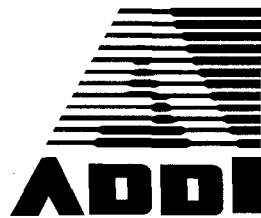


27th
Annual Report
2008-09



ADDI INDUSTRIES LIMITED



ADDI INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Shri C.L. Jain	-	Chairman & Managing Director
	:	Dr. B.K. Behera	-	Director
	:	Shri V.B. Aggarwal	-	Director
	:	Shri Hari Bansal	-	Whole-time Director
COMPANY SECRETARY	:	Shri Raj Kumar Arora		
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.)		

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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.

NOTICE

TO ALL MEMBERS:

NOTICE IS HEREBY GIVEN THAT the 27th Annual General Meeting of the Members of Addi Industries Ltd. will be held on **Wednesday, the 30th day of September, 2009, 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 2009, 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 Dr. B.K. Behera, who retires from office by rotation, and being eligible, offers him for re-appointment.
 3. To appoint Auditors for the current year 2009-2010 & to fix their remuneration.
- M/s. S.R. Dinodia & Co., Chartered Accountants, New Delhi, who hold office till the conclusion of this Annual General Meeting, being eligible, have furnished their consent and the requisite Certificate u/s 224(1B) of the Companies Act, 1956.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 314, Schedule XIII & other applicable provisions, if any, of the Companies Act, 1956 and further in terms of the approval of the Central Government already granted vide their letter No. 12/197/2006-CL. VII, dated January 18, 2007, the approval of the members be and is hereby accorded for the extension of the tenure of Shri C.L. Jain, designated as Chairman cum Mg. Director, for a further period of 2 years from October 1, 2009 to September 30, 2011 on the same terms and conditions as earlier approved by the members in their 24th Annual General Meeting held on August 7, 2006 and as set-out in the explanatory statement annexed herewith.

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

RESOLVED FURTHER THAT the Board of Directors (including the Remuneration Committee) be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/or remuneration, from time to time within the limits as specified by the Central Govt in their approval letter No. 12/197/2006-CL. VII, dated January 18, 2007 and as may be agreed to between the Board & Shri C.L. Jain.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, as the Board may, in the absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT in partial modification of the Resolution passed by the Members on 28th September, 2002, and in accordance with the provisions of Section 314 and all other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Govt., the consent & approval of the members be and is hereby accorded to the revision by way of enhancement from the existing remuneration of Rs.50,000 per month to the remuneration & perquisites to Shri Abhishek Bansal designated as Vice-President (Marketing), w.e.f. 1st January, 2010 as set-out in the explanatory statement annexed herewith.

RESOLVED FURTHER THAT the Board (including the Selection/Remuneration Committee constituted to exercise the powers) be and is hereby authorised to do all such acts, deeds, as the Board may, in the absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

For & on behalf of the Board

Regd. & Corp. Office:

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

Dated: September 3, 2009

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 Tuesday, the 29th day of September, 2009 to Wednesday, the 30th day of September, 2009(both days inclusive).

- c) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item nos. 4 & 5 of the accompanying notice is annexed hereto.
- d) All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days between 10.00 A.M. to 12.00 'O' Clock prior to the date of Annual General Meeting.
- e) 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.
- f) 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.
- g) The Company's Equity Shares continue to remain listed on the Bombay Stock Exchange Ltd., and the listing fee has been duly paid.
- h) 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.
- i) 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 Central Government on an Application moved by the Company u/s 212(8) of the Companies Act, 1956 has granted its kind consent for not attaching the Annual Accounts of the Subsidiary Company i.e. M/s Aum Texfab Private Limited. 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's investors seeking such information at any point of time. The Annual Accounts of the Subsidiary Company has been kept open for inspection by any investor at the Head/Registered Office of the Company and the Registered/Head office of the Subsidiary Company i.e. Aum Texfab Private Limited on all working days between 10.00 A.M. to 12.00 'O' Clock, upto September 29, 2009.
- j) **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.**
- k) **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.**
- l) Pursuant to Clause 49 of the Listing Agreement(s) pertaining to Corporate Governance, the particulars of Directors proposed to be re-appointed vide item Nos. 2 & 4 of the Notice, are as follows:

S. No.	Particulars	Shri Chaman Lal Jain	Dr. B.K. Behera
1.	Date of Birth	08.09.1944	17.04.1959
2.	Date of Appointment	01.10.1988	28.06.2004
3.	Qualification	B.Com.	Ph.D, M. Tech, B. Tech.
4.	Expertise in specific functional area	Please refer Corporate Governance Report 2008-09.	Expertise in Textile Technology.
5.	Directorship held in other Public Companies*	Nil	M/s Seasons Textiles Ltd.
6.	Membership/Chairmanship of Committees**	Nil	Nil
7.	No. of Equity Shares held in the Company	Nil	Nil
8.	Relationship with other directors	Related to Shri Hari Bansal (Father-Son)	N.A

*excluding Foreign & Private Limited Companies.

**Includes only Audit and Shareholders/Investor Grievance Committee other than Addi Industries Limited

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956
ITEM NO. 4**

Members of the Company in their 24th Annual General Meeting held on August 7, 2006 re-appointed Mr. C.L. Jain as Chairman & Mg. Director of the Company for a period of 3 years effective from October 1, 2006 to September 30, 2009, subject to the approval of the Central Government under the provisions of the Companies Act, 1956.

The Central Government vide its letter no. 12/197/2006-CL.VII dated January 18, 2007 has accorded its consent for his appointment for a period not exceeding 5 years with effect from October 1, 2006. Now, as per the approval of the Shareholders, the term of Mr. Jain expires on September 30, 2009 and to extend the term the fresh approval of the Shareholders is required at the ensuing Annual General Meeting.

The Board on the basis of review and recommendation of the matter by the Remuneration Committee in their Meeting held on August 29, 2009 has approved and commend the extension of the tenure of Mr. C. L. Jain as Chairman cum Mg. Director for a further period of 2 years on the following terms and conditions:

- 1) Salary : Rs.1,50,000 (Rs. One Lac Fifty thousand) per month
(in the scale of Rs.1,50,000-15,000-1,95,000)
- 2) Accommodation : Free furnished accommodation with servant, gas, electricity & water.
- 3) Perquisites : Usual perquisites, as per Rules of the Company, namely:
 - a) Medical re-imbursement for self and family (equal to one month salary in a year),
 - b) Car for official use,
 - c) P.F., Bonus, Gratuity and/or other Superannuation benefits,
 - d) Membership of 2 clubs,
 - e) Leave Travel concession for self and family, once in a year,
 - f) Personal Accident insurance,
 - g) Leave encashment

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

4. Commission : 2% on the Net Profits of the Company.

Shareholders approval is sought for the extension of the tenure of Shri C.L. Jain as an Chairman & Mg. Director of the Company for a further period of 2 years w.e.f. October 1, 2009.

This may be treated as an abstract of the terms and conditions of appointment including remuneration of an Executive Director under the provisions of Section 302 of the Companies Act, 1956.

Your Directors recommend the said Resolution for your approval.

None of the Director except Shri C.L. Jain and Shri Hari Bansal are deemed to be interested or concerned in the resolution as they are relative to each other and Shri C.L. Jain is further interested as the matter pertains to his appointment.

ITEM NO. 5

Shri Abhishek Bansal was appointed as Manager (Overseas Operations) on 1st July, 2002 at the remuneration of Rs.20,000 per month, and the Members approval was accorded at their Nineteenth Annual General Meeting held on 28th September, 2002. Shri Abhishek Bansal has now been entrusted and is looking after the domestic and a chain of retail marketing setups. Shri Abhishek Bansal is technically qualified, a graduate in Computer Software and has been handling the business activities of the Company and has shown striking excellence, dynamism, perseverance, hard work and objectiveness in his approach to work for the domestic marketing setup of the Company.

The Company has expansion-cum-diversification plans, inter alia, retail/domestic marketing, forced by the growing complexities of / in the international marketing, keeping in view his day-to-day increasing activities, duties and functions, onerous responsibilities and the demands of his Office, it would be in the interest of the Company to re-designate him as Vice-President (Marketing) and revise his remuneration as set out as under, effective from 1st January, 2010.

- 1) Remuneration : Rs.60,000 p.m. (in the scale of Rs. 60,000-10,000-1,00,000) upto the maximum of Rs.1,00,000 p.m., over a period of 4 years.
- 2) Accommodation : Free furnished accommodation.

- 3) Perquisites : Usual perquisites, as per Rules of the Company, namely:
- a) Medical re-imbursement (equal to one month salary in a year),
 - b) Car for official use,
 - c) Communication Expenses
 - d) P.F., Bonus, Gratuity and/or other Superannuation benefits,
 - e) Leave Travel concession for self and family, once in a year in India or abroad,
 - e) Personal Accident insurance,
 - f) Leave encashment

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

The Board on the basis of review and recommendation of the matter by the Selection Committee in their Meeting held on August 29, 2009 has approved and commend the appointment of Shri Abhishek Bansal designated as Vice-President(Marketing), w.e.f January 1, 2010.

Your Directors recommend the said Resolution for your approval.

None of the Director except Shri C.L. Jain and Shri Hari Bansal are deemed to be interested or concerned in the resolution as they are relative to Shri Abhishek Bansal.

For & on behalf of the Board

Regd. & Corp. Office:

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

Dated: September 3, 2009

C.L. JAIN

Chairman & Mg. Director

DIRECTORS' REPORT

Dear Members

The Directors of your Company present their 27th Annual Report & the Audited Statements of Account of the Company for the year ended on 31st March, 2009.

