

28th
Annual Report
2009-10



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 28th Annual General Meeting of the Members of Addi Industries Ltd. will be held on **Thursday, the 30th day of September, 2010, 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 2010, 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 Mr. Hari Bansal, who retires by rotation, and being eligible, offers him for re-appointment.
3. To appoint Auditors for the current year 2010-2011 & to fix their remuneration.

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

For & on behalf of the Board

Regd. & Corp. Office:

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

Dated: September 4, 2010

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 Wednesday, the 29th day of September, 2010 to Thursday, the 30th day of September, 2010(both days inclusive).
- c) The Equity Shares of Rs. 10 each of the Company have been sub-divided/ splitted-up into 2 new Equity Shares of Rs. 5 each fully paid-up. All those Shareholders, who are still holding the Shares in physical form and have not yet got their Share Certificates of Rs. 10 each exchanged for new Share Certificates of Rs. 5 each, are requested to send the same to the Regd. & Corporate Office of the Company at A-106, Sector-IV, Noida - 201 301 (U.P.) for exchange thereof.
- d) Dividend @10% i.e. Re. 1 per Equity Share of Rs.10 was declared for the financial year 2002-03. Similarly, Dividend @ 10% i.e. Re. 0.50 per Equity Share of Rs.5 was declared for the financial years 2003-04 and 2004-05. Those Shareholders who have not yet got their Dividend warrant/s encashed are requested to send the same to the Regd. & Corporate Office of the Company for re-validation. **Please note that the dividend for the FY 2002-03, which was paid on 09.10.2003 is required to be transferred to Investors Education & Protection Fund established u/s 205C of the Companies Act, 1956, if it remains unpaid or unclaimed upto 08.10.2010.**
- e) The Company's Equity Shares continue to remain listed on the Bombay Stock Exchange Ltd., and the listing fee has been duly paid.
- f) The Equity Shares of the Company are dematerialised and the trading has to be compulsorily in demat mode. Those Shareholders who have not yet got their equity shares dematerialised may approach the Depository Participant with whom they are maintaining account, for getting their Shares dematerialised.
- g) A Statement u/s 212 of the Companies Act, 1956, in respect of the Subsidiary Company, Aum Texfab Pvt. Ltd., is contained hereinafter with the Consolidated Financial Statements along with the Directors & Auditors Reports of the Subsidiary Company i.e. AUM Texfab Pvt. Ltd. The Company undertakes that the Annual Accounts of the Subsidiary Company and the related detailed information will be made available to the Holding and Subsidiary Company Investors seeking such information at any point of time. 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.



ADDI INDUSTRIES LIMITED

- h) **NOMINATION** : Pursuant to the new Section 109A inserted in the Companies Act, 1956, individual Shareholders holding Shares of the Company singly or jointly may nominate an individual to whom all the rights in the Shares of the Company shall vest in the event of death of the sole/all joint Shareholders.
- i) **REGISTRAR & TRANSFER AGENTS** : The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110 062, as its Registrar & Transfer Agents. Shareholders may write to them also directly, or communicate with the Company at its Regd. & Corporate Office, as they may like.
- J) Pursuant to Clause 49 of the Listing Agreement(s) pertaining to Corporate Governance, the particulars of Directors proposed to be re-appointed vide item No. 2 of the Notice, are as follows:

S. No.	Particulars	Shri Hari Bansal
1.	Date of Birth	14.09.1975
2.	Date of Appointment	12.11.2002
3.	Qualification	B.Chem. Engineering
4.	Expertise in specific functional area	Please refer Corporate Governance Report 2008-09.
5.	Directorship held in other Public Companies*	Nil
6.	Membership/Chairmanship of Committees**	Nil
7.	No. of Equity Shares held in the Company	9,96,118
8.	Relationship with other directors	Related to Shri Chaman Lal Jain (Son)

*excluding Foreign & Private Limited Companies.

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

DIRECTORS' REPORT

Dear Members

The Directors of your Company present their 28th Annual Report & the Audited Statements of Account of the Company for the year ended on 31st March, 2010.

Financial Results

The performance of your Company for the financial year ended on 31st March, 2010 is summarized below:

(Rs./Lakhs)

	2009-2010	2008-2009
Turnover & other Income	2,416.76	2,350.20
(incl. Exports)	(2,114.64)	(1,920.66)
Gross Profit before	154.02	170.62
Financial Exp. & Depreciation		
Less : Financial Expenses	45.92	47.93
Depreciation	96.87	111.72
Net Profit/(Loss) before Tax	11.23	10.97
Less : Provision for Taxation	–	–
Income Tax adj. for earlier years	7.68	–
Provision for Fringe Benefit Tax	–	1.70
Provision for Wealth Tax	–	0.09
Add: Adj. for deferred tax	(10.53)	8.18
Net Profit /(Loss) after tax	14.08	17.36
Add: Recoup/Transfer to General Reserve	–	–
Add: Amount b/f from last year	(59.91)	(77.27)
Balance transferred to Balance Sheet	(45.83)	(59.91)

Dividend

In view to conserve resources for future operations, the Directors are not in a position to recommend dividend for the financial year 2009-10.

