Amount in Rs.)

Particulars	Gratuity Unfunded	Leave Encashment
Fair value of plan assets	NIL	NIL
Present value of obligation	2,139,618	521,520
Amount recognized in balance sheet	(2,139,618)	(521,520)

The amount is shown in balance sheet under the head advances recqverable in cash or kind or for value to be received

IV. Expenses/ (Income) recognized in the Profit & Loss (Amount in Rs.)

Particulars	Gratuity Unfunded	Leave Encashment Unfunded
Current Service Cost	571,790	382,167
Interest Cost	62,991	17,227
Expected Return on plan assets	-	-
Axtuarial (gain)/ loss	717,450	(93,209)
Net Cost	1,352,231	306,185

V. Actuarial Assumptions (Amount in Rs.)

Particulars	Gratuity Unfunded	Leave Encashment
Mortality Table (LIC)	1994-96 (Duly Modified)	1994-96 (Duly Modified)
Discount rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	N.A.	N.A.
Rate of escalation in salary (per annum)	5.5%	5.5%

ADDI INDUSTRIES LIMITED



- Notes :**(i) The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the employment market.
- (ii) Being the first year of adoption revised Accounting Standard-15, previous year's figure and disclosure requirements as required in the standard have not been disclosed.

13 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

Particulars	Production (Pcs.)	Purchase	Turnover (Pcs.)	Turnover (Rs.)
Cotton Knitted & Woven	692,813	-	665,402*	151,893,506
Garments except samples	(251650)	(-)	(247,064)	(73,468,774)

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

c) Details of Opening & Closing Stock (Finished Goods)

Particulars	Unit	Opening Stock		Closing Stock	
		Qty	Value (Rs.)	Qty	Value (Rs.)
Cotton Knitted	Pcs	88,680	17,947,856	116,091	20,282,216
Garments		(84088)	(15,240,106)	(88,680)	(17,947,856)

Note : Figures in brackets represent previous year's figures

14 Trading Operations

Items	Opening Stock		Purchases		Sales/ Adj.		Closing Stock	
	Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Value(Rs.)	Qty	Value(Rs.)
Leather accessories	478 (1,144)	288,101 (245,580)	- (-)	2690 (990)	- (666)	2,690 (105,000)	478 (478)	288,101 (288,101)
Jewellery	731 (1,645)	380,154 (92,500)	- (-)	- (-)	- (914)	- (178,600)	731 (731)	380,154 (380,154)
Garments	- (-)	- (-)	- (6)	- (990)	- (6)	- (1,350)	- (-)	- (-)

Note : Figures in brackets represent previous year's figures

15 Raw Materials Consumed

	Unit	Qty	Value (Rs.)
Yarn/Fabric	Kgs	254,373 (126,150)	28,979,244 (16,569,326)

16 Value of Imports calculated on CIF Basis

(Amount in Rs)

	Current Year	Previous Year
Raw Material	-	-
Stores & Spares (Consumables)	9,667,168	(3,874,485)

17 Expenditure in Foreign Currency

(Amount in Rs)

	Current Year	Previous Year
Travelling	222,900	(934,307)
Legal and Professional	406,871	(122,215)
Commission, claim & Discount	795,186	(1,661,901)



ADDI INDUSTRIES LIMITED

18 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 Rs.)	Raw Material		Components & Stores	
	Amount	%	Amount	%
a) Imported	-	-	9,667,168	55.32
	(-)	(-)	(3,874,485)	(37.89)
b) Indigenous	28,979,244	100%	7,806,580	44.68
	(16,569,326)	(100%)	(6,352,447)	(62.11)

19 Earnings in Foreign Exchange :

FOB value of Goods Exports

Rs. 130,351,254

(Amount in Rs.)

(Previous Year Rs. 42,965,847)

20 Sale & Purchase of Current Investment

Description	Purchase		Sale	
	Qty. (Nos.)	Value (In Rs)	Qty. (Nos.)	Value (In Rs)
Current Year	-	-	-	-
Previous Year :				
Units of Franklin Templeton Mutual Fund	(5625.545)	(7,000,000)	(5631.444)	(7,008,596)

21 The company is in business of single product "readymade 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.

22 Assets Taken on Lease

The company has taken certain assets on non-cancellable operating lease and lease rent amounting to Rs 4,090,764 (Previous Year :4,708,050) has been debited to profit and loss account. The future minimum lease payments is as under :

Minimum Lease Payment Payables	(Rs.)	Current Year	Previous Year
(i) not later than in 1 years		2,522,014	2,550,000
(ii) later than 1 year but not later than 5 years		6,092,073	5,675,000
(iii) later than 5 years		1,892,273	-

General Description of Lease Terms

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

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

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

SANDEEP DINODIA

Partner

M. No. 83689

For and on behalf of the Board of Directors

C.L.Jain

Chairman & Mg. Director

V. B. Agarwal

Director

Dr. B.K. Behera

Director

Place : New Delhi

Dated : 29th July, 2008

Atul Jain

Manager (Finance)



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 2007-08

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

Sl. No.	Name of Subsidiary Company	Aum Textfab (P) Ltd.	Sl. No.	Name of Subsidiary Company	Aum Textfab (P) Ltd.
1	The Financial year of Subsidiary Company ended on	31st March, 2008	1	Capital	79.00
2	Date from which it become Subsidiary Company	18th April, 2005	2	Reserves	6.00
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	85.00
			4	Total Liabilities	85.00
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	7.64
a.	Not dealt with in the Holding Company's Accounts:		7	Profit before Taxation	5.16
	i) For the financial year ended 31st March, 2008	Rs.3.56 Lacs	8	Provision for Taxation	1.60
	ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs.2.17 Lacs	9	Profit after Taxation	3.56
b.	Dealt with in the Holding Company's Accounts:		10	Proposed Dividend	NIL
	i) For the financial year ended 31st March, 2008	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

V.B. Agarwal
Director

Place : New Delhi
Dated : July 29, 2008

Atul Jain
Manager (Finance)

Dr. B.K. Behera
Director

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

Bonus Issue

Right Issue

Private Placement

III. Position of Mobilisation and Deployment of Fund (Amount in Rs. Thousands)

Total Liabilities

Sources of Funds

Paid-up Capital

Secured Loans

Deferred Tax Liability

Total Assets

Reserves & Surplus

Unsecured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

Investments

Misc. Expenditure

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

Profit/Loss Before Tax

☐ + ☒ -

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

Earning per Share in Rs.

Total Expenditure

Profit/Loss After Tax

☐ + ☒ -

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

Place: New Delhi
Dated: July 29, 2008

V.B.Agarwal
Director

Dr.B.K.Behera
Director

Atul Jain
Manager (Finance)

ADDI INDUSTRIES LIMITED
Regd. & Corp. Office: A-106, Sector-IV, Noida – 201 301 (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 ofor failing him/her,
Mr. Mrs./Miss.....of.....as
my/our Proxy to vote for me/us on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held
on 30th day of September, 2008 at 9.00 A.M. and at any adjournment thereof.

Signed this..... day of, 2008

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.P.)

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-Sixth Annual General Meeting of the Company being held at Ashoka White Farm House, Sector 70-71, Main Road Basai, Noida-201301 (U.P.) on Tuesday, the 30th day of September, 2008 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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Regd. & Corporate office :

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

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