FINANCIAL RESULTS

The performance of your Company for the financial year ended on 31st March, 2009 is summarized below:

(Rs./Lakhs)

	2008-2009	2007-2008
Turnover & other Income	2350.20	2171.92
(incl. Exports)	(1920.66)	(1303.51)
Gross Profit before Financial exp. & Depreciation	170.62	381.87
Less : Financial Expenses	47.93	23.07
Depreciation	111.72	85.23
Net Profit/(Loss) before Tax	10.97	273.57
Less : Provision for Taxation	—	—
Income Tax adj. for earlier years	—	1.28
Provision for Fringe Benefit Tax	1.70	1.62
Provision for Wealth Tax	0.09	—
Add: Adj. for deferred tax	8.18	(143.15)
Net Profit /(Loss) after tax	17.36	127.52
Add : Recoup/Transfer to General Reserve	—	—
Add : Amount b/f from last year	(77.27)	(204.79)
Balance transferred to Balance Sheet	(59.91)	(77.27)

DIVIDEND

In view to conserve resources for future operations, the Directors are not in a position to recommend dividend for the financial year 2008-09.

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, overall recessionary trend in Indian and International markets.

TECHNOLOGY UPGRADATION, MODERNISATION-CUM-DIVERSIFICATION

The Company has incurred nominal capital expenditure of Rs. 15.51 lakhs on technology upgradation & modernization of machinery and equipment, wherever considered necessary, during the year under report, as against Rs.17.40 lakhs incurred in the preceding year.

FUTURE PROSPECTS

During the first quarter ended on 30th June, 2009, the Company has achieved turnover of Rs. 442.25 Lacs (incl. exports of Rs. 417.69 lacs) as against Rs.394.87 Lacs (incl. exports of Rs.333.66 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

Dr. B.K. Behera, 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 2008-09, 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

During the year under review, M/s Aum Texfab Pvt. Ltd. continues to be a Subsidiary of the Company and the contribution of the said Subsidiary Company was insignificant. Your Company had, pursuant to the provisions of Section 212(8) of the Companies Act, 1956 (the Act), filed application with the Ministry of Corporate Affairs, seeking exemption from attaching the financials along with the Directors' and Auditors' thereon and other documents required to be attached under Section 212(1) of the Act. The requisite approval from the Ministry of Corporate Affairs was received vide their letter no. 47/512/2009-CL-III, dated August 7, 2009. Accordingly, the said documents are not being attached with the Annual Report of your Company. A gist of the financial performance of the subsidiary companies in the format prescribed by the Ministry of Corporate Affairs is contained elsewhere in the Annual Report. The Accounts of the Subsidiary Company is open for inspection for any Member/Investor at the Registered Office of your Company. The Company will make available these documents/details upon request to any Member/Investor interested in obtaining the same.

CORPORATE GOVERNANCE

The Management Discussion & Analysis Report and the Report on Corporate Governance, along with 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 : September 3, 2009

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.

Total energy consumption & consumption per unit during the year ended 31st March, 2009, is as per Form 'A' below : **FORM 'A'**

A. Power and Fuel Consumption:
(Rs./Lakhs)

	Current Year 31.3.2009	Previous Year 31.3.2008
1. ELECTRICITY		
(a) Purchased		
Units	925178	854199
Total amount (Rs./Lacs)	47.71	38.49
Rate/unit (Rs.)	5.16	4.51
b) Own Generation		
i) Through diesel generator Units	66780	71648
Unit per ltr. of diesel oil	3.50	3.50
Cost/unit (Rs.)	9.97	8.73
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/HSD		
Qty. (Ltrs.)	146520	132854
Value (Rs./Lacs)	51.15	39.46
Rate/Unit (Rs.)	34.91	29.70
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.
Ready made Garments	1000 Pcs.	1264	1233	—	—	—	—

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 important 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)

	31.3.2009	31.3.2008
Earnings	1868.99	1303.51
Outgoings	219.45	110.92

For and on behalf of the Board of Directors

Place : New Delhi
Dated : September -3, 2009

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 2008-09 the exports of readymade garments have surged forward. However, export growth was severely affected due to several internal and external developments. Stiff Global Competition, Changing Technology & Fashion industry and above all the overall recession continue 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 augur 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 15.50 Lacs was incurred during the year on technology upgradation and modernization of machinery & equipment, wherever considered necessary.

Sales in Company's domestic retail outlets are 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 2008-09 has improved. The Company achieved turnover of Rs.2098.52 Lacs (including exports of Rs.1920.66 Lacs) as against the turnover of Rs.1524.46 Lacs (including exports of Rs.1303.51 Lacs) in the previous year. However, margins continued to be under pressure, mainly on account of high operational costs. The operational profit in the year under report was Rs.10.96 lakhs as compared to the operational profit of Rs.273.57 Lacs in the previous year.

5. OUTLOOK

Exports in the current year 2009-10 are looking up. The Company has achieved exports of Rs.417.69 Lacs in the first quarter ended 30th June, 2009 as compared to the exports of Rs.333.66 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 prices 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 period.

8. MATERIAL DEVELOPMENTS IN HR

Personal 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 programmes 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 : September 3, 2009

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 2009, 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 6 times on April 30, July 18, 29, August 30, November 10, 2008; January 31, 2009 during the year ended March 31, 2009:

Name of the Director & Designation	Executive/ Non-executive/ Independent	Non of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the last AGM on 30.09.2008	Directorship in other Cos. incorporated in India	No. of other Cos. Board Committees, of which Member/ Chairman
Shri C.L. Jain (Chairman & Managing Director)	Executive (Promoter Grp)	6	6	Present	1	NIL
Shri V.B. Agarwal	Non-executive (Independent)	6	6	Present	NIL	NIL
Dr. B.K. Behera	Non-executive (Independent)	6	6	Present	1	NIL
Shri Hari Bansal (Whole-time Dir.)	Executive (Promoter Grp)	6	3	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 Committee/s of the Board. 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.

Shri C.L. Jain, and Shri Hari Bansal are related to each other (as Father-Son relationship), except them none of the other Director of the Company is related with other.

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. Aggarwal, a non-Executive Independent Director, is the Chairman of the Audit Committee.

Shri V.B. Aggarwal 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 September 30, 2008.

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.

Five Meetings of the Audit Committee were held on April 30, July 29, August 30, November 10, 2008 and January 31, 2009; during the financial year ended 31st March, 2009. 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. Aggarwal & 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. No Meeting of the Remuneration Committee was required to be held during the year ended March 31, 2009.

C. Selection Committee

The Selection Committee of the Company also comprises of two non-executive independent Directors namely Shri V.B. Aggarwal 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. One meeting of the Selection Committee was held on April 30, 2008, which was attended by all the members of the Committee.

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. Aggarwal, 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. No meeting of the Committee of Directors was required to be held during the year ended March 31, 2009.

E. (i) Investor Grievance cum Share Transfer Committee

As on the date of this report and after the closure of the last financial year "The Investor Relations & Grievance Committee" has been re-structured and the nomenclature has been changed to Investor Grievance cum Share Transfer Committee, which functions under the Chairmanship of Dr. B.K. Behera. The other members of the Committee are S/Shri V.B. Aggarwal, C.L. Jain and Hari Bansal. The terms of reference to the Committee *inter-alia* includes the redressal of Shareholders/ Investors grievances, de-materialisation/ re-materialisation of Shares, to consider the status of Quarterly Complaints received and redressed. Apart from these a general authority has been given to Shri C.L. Jain, Chairman & Mg. Director of the Company to approve the Share Transfer, Transmission, Transposition and other related matters. No investor grievance/complaints/requests was pending on 31st March, 2009.

During the year under review, one meeting of the Investor Relations & Grievance Committee was held on April 2, 2008 and Shri C.L. Jain in his independent capacity and as per the authority delegated to him has approved the Share 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 April 2, June 7, 30, July 25, August 25, September 24, December 30, 2008. Proceedings of all the Share Transfers/ Transmissions/ other matters approved are placed at the ensuing Board Meeting/s, from time to time.

Shri Atul Jain, Compliance Officer & Manager(Finance) acts as the Compliance Officer of the Committee. The Company attends the Shareholders'/investors' communications/grievances expeditiously. No Demat request was pending at the close of the last Financial Year.

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.	10.80	2.16	Nil	Nil	12.96
Sh. V.B. Aggarwal	Director	Nil	Nil	Nil	0.50	0.50
Dr. B.K. Behera	Director	Nil	Nil	Nil	0.50	0.50
Sh. Hari Bansal	W.T. Dir.	8.40	Nil	Nil	Nil	8.40
Total		19.20	2.16	Nil	1.00	22.36

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
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)
30.09.2008	9.00 a.m.	Ashoka White Farm House, Sector 70-71 Main Road Basai, Noida(U.P.)	Nil

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) & Hari Bhoomi (Hindi), newspapers.

The Quarterly / Annual Results and the Shareholding Pattern for the quarters ended 30th June, September 30, December 31, 2008 & March 31, 2009 are also available on the SEBI EDIFAR website.

The Management Discussion and Analysis Report for the year ended 31st March, 2009 forms part of this Annual Report.

9. General Shareholder Information
A. Annual General Meeting :

Date and Time	: Wednesday, September 30, 2009 at 9.00 A.M.
Venue	: Ashoka White Farm House, Sector 70-71, Main Road Basai, Noida-201301
Financial Calendar*	: a) 1st Quarter Results – By the end of July '09. b) 2nd Quarter Results – By the end of Oct., '09. c) 3rd Quarter Results – By the end of Jan., '10. d) 4th Quarter Results – By the end of July '10.

*Tentative and subject to change.