Operations

The performance of your Company during the financial year under review has been marginally improved than that of the previous year. However, the Net Profit after tax is lesser than 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. Board of Directors of the Company have left no stone unturned for the reduction of the growing cost of production and to improvise the Export Turnover.

Technology upgradation, modernisation-cum-diversification

The Company has incurred nominal capital expenditure of Rs. 11.13 lakhs on technology upgradation & modernization of machinery and equipment, wherever considered necessary, during the year under report, as against Rs.15.51 lakhs incurred in the preceding year.

Future Prospects

During the first quarter ended on 30th June, 2010, the Company has achieved turnover of Rs. 440.33 Lacs (incl. exports of Rs. 421.24 lacs) as against Rs.442.25 Lacs (incl. exports of Rs.417.69 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

Mr. Hari Bansal, Whole-time Director, retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. Board of Directors recommends his 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 financial year 2010-11, 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. The financials along with the Directors' and Auditors' Report thereon of Aum Texfab Pvt. Ltd. and the Statement u/s 212(1) of the Companies Act, 1956 are annexed and forms part of this Annual Report. 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 was no employee who was 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 4, 2010

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, 2010, is as per Form 'A' below : **FORM 'A'**

A. Power and Fuel Consumption:

(Rs./Lakhs)

	Current Year 31.3.2010	Previous Year 31.3.2009
1. ELECTRICITY		
(a) Purchased		
Units	921,534	925,178
Total amount (Rs./Lacs)	46.23	47.71
Rate/unit (Rs.)	5.02	5.16
(b) Own Generation		
i) Through diesel generator Units	50,085	66,780
Unit per ltr. of diesel oil	3.50	3.50
Cost/unit (Rs.)	10.21	9.97
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.)	136,090	132,854
Value (Rs.Lacs)	48.62	39.46
Rate/Unit (Rs.)	35.73	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	1,000 Pcs.	1,223	1,264	—	—	—	—

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)

	31.3.2010	31.3.2009
Earnings	2,078.29	1,868.99
Outgoings	195.10	219.45

For and on behalf of the Board of Directors

Place : New Delhi
Dated : September 4, 2010

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 2009-10 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 2009-10 has been improved. The Company achieved turnover of Rs.2416.76 Lacs (including exports of Rs.2114.64 Lacs) as against the turnover of Rs.2350.20 Lacs (including exports of Rs.1920.66 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.11.23 lakhs as compared to the operational profit of Rs.10.97 Lacs in the previous year.

5. OUTLOOK

Exports in the current year 2010-11 are looking up. The Company has achieved exports of Rs.421.23 Lacs in the first quarter ended 30th June, 2010 as compared to the exports of Rs.417.69 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 4, 2010

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 2010, 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 25, July 30, September 3, October 31, 2009; January 30 and February 19, 2010 during the financial year ended March 31, 2010:

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 30.09.2009	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. Aggarwal	Non-executive (Independent)	6	6	Present	NIL	NIL
Dr. B.K. Behera	Non-executive (Independent)	6	2	Present	1	NIL
Shri Hari Bansal (Whole-time Dir.)	Executive (Promoter Grp)	6	5	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. Agarwal, a non-Executive Independent Director, is the Chairman of the Audit Committee. Dr. B.K. Behera, Non-Executive Director and Shri C.L. Jain, Managing Director are the other members of this Committee.



Shri V.B. Agarwal is a professionally qualified Cost Accountant & Company Secretary, and has the requisite financial acumen and a rich & varied expertise on financial matters. He attended and was present at the Annual General Meeting of the Members held on September 30, 2009.

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 25, July 30, August 29, October 31, 2009 and January 30, 2010; during the financial year ended 31st March, 2010. All the members of the Audit Committee attended each and every meeting held during the year except Dr. B.K. Behera who did not attend the meeting held on October 31, 2009 and January 30, 2010.

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

B. Remuneration Committee

The Remuneration Committee of the Company comprises of two non-executive independent Directors namely Shri V.B. Agarwal & Dr. B.K. Behera, and Shri C.L. Jain, Mg. Director, as its members. The Remuneration Committee is empowered to review the remuneration of the Managing Director and Executive Directors. One Meeting of the Remuneration Committee was held on August 29, 2009, which was attended by all the members of the Committee for the financial year ended March 31, 2010.

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 August 29, 2009, 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) 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 considering 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 financial year ended March 31, 2010.