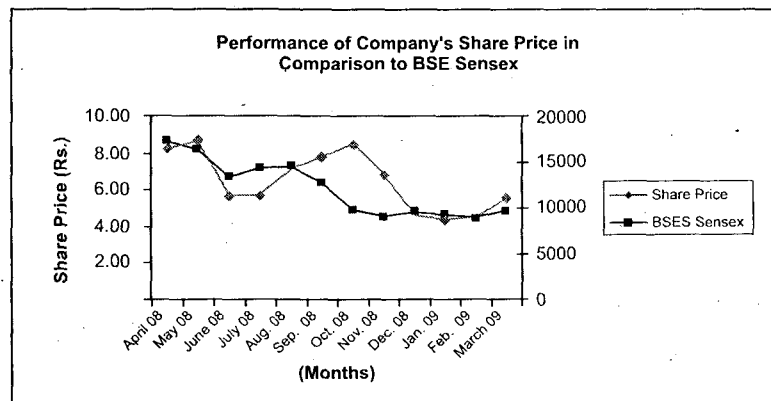
Date of Book Closure : 29.09.2009 to 30.09.2009 (both days inclusive)

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 2008	8.35	5.43	8.27	21018
May 2008	9.60	7.88	8.69	11130
June 2008	9.11	5.71	5.71	6497
July 2008	6.00	4.75	5.72	15727
August 2008	7.95	5.20	7.21	9999
September 2008	7.85	6.85	7.84	624
October 2008	8.48	8.12	8.48	103
November 2008	8.06	6.87	6.87	518
December 2008	7.00	4.32	4.60	111905
January 2009	5.90	4.36	4.39	18814
February 2009	4.95	3.90	4.50	443056
March 2009	6.47	4.47	5.55	101879

(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, 2009.

- 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, 2009.
- 10. Distribution of Shareholding as on 31st March:**

No. of equity shares held	2009				2008			
	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 5000	3008	93.01	957737	8.87	3025	93.02	967051	8.96
5001 to 10000	124	3.83	188199	1.74	122	3.75	184263	1.71
10001 to 20000	54	1.67	156149	1.45	55	1.69	161348	1.49
20001 to 30000	13	0.40	63322	0.59	12	0.37	58465	0.54
30001 to 40000	8	0.25	54822	0.51	10	0.31	68670	0.64
40001 to 50000	4	0.12	36800	0.34	4	0.12	36800	0.34
50001 to 100000	7	0.22	107180	0.99	8	0.25	125767	1.16
Above 100001	16	0.49	9232365	85.51	16	0.49	9194210	85.16
Total	3234	100	10796574	100.00	3252	100.00	10796574	100.00

Shareholding Pattern as on 31st March:

Particulars	2009		2008	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters & Associates	7051649	65.314%	6518972	60.380%
Mutual Funds, UTI & Bank	11600	0.107%	11600	0.107%
Private Corporate Bodies	1862050	17.247%	2399520	22.225%
Indian Public	1766818	16.36%	1761425	16.315%
NRI's	104457	0.968%	105057	0.973%
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, 93.14% i.e. 10056191 No. of Equity Shares are held in demat form as on 31.03.2009, as against 93.07% i.e. 10048271 Equity Shares as on 31.03. 2008.
- 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 has not declared any dividend in the last three financial years and the amounts outstanding as unpaid dividend as on 31st March, 2009 are as mentioned against each:

Fin. Year	Dividend Rate	Paid on	Amount of Unpaid Dividend
2002-03	10%	09.10.03	Rs.130800.00
2003-04	10%	31.08.04	Rs.112918.50
2004-05	10%	05.09.05	Rs.152922.00

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, Manager (Finance) & Compliance Officer

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.sebidifar.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, 2009.
- 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 I (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, 2009.

For ADDI INDUSTRIES LIMITED

Place : New Delhi
Dated : September 3, 2009

Atul Jain
Compliance Officer cum
Manager (Finance)

C.L.JAIN
Chairman & Mg. Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE.**To the Members of Addi Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by Addi Industries Limited, for the year ended on March 31, 2009, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchange.

The compliance of 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 on the financial statement 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
M. No. 083689

Place : New Delhi
Date : 03.09.2009

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 2009, the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Company's Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2009 and taken on-record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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, 2009;
 - 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. 083689**

**Place : New Delhi
Date : 03.09.2009**

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in paragraph 3 of our audit report of even date)**

- i) (a) The Company is in the process of maintaining fixed asset register showing full particulars including quantitative details and situation of fixed assets. 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, in the absence of proper records, the discrepancies, if any, between the book records and the physical verification has not been ascertained.
- iii) According to the information and explanations given to us, the company had not granted unsecured loans to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. Accordingly, paragraphs 4(iii) (a), (b), (c) and (d) of the Companies (Auditor's Report) Order 2003 are not applicable.
- (e) During the year, the company had taken unsecured loans from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 50,00,000/- and the year end balance of the loans taken by the company is Rs. NIL.
- (f) The rate of interest and other terms and conditions of unsecured loan taken by the company are prima facie not prejudicial to the interest of the company.
- (g) The aforesaid loan is repayable at demand. During the year, the company had repaid the principle and interest accordingly.
- 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. 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 except income tax amounting to Rs. 24,988 outstanding for a period more than six months as at 31st March, 2009.

- (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, 2009. The company has not incurred cash losses during the financial year and also in the immediately preceding financial year.
- xi) On the basis of information and explanation provided by the management and test checked by us, 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) The term loan was applied for the purposes for which the loan was obtained.
- 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) During the period covered by our audit report, the company has not issued any debentures.
- xx) The Company has not raised any money by public issues during the year.
- xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, during the year we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For S. R. Dinodia & Co.,
Chartered Accountants

(Sandeep Dinodia)
Partner

M. No. 083689

Place : New Delhi
Date : 03.09.2009



ADDI INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2009

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
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	24,548,071	17,887,299
Deferred Tax Liability (Net)	D	11,019,921	11,837,949
		<u>227,217,965</u>	<u>221,375,221</u>
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		287,755,903	287,250,573
Less: Depreciation		<u>187,182,283</u>	<u>179,165,858</u>
Net Block		100,573,620	108,084,715
Capital Work-in-Progress (including capital advances)		14,000,000	—
Investments	F	17,416,418	17,353,234
Current Assets, Loans & Advances	G		
Current Assets			
Inventories		44,627,468	142,718
Sundry Debtors		35,481,967	22,988,252
Cash and Bank Balances		16,637,817	29,152,188
Loans and Advances		10,311,400	18,297,987
		<u>107,058,652</u>	<u>113,581,145</u>
Less: Current Liabilities & Provisions	H		
Current Liabilities		14,399,663	22,710,384
Provisions		3,422,519	2,661,138
		<u>17,822,182</u>	<u>25,371,522</u>
Net Current Assets		89,236,470	88,209,623
Profit and Loss Account		5,991,456	7,727,649
		<u>227,217,965</u>	<u>221,375,221</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. 083689

Place : New Delhi
Dated : 03.09.2009

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2009
(Amount in Rs.)

PARTICULARS	SCHEDULE	Current Year	Previous Year
INCOME			
Turnover	I	209,852,143	152,446,521
Other Income	J	23,749,432	19,654,454
Excess Depreciation Written Back		1,418,571	45,090,885
		<u>235,020,146</u>	<u>217,191,860</u>
EXPENDITURE			
Manufacturing, Administrative, Selling & Other Expenses	K	201,525,887	162,599,404
Payment to & Provision for Employees	L	16,431,935	16,405,116
Financial Expenses	M	4,793,166	2,306,956
Depreciation		11,172,453	8,523,411
		<u>233,923,441</u>	<u>189,834,888</u>
Profit/(Loss) Before Tax		1,096,705	27,356,972
Less :Provision for Tax		—	—
Less : Adjustment for Deferred Tax Charge/(Release) (Refer Note B-8 of Schedule-N)		(818,028)	14,314,921
Less: Provision for Fringe Benefit Tax		169,790	161,600
Less: Provision for Wealth Tax		8,750	—
Less : Income Tax adjusted for earlier years		—	128,443
Profit/(Loss) After Tax		1,736,193	12,752,008
Add : Amount b/f from last year		(7,727,649)	(20,479,657)
Balance Transferred to Balance Sheet		<u>(5,991,456)</u>	<u>(7,727,649)</u>
Basic / Diluted Earning per share (Rs.) (Refer Note B-10 of Schedule -N)		0.16	1.18

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. 083689

Place : New Delhi
Dated : 03.09.2009

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)

CASH FLOW STATEMENT AS AT 31ST MARCH, 2009
(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & extraordinary items	1,096,704.72	27,356,972.00
Adjustments For :		
Depreciation	11,172,453	8,523,411.00
Excess Depreciation w/back	(1,418,571)	(45,090,885.00)
Provision no longer required	(29,008)	(2,545,552.00)
Loss on sale of Fixed Assets	52,445	292,971.00
Interest paid	4,793,166	868,096.00
Interest Received	(388,084)	(4,103,640.00)
Dividend Received	-	-
Operating profit before working capital Changes	15,279,105	(14,698,627.00)
Adjustments For :		
Trade and other receivables	(4,413,280)	(4,405,342.00)
Inventories	(1,484,750)	(12,743,261.00)
Trade & other Payable	(7,529,082)	9,779,508.00
Cash generated from operations before extraordinary items		
Direct Tax Paid	(263,638)	(135,676.00)
Cash generated from operations after extraordinary items	(13,690,750)	(7,504,771.00)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,588,355	(22,203,398.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	(16,295,230)	(2,560,812.00)
(Purchase)/sale of Investment	(63,185)	-
Interest Received	388,084	4,103,640.00
Dividend Received	-	-
NET CASH USED IN INVESTING ACTIVITIES	(15,970,332)	1,542,828.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4,793,166)	(868,096.00)
Bank Borrowings	6,660,771	20,434,608.00
NET CASH FLOW FROM FINANCING ACTIVITIES	1,867,605.03	19,566,512.00
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(12,514,371)	(1,094,058.00)
Cash & Cash equivalents as at 01-4-2008(Op. Balance)	29,152,188	30,246,246.00
Cash & Cash equivalents as at 31-3-2009(Cl. Balance)	16,637,817	29,152,189.00
Cash and Cash Equivalents include:		
— Cash in hand	30,840	209,080.00
Balances with Scheduled Banks		
— In Current Accounts	15,032,106	5,998,761.00
— In Deposit Account	1,574,871	22,944,347.00

As per our report of even date attached

For **S.R. DINODIA & CO.**
Chartered Accountants

Sandeep Dinodia
Partner
M. No. 083689

Place : New Delhi
Dated : 03.09.2009

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)

SCHEDULES FORMING PART OF THE ACCOUNTS
(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
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		
10,796,574 Equity Shares of Rs 5/- each fully paid-up (Previous Year 10,796,574 Equity Shares of Rs.5/- each fully paid-up)	53,982,870	53,982,870
Amount received on Equity Shares Forfeited (Previous 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		
Capital Reserve	5,799,016	5,799,016
Share Premium	131,850,587	131,850,587
	<u>137,649,603</u>	<u>137,649,603</u>
SCHEDULE - C		
SECURED LOANS		
From Scheduled Bank :		
— Packing Credit & Others (Repayable within one year Rs.24,548,071 Previous year Rs. 17,887,299)	24,548,071	17,887,299
	<u>24,548,071</u>	<u>17,887,299</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)	(11,837,949)	2,476,972
Add : Deferred Tax Asset /(Liabilities) (Refer Note B-8 of Schedule 'N')	818,028	(14,314,921)
	<u>(11,019,921)</u>	<u>(11,837,949)</u>
		<i>(Amount in Rs.)</i>

**SCHEDULE - E
FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As At 01.4.08	Additions during the year	Sale/Adj. during the year	Total As At 31.03.09	Up to 31.03.08	For the year	Adj. (Dep.W/B)	Del	Total upto 31.03.09	As At 31.03.09	As At 31.03.08
Leasehold Land	12,851,942	—	—	12,851,942	2,678,901	143,210	—	—	2,822,111	10,029,831	10,173,041
Leasehold Improvements	1,276,546	—	—	1,276,546	408,512	868,034	—	—	1,276,546	—	868,034
Building:											
— Office	7,674,212	—	—	7,674,212	722,339	125,090	—	—	847,429	6,826,783	6,951,873
— Factory	48,923,261	—	—	48,923,261	22,403,242	1,634,037	—	—	24,037,279	24,885,982	26,520,019
Plant and Machinery	178,499,108	1,550,814	1,828,898	178,221,024	125,688,820	5,528,021	—	1,737,453	129,479,388	48,741,636	52,810,288
Electrical Installation	11,600,131	—	—	11,600,131	10,805,532	551,006	—	—	11,356,538	243,593	794,599
Furniture & Fittings	12,201,666	22,064	—	12,223,730	5,820,019	794,429	—	—	6,614,448	5,609,282	6,381,647
Vehicles	4,310,834	761,352	—	5,072,186	2,353,018	463,825	—	—	2,763,843	2,308,343	2,010,816
Computer	9,912,873	—	—	9,912,873	8,338,474	1,064,801	(1,418,571)	—	7,984,704	1,928,169	1,574,399
Current Year	287,250,573	2,334,230	1,828,898	287,755,903	179,165,857	11,172,453	(1,418,571)	1,737,453	187,182,283	100,573,620	108,084,715
Previous 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

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
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**SCHEDULE - F
INVESTMENTS**
Long Term Investments
Investment in Subsidiary

Un-quoted Trade Investments in equity shares

Aum Texfab Pvt. Ltd.

790,007 (PY 790,007) Equity Shares of Rs. 10/- each fully paid-up
@Rs. 9.50 per Equity Share

7,523,831
7,523,831
Investment in Quoted Non-trade Equity Shares

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
Investment in Gold Coins

6 Nos. of 8 gms each (P.Y. Nil)

63,185
—
17,416,418
17,353,234
Note : The company is listed on the Delhi Stock Exchange (DSE) of which market value is not available.

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
SCHEDULE - G		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
Inventories		
(As taken, valued & certified by the management)		
Raw Materials	13,844,056	16,183,600
Stores & Spares	3,813,624	2,529,867
Packing Material	474,907	438,586
Stock-in-Process	3,016,043	3,040,134
Finished Goods	23,478,838	20,950,531
	44,627,468	43,142,718
Sundry Debtors		
(Unsecured & Considered good)		
— Exceeding six months	728,879	—
— Others	34,753,088	22,988,252
	35,481,967	22,988,252
Cash & Bank Balances		
Cash in hand	30,840	209,080
With Scheduled Banks		
— In Current Account	15,032,106	5,998,761
— In Deposit Account *	1,574,871	22,944,347
	16,637,817	29,152,188
* Pledged with appropriate authorities Rs. 609,388 (Previous Year Rs. 606,219)		
Other Current Assets		
LOANS & ADVANCES		
(Unsecured-considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	2,261,379	4,128,935
Considered Doubtful	904,661	904,661
	3,166,040	5,033,596
Less: Provision for Doubtful debts	904,661	904,661
	2,261,379	4,128,935
Security Deposits	2,100,796	4,087,922
Interest Accrued but not due on FDR	246,061	2,518,868
Export Incentive Receivable		
Considered good	3,111,548	5,690,644
Considered Doubtful	339,342	—
	3,450,890	5,690,644
Less: Provision for Doubtful debts	339,342	—
	3,111,548	5,690,644
Balance with Excise Authorities	626,150	—
Advance Tax (Including TDS)	1,949,469	1,870,785
Advance Fringe Benefit Tax	15,997	833
[Net of provisions of Rs. 556,390 (PY Rs. 386,600)]		
	107,058,652	113,581,145

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
SCHEDULE - H		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
— Due to SME	—	—
— Other than SME	5,962,484	3,316,964
(Refer Note B-3 of Schedule 'N')		
Security Received	819,672	1,440,000
Unclaimed Dividend*	396,641	397,690
Other Liabilities	7,220,867	17,555,730
(A)	14,399,663	22,710,384
* It does not include any amount transferable to Investor Education & Protection Fund.		
PROVISIONS		
Gratuity	2,616,765	2,139,618
Leave Encashment	797,004	521,520
Provision for Wealth Tax	8,750	—
(B)	3,422,519	2,661,138
(A) + (B)	17,822,182	25,371,522
SCHEDULE - I		
TURNOVER		
Export Sales	192,066,413	130,351,254
Domestic Sales	17,457,800	21,818,044
Scrap Sales	327,930	228,483
Job Work	—	48,739
	209,852,143	152,446,521
SCHEDULE - J		
OTHER INCOME		
Export Incentive	16,438,314	12,714,192
Provision No Longer Required	29,008	2,545,552
Exchange fluctuation	6,664,447	139,921
Miscellaneous Income	229,578	151,150
Interest Income		
— On Fixed Deposits	388,084	1,724,454
[TDS Rs. 77,821 (Pr. Year Rs. 365,111)]		
— On ICDs	—	258,630
[TDS Rs. Nil (Previous Year Rs. 53,278)]		
— On others	—	2,120,556
[TDS Rs Nil (Previous Year Rs. 435,004)]		
	23,749,432	19,654,454

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE - K		
MANUFACTURING, SELLING, ADMINISTRATIVE & OTHER EXPENDITURE		
Raw Materials consumed	49,644,360	28,979,244
Freight & Cartage inward	815,082	690,851
(Increase)/Decrease in Stock		
Finished goods - Opening Stock	20,950,531	18,616,111
Stock-in-process- Opening Stock	3,033,335	753,701
	<u>23,983,866</u>	<u>19,369,812</u>
Finished goods - Closing Stock	23,478,838	20,950,531
Stock-in-process - Closing Stock	3,016,043	3,034,835
	<u>26,494,881</u>	<u>23,985,366</u>
	(2,511,015)	(4,615,554)
Processing Charges	17,565,698	16,211,576
Stores & Spares Consumed	21,478,971	15,091,288
Packing material consumed	2,813,117	2,382,460
Purchase of Traded Items		2,690
Fabrication Wages	30,939,771	24,519,532
Power & Fuel	10,834,641	9,169,474
Other Manufacturing Expenses	18,082,160	18,920,703
Sample & Designing Expenses	1,068,583	449,891
Rent, Rates & Taxes	4,354,939	8,750,530
Insurance	2,083,311	4,087,095
Repairs & Maintenance		
— Machinery	719,820	1,031,551
— Building	2,413,620	1,918,874
	<u>3,133,440</u>	<u>2,950,425</u>
Travelling & Conveyance		
— Directors	—	144,000
— Others	778,472	818,096
	<u>778,472</u>	<u>962,096</u>
Vehicle Running & Maintenance	614,971	565,385
Communication Expenses	1,492,812	1,392,183
Directors' Sitting Fees	100,000	95,000
Security Expenses	1,439,066	1,702,857
Printing & Stationery	523,310	495,678
Legal, Professional & Service charges	1,459,520	2,056,869
Payment to Auditors	211,580	223,632
Outward Freight & Cartage	12,121,840	9,337,377
Advertisement & Publicity	120,364	67,709
Provision for Doubtful debts	339,342	—
Insurance claim Written Off	—	895,440
Commission, Claims & Discounts	18,448,164	14,181,929
Loss on Sale of Fixed Assets	52,445	292,971
Miscellaneous Expenses	3,520,944	2,740,073
	<u>201,525,887</u>	<u>162,599,404</u>

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE - L		
PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary and other benefits	11,937,717	12,324,305
Director's Remuneration	1,920,000	1,800,000
Contribution to Provident & other funds	2,185,819	2,001,927
Staff welfare expenses	388,399	278,884
	<u>16,431,935</u>	<u>16,405,116</u>
SCHEDULE - M		
FINANCIAL EXPENSES		
Interest		
— working Capital	1,389,497	803,096
— Others	308,652	65,000
Bank charges	3,095,017	1,438,860
	<u>4,793,166</u>	<u>2,306,956</u>

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 and relevant presentational requirements of the Companies Act, 1956.

2. Uses of Estimates

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

3. Fixed Assets:

- Fixed Assets are stated at cost , less accumulated depreciation.
- Leasehold Land is shown at Cost less amortisation.

4. Method of Depreciation & Amortisation

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

5. Valuation of Inventories
Method of Valuation

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

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

6. Foreign Currency Transactions

- a) Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing at the time of the transaction.

- b) Monetary Items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and 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).

(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

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

1. Estimated amount of contracts remaining to be executed on Capital account (Net of advances) - Rs. Nil (Previous Year Rs Nil)
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 4,964,863 (Previous Year Rs. 4, 414,249)
 - 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 together with interest paid/payable under this Act have not been given.
4. No provision for current tax has been made in view of brought forward accumulated losses.
5. Certain Heads of Account include prior period income/(expenses), include Rs. 1,401,401 (Previous Year Rs.42,505,314), 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 Amortization Charges	—	2,535,691
Repair & Maintenance	17,170	—
Total (A)	17,170	2,585,571
Excess depreciation written back	1,418,571	45,090,885
Total (B)	1,418,571	45,090,885
Net Prior Period Income/(Expenditure) (A-B)	1,401,401	42,505,314

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

Particulars	Current Year	Previous Year
Salary	1,920,000	1,800,000
Perquisites	900,000	900,000
	2,820,000	2,700,000

Note: Managerial Remuneration to Directors does not include incremental liability for gratuity unless paid/payable as per company rules.

7. The 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 31.03.08	For the year	As at 31.03.09
Deferred Tax Liabilities			
Depreciation	13,424,282	(612,335)	12,811,947
Deferred Tax Assets			
Disallowances under section 43B of the Income Tax Act	1,306,793	100,836	1,407,629
Provisions disallowed under Income Tax Act	279,540	104,857	384,397
Deferred Tax Assets/(Liability)	(11,837,949)	818,028	(11,019,921)

The Deferred Tax Assets of Rs 818,028 (Previous year Deferred Tax Liabilities Rs. 14,314,737) for the year ended 31st March 2009 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", 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.)

Particulars	Current Year	Previous Year
Audit Fees	159,935	162,922
Tax Audit Fees	27,575	28,090
Others	158,217	193,281
Out of pocket expenses	23,866	14,175
TOTAL	369,593	398,468

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

10. Basic/Diluted Earning per Share

(Amount in Rs.)

Particulars	Current Year	Previous Year
Profit (Loss) after Tax (A)	1,736,193	12,752,008
No. of Equity Shares (Weighted) (B)	10,796,574	10,796,574
Nominal Value Per Shares (Rs.)	5.00	5.00
Earnings per Share	0.16	1.18

11. Disclosure of Related parties/ Related parties transactions :
A. Name of the Related Parties and description of relationship

- | | |
|---|---|
| i) Wholly owned Subsidiary Company | Aum Texffab Pvt. Ltd. |
| ii) Key Management Personnel | Mr. C.L. Jain
Mrs. Urmila Jain
Mr. Hari Bansal
Mr. Abhishek Bansal
Ultimate Investments Pvt. Ltd. |
| iii) Enterprises owned or substantially influenced by key management personnel or their relatives | |
| iv) Enterprises owned or significantly influenced by group of individual or their relatives who have control or significant influence over the company. | M/s. Revaty R. Exports |

B. Disclosure of Related Party Transactions

(Amount in Rs.)

Particulars	Wholly owned Subsidiary Company	Key Management Personnel	Enterprises owned or substantially influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by group of individual or their relatives who have control or significant influence over the company	Total
i) Sales	-	-	-	-	-
ii) Purchase	(-)	(-)	-	(46,160)	(-)
iii) Managerial Remuneration	-	4,260,000	-	-	4,260,000
iv) Rent paid	(-)	(5,104,992)	(-)	(-)	(5,104,992)
v) Loans taken	-	840,000	267,035	-	1,107,035
vi) Loans Repaid	(-)	(1,652,190)	(-)	(-)	(1,652,190)
vii) Interest paid	-	5,000,000	-	-	5,000,000
	(-)	(-)	(-)	(-)	(-)
	-	5,000,000	-	-	5,000,000
	(-)	(-)	(-)	(-)	(-)
	-	227,836	-	-	227,836
	(-)	(-)	(-)	(-)	(-)
C Balance outstanding as at 31st March, 2009					
I Investment	7,523,831	-	-	-	7,523,831
	(7,523,831)	(-)	(-)	(-)	(-)

Note : Figures in brackets represents corresponding amounts of previous years.

12 Employee Benefits
a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under :

(Amount in Rs.)

	2008-09	2007-08
Employer's Contribution to Provident Fund/ Pension Fund	884,526	867,158
Employer's Contribution to Employee State Insurance	1,301,293	1,009,587

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 giving 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 recognized in the same manner as gratuity.

I. Changes in present value of Defined Benefit obligations :

(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Defined Benefit obligation as at the beginning of the year	2,139,618	521,520	787,387	215,335
Current Service Cost	743,942	488,310	571,790	382,167

(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Interest Cost	149,773	36,506	62,991	17,227
Actuarial (gain) / loss on obligations	(358,204)	162,437	717,450	(93,209)
Benefits paid	(58,364)	(411,769)	-	-
Defined Benefit obligation at the year end	2,616,765	3,458,142	2,139,618	521,520

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

Particulars	Current Year	Previous Year
	Gratuity / Leave Encashment	Gratuity / Leave Encashment
Fair value of plan assets at the beginning of the year	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain/ (loss)	NIL	NIL
Employer Contribution	NIL	NIL
Benefits paid	NIL	NIL
Fair value of plant assets at the year end	NIL	NIL

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

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Fair value of plan assets	NIL	NIL	NIL	NIL
Present value of obligation	2,616,765	797,004	2,139,618	521,520
Amount recognized in balance sheet	(2,616,765)	(797,004)	(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	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Current Service Cost	743,942	488,310	571,790	382,167
Interest Cost	149,773	36,506	62,991	17,227
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	(358,204)	162,437	717,450	(93,209)
Net Cost	535,511	687,253	1,352,231	306,185

V. Actuarial Assumptions
(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Mortality Table (LIC)	1994-96 (Duly Modified)	1994-96 (Duly Modified)	1994-96 (Duly Modified)	1994-96 (Duly Modified)
Discount rate (per annum)	7%	7%	8%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%	5.5%	5.5%

Note: 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.

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 & Turnover

Particulars	Production (in pieces)	Turnover (in pieces)	Turnover (Value)
Cotton Knitted & Woven Garments	731,787 (692,813)	733,131* (665,402)	209,524,213 (151,893,506)

Note : The above doesnot include quantities of sample produced and sold during the year.

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

Particulars	Unit	Opening Stock		Closing Stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Cotton Knitted	Pcs.	116,091	20,282,216	114,747	22,810,583
Garments		(88,680)	(17,947,856)	(116,091)	(20,282,216)

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 (478)	288,101 (288,101)	- (-)	- (2,690)	- (-)	- (2,690)	478 (478)	288,101 (288,101)
Jewellery	731 (731)	380,154 (380,154)	- (-)	- (-)	- (-)	- (-)	731 (731)	380,154 (380,154)

Note:- Figures in Brackets represent previous year's figures.

15. Raw Materials Consumed

	Qty.	Value (Rs.)
Yarn / Fabric	Unit	285,798
	Kgs	(254,373)
		(28,979,244)

Note: The above consumption are after reducing the sales of raw material 27,870.29 kgs at Rs. 971,104.

16. Value of Imports calculated on CIF Basis
(Amount in Rs.)

Particulars	Current Year	Previous Year
Raw Material	4,206,806	—
Stores & Spares (Consumables)	11,067,244	(9,667,168)

17. Expenditure in Foreign Currency (Amount in Rs.)

Particulars	Current Year	Previous Year
Travelling	—	222,900
Legal and Professional	98,851	406,871
Sampling Expenses	360,295	—
Commission	5,037,140	795,186
Claim & Discount	1,174,361	—

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.

Particulars	Raw Material		Components & Spares	
	Amount	%	Amount	%
a) Imported	4,206,806 (-)	8.47 (-)	11,067,244 (9,667,168)	51.53 (55.32)
b) Indigenous	45,437,554 (28,979,244)	91.53 (100%)	10,411,727 (7,806,580)	48.47 (44.68)
	49,644,360 (28,979,244)		21,478,971 (17,473,748)	

19. Earnings in Foreign Exchange : (Amount in Rs.)

Particulars	Current Year	Previous Year
FOB value of Goods Exports	186,898,682	130,351,254

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

21. Assets Taken on Lease

The company has taken certain assets on non-cancellable operating lease and lease rent amounting to Rs 2,233,065 (Previous Year :4,090,764) has been debited to profit and loss account. The future minimum lease payments is as under :

(Amount in Rs.)

Minimum Lease Payment Payables	Current Year	Previous Year
(i) not later than in 1 years	357,312	2,522,014
(ii) later than 1 year but not later than 5 years	11,91,040	6,092,073
(iii) later than 5 years	—	1,892,273

General Description of Lease Terms

- Lease rental are charged on the basis of agreed terms.
- Assets are taken/given on lease over a period of 1 to 5 years

22. In view of the management, the current assets, loans and advances have a value on realisation in the ordinary course of buisness at least equal to the amount at which they are stated in the balance sheet as at 31st March, 2009.

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

As per our report of even date attached

For **S.R. DINODIA & CO.**
Chartered Accountants

Sandeep Dinodia
Partner
M. No. 083689

Place : New Delhi
Dated : 03.09.2009

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)

AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**TO THE BOARD OF 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 2009 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. 8,908,067 as at 31st March, 2009, total revenues of Rs. 752,805 and net cash flows from operating activities amounting to Rs. (461,261) for the year ended March 31, 2009. 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 :

- a) 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.
- b) 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 given a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) in the case of the Consolidated Profit & Loss Account, of the Profit of the group for the year ended on that date; and
 - iii) in the case of Consolidated Cash flow statement, of the cash flow of the group for the year ended on that date.

**For S. R. Dinodia & Co.,
Chartered Accountants**

**(Sandeep Dinodia)
Partner
M. No. 083689**

**Place : New Delhi
Date : 03.09.2009**

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009
(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	54,000,370	54,000,370
Reserves & Surplus	B	137,917,587	137,917,587
		<u>191,917,957</u>	<u>191,917,957</u>
Loan Funds			
Secured	C	24,548,071	17,887,299
Deferred Tax Liability (Net)	D	11,019,921	11,837,949
		<u>227,485,949</u>	<u>221,643,205</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	287,755,903	287,250,573
Less : Depreciation		187,182,283	179,165,858
Net Block		<u>100,573,620</u>	<u>108,084,715</u>
Capital Work-in-Progress (including capital advances)		14,000,000	—
Deferred Tax Assets	D	—	—
Investments	F	9,892,588	9,829,403
Current Assets, Loans & Advances			
Current Assets			
Inventories	G	44,627,368	43,142,616
Sundry Debtors		35,481,967	22,988,252
Cash and Bank Balances		25,189,337	36,489,642
Loans and Advances		10,676,219	13,595,671
		<u>115,974,891</u>	<u>116,216,181</u>
Less: Current Liabilities & Provisions			
Current Liabilities	H	14,407,935	22,718,811
Provisions		3,422,519	2,661,138
		<u>17,830,454</u>	<u>25,379,949</u>
Net Current Assets		98,144,437	90,836,232
Profit and Loss Account		4,875,304	7,019,599
Miscellaneous Expenditure		—	182,612
		<u>227,485,949</u>	<u>215,952,561</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. 083689

Place : New Delhi
Dated : 03.09.2009

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)



ADDI INDUSTRIES LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Amount in Rs.)

PARTICULARS	SCHEDULE	Current Year	Previous Year
INCOME			
Turnover	I	209,852,143	152,446,521
Other Income	J	24,502,237	20,418,256
Excess Depreciation Written Back		1,418,571	45,090,885
		<u>235,772,951</u>	<u>217,955,662</u>
EXPENDITURE			
Manufacturing, Selling, Administrative & Other Expenses	K	201,563,178	162,630,849
Payment to & Provision for Employees	L	16,457,135	16,438,716
Financial Expenses	M	4,793,166	2,307,016
Preoperative Exp. W/Off		182,612	182,610
Depreciation		11,172,453	8,523,411
		<u>234,168,544</u>	<u>190,082,603</u>
Profit/(Loss) Before Tax		1,604,407	27,873,059
Less : Provision for Tax		99,600	160,000
Less : Adjustment for Deferred Tax Charge / (Release)		(818,028)	14,314,921
(Refer Note B-8 of Schedule -N)			
Less: Provision for Fringe Benefit Tax		169,790	161,600
Less: Provision for Wealth Tax		8,750	—
Less : Income Tax adjusted for earlier years		—	128,443
Profit/(Loss) After Tax		2,144,295	13,108,095
Add: Recoup /Transferred from General Reserve		—	—
Add: Amount b/f from last year		(7,019,599)	(20,127,694)
Balance Transferred to Balance Sheet		<u>(4,875,304)</u>	<u>(7,019,599)</u>
Basic / Diluted Earning per share (Rs.)		0.20	1.21
(Refer Note B-10 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

Sandeep Dinodia
Partner
M. No. 083689

Place : New Delhi
Dated : 03.09.2009

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)

CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST MARCH, 2009
(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & extraordinary items	1,604,406.59	27,873,059.00
Adjustments For :		
Depreciation	11,172,453	8,523,411.00
Preoperative Expenses written off	182,612	182,610.00
Excess Depreciation w/back	(1,418,571)	(45,090,885.00)
Provision no longer required	(29,008)	2,545,552.00
Loss on sale of Fixed Assets	52,445	292,971.00
Interest paid	4,793,166	2,307,016.00
Interest Received	(955,480)	(4,867,441.00)
Dividend Received	(185,409)	—
Operating profit before working capital Changes	15,216,615	(8,233,706.00)
Adjustments For :		
Trade and other receivables	(3,836,627)	(10,066,409.00)
Inventories	(1,484,752)	(12,743,159.00)
Trade & other Payable	(7,558,245)	9,786,251.00
Cash generated from operations before extraordinary items		
Direct Tax Paid	(287,375)	(293,019.00)
Cash generated from operations after extraordinary items	(13,166,999)	(13,316,336.00)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	2,049,616	(21,550,042.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	(16,295,230)	(2,560,812.00)
(Purchase)/sale of Investment	(63,185)	—
Interest Received	955,480	4,867,441.00
Dividend Received	185,409	—
NET CASH USED IN INVESTING ACTIVITIES	(15,217,526)	2,306,629.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(4,793,166)	(2,307,016.00)
Bank Borrowings	6,660,772	20,434,608.00
NET CASH FLOW FROM FINANCING ACTIVITIES	1,867,606.03	18,127,592.00
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(11,300,305)	(1,115,821.00)
Cash & Cash equivalents as at 01-4-2008 (Op. Balance)	36,489,642	37,605,463.00
Cash & Cash equivalents as at 31-3-2009 (Cl. Balance)	25,189,337	36,489,642.00
Cash and Cash Equivalents include:		
- Cash in hand	34,873	209,161.00
Balances with Scheduled Banks		
- In Current Accounts	15,249,593	6,016,134.00
- In Deposit Account	9,904,871	30,264,347.00

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. 083689

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Place : New Delhi
Dated : 03.09.2009

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
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		
10,796,574 Equity Shares of Rs 5/- each fully paid - up (Previous Year 10,796,574 Equity Shares of Rs.5/- each fully paid-up)	53,982,870	53,982,870
Amount received on Equity Shares Forfeited (Previous 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		
Capital Reserve	6,067,000	6,067,000
Share Premium	131,850,587	131,850,587
	<u>137,917,587</u>	<u>137,917,587</u>
SCHEDULE - C		
SECURED LOANS		
From Scheduled Bank :		
— Packing Credit & Others (Repayable within one year Rs.24,548,071 Previous year Rs. 17,887,299)	24,548,071	17,887,299
	<u>24,548,071</u>	<u>17,887,299</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)	(11,837,949)	2,476,972
Add : Deferred Tax Asset /(Liabilities) (Refer Note B-8 of Schedule 'N')	818,028	(14,314,921)
	<u>(11,019,921)</u>	<u>(11,837,949)</u>

**SCHEDULE - E
FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As At 01.4.08	Additions during the year	Sale/Adj. during the year	Total As At 31.03.09	Up to 31.03.08	For the year	Adj. (Dep. W/B)	Del	Total upto 31.03.09	As At 31.03.09	As At 31.03.08
Leasehold Land	12,851,942	—	—	12,851,942	2,678,901	143,210	—	—	2,822,111	10,029,831	10,173,041
Leasehold Improvements	1,276,546	—	—	1,276,546	408,512	868,034	—	—	1,276,546	—	868,034
Building:											
- Office	7,674,212	—	—	7,674,212	722,339	125,090	—	—	847,429	6,826,783	6,951,873
- Factory	48,923,261	—	—	48,923,261	22,403,242	1,634,037	—	—	24,037,279	24,885,982	26,520,019
Plant and Machinery	178,499,108	1,550,814	1,828,898	178,221,024	125,688,820	5,528,021	—	1,737,453	129,479,388	48,741,636	52,810,288
Electrical Installation	11,600,131	—	—	11,600,131	10,805,532	551,006	—	—	11,356,538	243,593	794,599
Furniture & Fittings	12,201,666	22,064	—	12,223,730	5,820,019	794,429	—	—	6,614,448	5,609,282	6,381,647
Vehicles	4,310,834	761,352	—	5,072,186	2,300,018	463,825	—	—	2,763,843	2,308,343	2,010,816
Computer	9,912,873	—	—	9,912,873	8,338,474	1,064,801	(1,418,571)	—	7,984,704	1,928,169	1,574,399
Current Year	287,250,573	2,334,230	1,828,898	287,755,903	179,165,857	11,172,453	(1,418,571)	1,737,453	187,182,283	100,573,620	108,084,715
Previous 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

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
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**SCHEDULE - F
INVESTMENTS**

Long Term Investments

Investment in Quoted Equity Shares

Quoted - Non-Trade

 63,100 (Previous Year 63,100) Equity shares of Rs. 10/- each
fully paid up of PNR Capital Services Ltd.

9,829,403

9,829,403

(Refer Note given below)

Investment in Gold Coins

63,185

6 Nos. of 8 gms each (P.Y. Nil)

9,892,588
9,829,403
Note : The company is listed on the Delhi Stock Exchange (DSE) of which market value is not available.



ADDI INDUSTRIES LIMITED

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
SCHEDULE - G		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
Inventories		
(As taken, valued & certified by the management)		
Raw Materials	13,843,957	16,183,498
Stores & Spares	3,813,624	2,529,867
Packing Material	474,906	438,586
Stock-in-Process	3,016,043	3,040,134
Finished Goods	23,478,838	20,950,531
	44,627,368	43,142,616
Sundry Debtors		
(Unsecured & Considered good)		
Exceeding six months	728,879	—
Others	34,753,088	22,988,252
	35,481,967	22,988,252
Cash & Bank Balances		
Cash in hand	34,873	209,161
With Scheduled Banks		
— In Current Account	15,249,593	6,016,134
— In Deposit Account*	9,904,871	30,264,347
	25,189,337	36,489,642
* Pledged with appropriate authorities Rs. 609,388 (Previous Year Rs. 606,219)		
Other Current Assets		
LOANS & ADVANCES		
(Unsecured-considered good unless otherwise stated)		
Advances recoverable in cash or in kind		
or for value to be received		
Considered good	2,616,780	5,060,988
Considered Doubtful	904,661	904,661
	3,521,441	5,965,649
Less: Provision for Doubtful debts	904,661	904,661
	2,616,780	5,060,989
Security Deposits	2,100,796	4,087,922
Interest Accrued but not due on FDR	246,061	2,518,868
Export Incentive Receivable		
Considered good	3,111,548	5,690,644
Considered Doubtful	339,342	—
	3,450,890	5,690,644
Less: Provision for Doubtful debts	339,342	—
	3,111,548	5,690,644
Balance with Excise Authorities	626,150	—
Advance Tax (Including TDS)	1,958,887	1,927,059
[Net of provisions of Rs. 103,492 (PY Rs. 291,000)]		
Advance Fringe Benefit Tax	15,997	833
[Net of provisions of Rs. 556,390 (PY Rs. 386,600)]		
	115,974,891	121,906,825

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
SCHEDULE - H		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
— Due to SME	—	—
— Other than SME	5,962,484	3,316,964
(Refer Note 'B-3 of Schedule - 'N')		
Security Received	819,672	1,440,000
Unclaimed Dividend *	396,641	397,690
Other Liabilities	7,229,139	17,564,157
	<u>14,407,935</u>	<u>22,718,811</u>
PROVISIONS		
Gratuity	2,616,765	2,139,618
Leave Encashment	797,004	521,520
Provision For Wealth Tax	8,750	—
	<u>3,422,519</u>	<u>2,661,138</u>
SCHEDULE - I		
TURNOVER		
Export Sales	192,066,413	130,351,254
Domestic Sales	17,785,730	22,046,527
Job Work	—	48,739
	<u>209,852,143</u>	<u>152,446,521</u>
SCHEDULE - J		
OTHER INCOME		
Export Incentive	16,438,314	12,714,192
Provision No Longer Required	29,008	2,545,552
Exchange fluctuation	6,664,447	139,921
Miscellaneous Income	229,578	151,150
Interest Income		
— On Fixed Deposits	955,480	2,488,255
[TDS Rs. 190,731 (Pr. Year Rs. 522,454)]		
— On ICDs	—	258,630
[TDS Rs. Nil (Previous Year Rs. 53,278)]		
— On others	—	2,120,556
[TDS Rs Nil (Previous Year Rs. 435,004)]		
— Dividend Recd	185,409	—
	<u>24,502,237</u>	<u>20,418,256</u>



ADDI INDUSTRIES LIMITED

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE - K		
MANUFACTURING , SELLING, ADMINISTRATIVE & OTHER EXPENDITURE		
Raw Materials consumed	49,644,360	28,979,244
Freight & Cartage inward	815,082	690,851
(Increase)/Decrease in Stock		
Finished goods - Opening Stock	20,950,531	18,616,111
Stock-in-process- Opening Stock	3,033,335	753,701
	23,983,866	19,369,812
Finished goods - Closing Stock	23,478,838	20,950,531
Stock-in-process - Closing Stock	3,016,043	3,034,835
	26,494,881	23,985,366
	(2,511,015)	(4,615,554)
Processing Charges	17,565,698	16,211,576
Stores & Spares Consumed	21,478,971	15,091,288
Packing Material Consumed	2,813,117	2,382,460
Purchase of Traded Items	—	2,690
Loss of Material by Flood	—	—
Fabrication Wages	30,939,771	24,519,532
Power & Fuel	10,834,641	9,169,474
Other Manufacturing Expenses	18,082,160	18,920,703
Sample & Designing Expenses	1,068,583	449,891
Rent, Rates & Taxes	4,357,658	8,752,198
Insurance	2,083,311	4,087,095
Repairs & Maintenance		
— Machinery	719,820	1,031,551
— Building	2,413,620	1,918,874
	3,133,440	2,950,425
Travelling & Conveyance		
— Directors	—	144,000
— Others	778,472	818,096
	778,472	962,096
Vehicle Running & Maintenance	614,971	565,385
Communication Expenses	1,492,812	1,392,183
Directors' Sitting Fees	100,000	95,000
Printing & Stationery	523,310	495,678
Legal, Professional & Service charges	1,472,320	2,059,093
Payment to Auditors	219,852	232,059
Outward Freight & Cartage	12,121,840	9,337,377
Security Expenses	1,439,066	1,702,857
Advertisement & Publicity	120,364	67,709
Exchange Fluctuations	—	—
Provision for Doubtful debts	339,342	—
Insurance claim Written Off	—	895,440
Commission, Claims & Discounts	18,448,164	14,181,929
Loss on Sale of Fixed Assets	52,445	292,971
Miscellaneous Expenses	3,534,444	2,759,198
	201,563,178	162,630,849

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE - L		
PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary and other benefits	11,962,917	12,357,905
Director's Remuneration	1,920,000	1,800,000
Contribution to Provident & other funds	2,185,819	2,001,927
Staff welfare expenses	388,399	278,884
	<u>16,457,135</u>	<u>16,438,716</u>

SCHEDULE - M
FINANCIAL EXPENSES

Interest		
— working Capital	1,389,497	803,096
— Others	308,652	65,000
Bank charges	3,095,017	1,438,920
	<u>4,793,166</u>	<u>2,307,016</u>

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, 2009
- 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 or 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 31, 2009	As at March 31, 2008
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 and relevant presentational requirements of the Companies Act, 1956.

2 Uses of Estimates

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

3 Fixed Assets:

- Fixed Assets are stated at cost , less accumulated depreciation.
- Leasehold Land is shown at Cost less amortisation.

4. Method of Depreciation & Amortisation

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

5. Valuation of Inventories
Method of Valuation

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

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

6 Foreign Currency Transactions

- a) Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing at the time of the transaction.
- b) Monetary Items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and 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).

(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

- a) Export Sales are booked on the basis of date of Foreign Cargo Receipt.
- b) 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 recognised 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 ACCOUNT

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

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 4,964,863 (Previous Year Rs. 4, 414,249)
- 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 together with interest paid/payable under this Act have not been given.
4. No provision for current tax has been made in view of brought forward accumulated losses.
5. Certain Heads of Account include prior period income/(expenses), include Rs. 1,401,401 (Previous Year Rs.42,505,314), 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 Amortization Charges	—	2,535,691
Repair & Maintenance	17,170	—
Total (A)	17,170	2,585,571
Excess depreciation written back	1,418,571	45,090,885
Total (B)	1,418,571	45,090,885
Net Prior Period Income/(Expenditure) (B-A)	1,401,401	42,505,314

6. **Managerial Remuneration to Directors**

(Amount in Rs.)

Particulars	Current Year	Previous Year
Salary	1,920,000	1,800,000
Perquisites	900,000	900,000
	2,820,000	2,700,000

Note: Managerial Remuneration to Directors does not include incremental liability for gratuity unless paid/payable as per company rules.

7. The 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 31.03.08	For the year	As at 31.03.09
Deferred Tax Liabilities			
Depreciation	13,424,282	(612,335)	12,811,947
Depreciation Tax Assets			
Disallowances under section 43B of the Income Tax Act	1,306,793	100,836	1,407,629
Provisions disallowed under Income Tax Act	279,540	104,857	384,397
Deferred Tax Assets/(Liability)	(11,837,949)	818,028	(11,019,921)

The Deferred Tax Assets of Rs 818,028 (Previous year Deferred Tax Liabilities Rs. 14,314,737) for the year ended 31st March 2009 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", 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.)

Particulars	Current Year	Previous Year
Audit Fees	168,207	171,194
Tax Audit Fees	27,575	28,090
Others	158,217	193,281
Out of pocket expenses	23,866	14,175
Total	377,865	406,720

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

10. Basic/Diluted Earning per Share

(Amount in Rs.)

Particulars	Current Year	Previous Year
Profit (Loss) after Tax (A)	2,144,295	13,108,095
No. of Equity Shares (Weighted) (B)	10,796,574	10,796,574
Nominal Value Per Shares (Rs.)	5.00	5.00
Earnings per Share	0.20	1.21

11 Disclosure of Related parties/ Related parties transactions :

A. Name of the Related Parties and description of relationship

i Key Management Personnel

Mr. C.L. Jain
Mrs. Urmila Jain
Mr. Hari Bansal
Mr. Abhishek Bansal
Ultimate Investments Pvt. Ltd.

ii. Enterprises owned or substantially influenced by key management personnel or their relatives

iii Enterprises owned or significantly influenced by group of individual or their relatives who have control or significant influence over the company.

M/S Revaty R. Exports

B. Disclosure of Related Party Transactions

(Amount in Rs.)

Particulars	Key Management Personnel	Enterprises owned or substantially influenced by key management personnel or their relatives	Enterprises owned or significantly influenced by group of individual or their relatives who have control or significant influence over the company	Total
i) Sales	(-)	-	(46,160)	(-)
ii) Purchase	(-)	(-)	(285,232)	(-)
iii) Managerial Remuneration	4,260,000	-	-	4,260,000
	(5,104,992)	(-)	(-)	(5,104,992)
iv) Rent paid	840,000	267,035	-	1,107,035
	(1,652,190)	(-)	(-)	(1,652,190)
v) Loans taken	5,000,000	-	-	5,000,000
	(-)	(-)	(-)	(-)
vi) Loans Repaid	5,000,000	-	-	5,000,000
	(-)	(-)	(-)	(-)
vii) Interest paid	227,836	-	-	227,836
	(-)	(-)	(-)	(-)

Note : Figures in brackets represents corresponding amounts of previous years.

12 Employee Benefits
a) Defined Contribution Plans

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under :

	(Amount in Rs.)	
	2008-09	2007-08
Employer' Contribution to Provident Fund/ Pension Fund	884,526	867,158
Employer's Contribution to Employee State Insurance	1,301,293	1,009,587

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 giving rise to additional

I. Changes in present value of Defined Benefit obligations :

(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Defined Benefit obligation as at the beginning of the year	2,139,618	521,520	787,387	215,335
Current Service Cost	743,942	488,310	571,790	382,167
Interest Cost	149,773	36,506	62,991	17,227
Actuarial (gain) / loss on obligations	(358,204)	162,437	717,450	(93,209)
Benefits paid	(58,364)	(411,769)	-	-
Defined Benefit obligation at the year end	2,616,765	3,458,142	2,139,618	521,520

II. Change in the Fair Value of Plan Assets

(Amount in Rs.)

Particulars	Current Year	Previous Year
	Gratuity / Leave Encashment	Gratuity / Leave Encashment
Fair value of plan assets at the beginning of the year	NIL	NIL
Expected return on plan assets	NIL	NIL
Actuarial gain/ (loss)	NIL	NIL
Employer Contribution	NIL	NIL
Benefits paid	NIL	NIL
Fair value of plant assets at the year end	NIL	NIL

III. Change in the Fair Value of assets and obligation

(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Fair value of plan assets	NIL	NIL	NIL	NIL
Present value of obligation	2,616,765	797,004	2,139,618	521,520
Amount recognized in balance sheet	(2,616,765)	(797,004)	(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	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Current Service Cost	743,942	488,310	571,790	382,167
Interest Cost	149,773	36,506	62,991	17,227
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	(358,204)	162,437	717,450	(93,209)
Net Cost	535,511	687,253	1,352,231	306,185

V. Actuarial Assumptions
(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
Mortality Table (LIC)	1994-96 (Duly Modified)	1994-96 (Duly Modified)	1994-96 (Duly Modified)	1994-96 (Duly Modified)
Discount rate (per annum)	7%	7%	8%	8%
Expected rate of return on plan assets (per annum)	N.A	N.A	N.A	N.A
Rate of escalation in salary (per annum)	5%	5%	5.5%	5.5%

Note : 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.

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 & Turnover

Particulars	Production (in pieces)	Turnover (in pieces)	Turnover (Value)
Cotton Knitted & Woven Garments	731,787 (692,813)	733,131* (665,402)	209,524,213 (151,893,506)

Note : The above doesnot include quantities of sample produced and sold during the year.

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

Particulars	Unit	Opening Stock		Closing Stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Cotton Knitted	Pcs.	116,091	20,282,216	114,747	22,810,583
Garments		(88,680)	(17,947,856)	(116,091)	(20,282,216)

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 (478)	288,101 (288,101)	- (-)	- (2,690)	- (-)	- (2,690)	478 (478)	288,101 (288,101)
Jewellery	731 (731)	380,154 (380,154)	- (-)	- (-)	- (-)	- (-)	731 (731)	380,154 (380,154)

Note:- Figures in Brackets represent previous year's figures.

15. Raw Materials Consumed

	Qty.	Value (Rs.)
Yarn / Fabric	Unit Kgs	285,798 (254,373)
		49,644,360 (28,979,244)

Note: The above consumption are after reducing the sales of raw material 27,870.29 kgs at Rs. 971,104.

16. Value of Imports calculated on CIF Basis

(Amount in Rs.)

Particulars	Current Year	Previous Year
Raw Material	4,206,806	-
Stores & Spares (Consumables)	11,067,244	(9,667,168)

17. Expenditure in Foreign Currency

(Amount in Rs.)

Particulars	Current Year	Previous Year
Travelling	-	222,900
Legal and Professional	98,851	406,871
Sampling Expenses	360,295	-
Commission	5,037,140	795,186
Claim & Discount	1,174,361	-

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.

Particulars	Raw Material		Components & Spares	
	Amount	%	Amount	%
a) Imported	4,206,806 (-)	8.47 (-)	11,067,244 (9,667,168)	51.53 (55.32)
b) Indigenous	45,437,554 (28,979,244)	91.53 (100%)	10,411,727 (7,806,580)	48.47 (44.68)
	49,644,360 (28,979,244)		21,478,971 (17,473,748)	

19. Earnings in Foreign Exchange :

(Amount in Rs.)

Particulars	Current Year	Previous Year
FOB value of Goods Exports	186,898,682	130,351,254

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

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO
COMPANY'S INTEREST IN SUBSIDIARY COMPANY FOR THE FINANCIAL YEAR 2008-09**

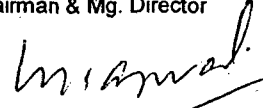
**Details of Subsidiary Company
(Rs./Lacs)**

Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.	Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.
1	The Financial year of Subsidiary Company ended on	31st March, 2009	1	Capital	79.00
2	Date from which it become Subsidiary Company	18th April, 2005	2	Reserves	10.00
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	89.00
4			4	Total Liabilities	89.00
5	b. Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	100%	5	Investment	NIL
	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	7.53
			7	Profit before Taxation	5.08
6	a. Not dealt with in the Holding Company's Accounts:				
	i) For the financial year ended 31st March, 2009	Rs.4.08 Lacs	8	Provision for Taxation	1.00
	ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs.3.56 Lacs	9	Profit after Taxation	4.08
	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			

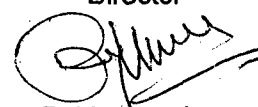
For and on behalf of the Board of Directors


C.L. Jain

Chairman & Mg. Director



V.B. Agarwal
Director



Raj Kumar Arora
Company Secretary



Atul Jain
Manager (Finance)

Place : New Delhi
Date : September 3, 2009

21. Assets Taken on Lease

The company has taken certain assets on non-cancellable operating lease and lease rent amounting to Rs 2,233,065 (Previous Year :4,090,764) has been debited to profit and loss account. The future minimum lease payments is as under :

(Amount in Rs.)

Minimum Lease Payment Payables	Current Year	Previous Year
(i) not later than in 1 years	357,312	2,522,014
(ii) later than 1 year but not later than 5 years	11,91,040	6,092,073
(iii) later than 5 years	—	1,892,273

General Description of Lease Terms

- Lease rental are charged on the basis of agreed terms.
- Assets are taken/given on lease over a period of 1 to 5 years

22. In view of the management, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at 31st March, 2009.

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.

For **S.R. DINODIA & CO.**
Chartered Accountants

Sandeep Dinodia
Partner
M. No. 083689

Place : New Delhi
Dated : 03.09.2009

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)



ADDI INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

0	2	2	1	5	4
---	---	---	---	---	---

Balance Sheet

3	1	0	3	0	9
---	---	---	---	---	---

State Code

2	0
---	---

II Capital Raised During The Year (Amount In Rs. Thousand)

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

						N	I	L
--	--	--	--	--	--	---	---	---

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

Total Liabilities

			2	4	5	0	4	0
--	--	--	---	---	---	---	---	---

Source of Funds
Paid Up Capital

			5	4	0	0	0
--	--	--	---	---	---	---	---

Secured Loan

			2	4	5	4	8
--	--	--	---	---	---	---	---

Deferred Tax Liability

			1	1	0	2	0
--	--	--	---	---	---	---	---

Total Asset

			2	4	5	0	4	0
--	--	--	---	---	---	---	---	---

Reserve & Surplus

			1	3	7	6	5	0
--	--	--	---	---	---	---	---	---

Unsecured Loan

						N	I	L
--	--	--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

			1	1	4	5	7	4
--	--	--	---	---	---	---	---	---

Net Current Assets

			8	9	2	3	6
--	--	--	---	---	---	---	---

Accumulated Losses

			5	9	9	1
--	--	--	---	---	---	---

Investments

			1	7	4	1	6
--	--	--	---	---	---	---	---

Misc. Expenditure

						N	I	L
--	--	--	--	--	--	---	---	---

IV Performance of Company (Amount in Rs. Thousands)

Turnover

			2	0	9	8	5	2
--	--	--	---	---	---	---	---	---

Profit/(Loss) Before Tax

			1	0	9	7
--	--	--	---	---	---	---

+	-
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Total Expenditure

			2	3	3	9	2	3
--	--	--	---	---	---	---	---	---

Profit/(Loss) After Tax

			1	7	3	6
--	--	--	---	---	---	---

+	-
<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Earning Per Share in Rs.

			0	1	6
--	--	--	---	---	---

Dividend rate %

N	I	L
---	---	---

V Generic Names of Three Principal Product/Services Of Company (as per monetary terms)

Item Code No. (ITC Code)

6	1	1	4	2	0	0	0
---	---	---	---	---	---	---	---

Product Description

C	O	T	T	O	N	K	N	I	T	T	E	D
G	A	R	M	E	N	T	S					

For and on behalf of the Board of Directors

C.L. Jain
Chairman & Mg. Director

V. B. Aggarwal
Director

Place : New Delhi
Dated : 03.09.2009

Raj Kumar Arora
Company Secretary

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 of.....or failing him/
her, Mr./Mrs./Miss.....of.....as
my/our Proxy to vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on **30th day of September, 2009 at 9.00 A.M.** at Ashoka White Farm House, Sector 70-71, Main Road Basai, Noida - 201 301 (U.P.) and at
any adjournment thereof.

Signed this.....day of.....2009.

Registered Folio No. :

OR DP/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 FORM

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

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

(IN BLOCK-LETTERS)

I hereby record my presence at the 27th Annual General Meeting of the Company being held at **30th day of September, 2009 at 9.00 A.M.** at Ashoka White Farm House, Sector 70-71, Main Road Basai, Noida - 201 301 (U.P.)

(Signature of Shareholder/Proxy)

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

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ADDI INDUSTRIES LIMITED

Regd. & Corp. Office : A-106, Sector-IV,
Noida - 201 301 (U.P.)

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