E (i) Investor Grievance cum Share Transfer Committee

The Investor Grievance cum Share Transfer Committee has been constituted 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.

Five Meetings of the Investor Grievance cum Share Transfer Committee were held on April 15, 25, July 30, October 31, 2009 and January 30, 2010; during the financial year ended 31st March, 2010. All the members of the Committee attended each and every meeting held during the year except Dr. B.K. Behera and Shri V.B. Aggarwal who did not attend even a single meeting.

During the year under review, 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. 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	Mgaging Director	10.80	2.16	Nil	Nil	12.96
Sh. V.B. Agarwal	Director	Nil	Nil	Nil	0.65	0.65
Dr. B.K. Behera	Director	Nil	Nil	Nil Nil	0.35	0.35
Sh. Hari Bansal	Whole-time. Director	12.00	Nil	Nil	Nil	12.00
Total		22.80	2.16	Nil	1.00	25.96

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
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
30.09.2009	9.00 a.m.	Ashoka White Farm House, Sector 70-71 Main Road Basai, Noida(U.P.)	2 (Two)

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 - 11B 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 Management Discussion and Analysis Report for the year ended 31st March, 2010 forms part of this Annual Report.



9. General Shareholder Information

A. Annual General Meeting :

Date and Time : Thursday, September 30, 2010 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 mid of Aug '10.
 b) 2nd Quarter Results – By the mid of Nov., '10.
 c) 3rd Quarter Results – By the mid of Feb., '11.
 d) 4th Quarter Results – By the mid of May '11.

*Tentative and subject to change.

Date of Book Closure : 29.09.2010 to 30.09.2010 (both days inclusive)

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

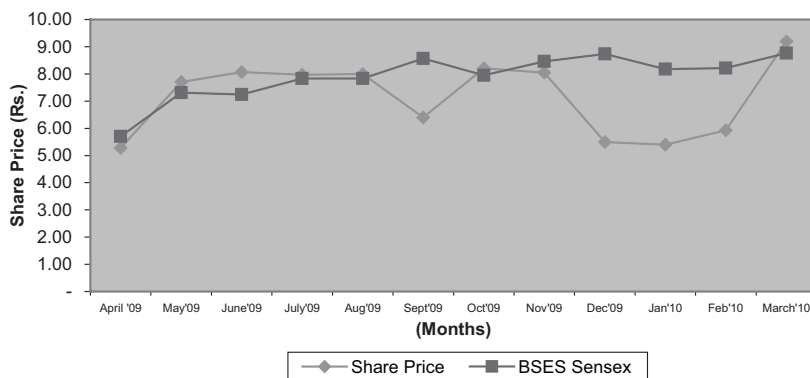
C. (i). Stock Price Data:

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 2009	5.29	4.60	5.28	540,706
May 2009	7.75	5.27	7.70	15,471
June 2009	8.98	7.25	8.07	5,548
July 2009	8.47	7.97	7.97	836
August 2009	8.36	8.00	8.00	125
September 2009	7.61	5.95	6.40	10,699
October 2009	8.20	6.68	8.20	14,503
November 2009	9.37	6.67	8.05	30,173
December 2009	8.45	5.50	5.50	8,678
January 2010	6.94	5.25	5.40	9,193
February 2010	6.93	5.00	5.93	18,725
March 2010	9.58	5.90	9.20	159,700

(ii). Stock Performance:

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



D. Registrar & Transfer Agents

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

- E. Investors' queries/requests** for transfer, transmission, issue of duplicate share certificates, etc. may be sent either to the Regd. & Corporate Office of the Company at A-106, Sector-IV, Noida – 201 301 (U.P.), or to the Registrar & Transfer Agents, M/s. Beetal Financial & Computer Services (P) Ltd. at the address given above. No Investor queries/ complaints/ grievance was pending for a period of 30 days or more as at 31st March, 2010.
- 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.

10. Distribution of Shareholding as on 31st March

No. of equity shares held	2010				2009			
	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	2,995	93.33	9,51,567	8.81	3,008	93.01	957,737	8.87
5001 to 10000	117	3.65	1,76,325	1.63	124	3.83	188,199	1.74
10001 to 20000	51	1.59	1,52,908	1.42	54	1.67	156,149	1.45
20001 to 30000	11	0.34	54,415	0.50	13	0.40	63,322	0.59
30001 to 40000	8	0.25	54,822	0.51	8	0.25	54,822	0.51
40001 to 50000	4	0.12	36,800	0.34	4	0.12	36,800	0.34
50001 to 100000	6	0.19	94,833	0.88	7	0.22	107,180	0.99
Above 100001	17	0.53	9,274,904	85.91	16	0.49	9,232,365	85.51
Total	3209	100	10,796,574	100.00	3,234	100	10,796,574	100.00

Shareholding Pattern as on 31st March:

Particulars	2010		2009	
	No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
Promoters & Associates	7,584,782	70.25%	7,051,649	65.314%
Mutual Funds, UTI & Bank	6,600	0.06%	11,600	0.107%
Private Corporate Bodies	1,329,584	12.32%	1,862,050	17.247%
Indian Public	1,770,336	16.35%	1,766,818	16.36%
NRI's	105,272	0.98%	104,457	0.968%
Total	10,796,574	100.00%	10,796,574	100.000%

11. Dematerialisation of Equity Shares:

The Equity Shares of the Company are in compulsory demat mode. Out of the total number of 10796574 Equity Shares of Rs. 5 each, 93.07 % i.e. 10048271 No. of Equity Shares are held in demat form as on 31.03.2010, as against 92.92% i.e. 10031971 Equity Shares as on 31.03. 2009.

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

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

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

14. The Company declared the following dividends in the last three years and the amounts outstanding as unpaid dividend as on 31st March, 2010 are as mentioned against each:

Fin. Year	Dividend Rate	Paid on	Amount of Unpaid Dividend
2002-03	10%	09.10.03	Rs.131,050.00
2003-04	10%	31.08.04	Rs.113,018.50
2004-05	10%	05.09.05	Rs.153,622.00

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



15. Compliance Officer and Contact Address

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

16. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

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

- i) **The Board:** The Company does not have a Non-Executive Chairman on its Board.
No specific tenure has been specified for the independent Directors.
- ii) **Remuneration Committee:** Details are given under the heading “Remuneration Committee”.
- iii) **Shareholders Rights:** The half yearly financial results including any significant events in the last six months were published in the newspapers pursuant to Clause 41 of the listing agreement.
- iv) **Audit Qualifications:** During the year under review, there was no qualification on the Company’s financial statements for the period ended March 31, 2010.
- 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, 2010.

For ADDI INDUSTRIES LIMITED

Place : New Delhi	Atul Jain	C.L. Jain
Dated : September 4, 2010	Compliance Officer cum Manager (Finance)	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, 2010, as stipulated in clause 49 of the listing agreement of the said Company with the stock exchange.

The compliance of condition of 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

Place : New Delhi
Date : September 4, 2010

Sandeep Dinodia
Partner
M. No. 083689

AUDITOR'S REPORT

To the Share Holders of
M/S ADDI INDUSTRIES LIMITED

We have audited the attached Balance sheet of **M/S ADDI INDUSTRIES LIMITED**, as at **31st March 2010**, 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - 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
Regn. No. 01478N

Sandeep Dinodia
Partner
M. No. 083689

Place : New Delhi
Date : September 4, 2010



**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.
- According to the information and explanations given to us, the company had not taken unsecured loans from 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) (e), (f) and (g) of the Companies (Auditor's Report) Order 2003 are not applicable.
- 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, 2010.*

(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, 2010. 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. Dinodial & Co.
Chartered Accountants
Regn. No. 01478N

Sandeep Dinodia
Partner
M. No. 083689

Place : New Delhi
Date : September 4, 2010



ADDI INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
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	32,877,614	24,548,071
Deferred Tax Liability (Net)	D	9,966,660	11,019,921
		<u>234,494,247</u>	<u>227,217,965</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	290,850,074	287,755,903
Less: Depreciation		<u>192,377,620</u>	<u>187,182,283</u>
Net Block		<u>98,472,454</u>	100,573,620
Capital Work-in-Progress (including capital advances)		2,443,848	14,000,000
		<u>100,916,302</u>	
Investments			
	F	17,416,418	17,416,418
Current Assets, Loans & Advances			
Current Assets			
Inventories	G	46,927,612	44,627,468
Sundry Debtors		37,359,451	35,481,967
Cash and Bank Balances		55,356,816	16,637,817
Loans and Advances		12,386,159	10,311,400
		<u>152,030,039</u>	<u>107,058,652</u>
Less: Current Liabilities & Provisions			
Current Liabilities	H	34,969,653	14,399,663
Provisions		5,482,124	3,422,519
		<u>40,451,777</u>	<u>17,822,182</u>
Net Current Assets		111,578,262	89,236,470
Profit and Loss Account		4,583,265	5,991,456
		<u>234,494,247</u>	<u>227,217,965</u>
Significant Accounting Policies & Notes to the Account			
	N		

As per our report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 01478N

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

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)

ADDI INDUSTRIES LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	Current Year	Previous Year
INCOME			
Turnover	I	219,906,844	209,852,143
Other Income	J	19,853,938	23,749,432
Excess Depreciation Written Back		1,915,677	1,418,571
		<u>241,676,459</u>	<u>235,020,146</u>
EXPENDITURE			
Purchase of Traded Items		2,452,456	-
Manufacturing, Administrative, Selling & Other Expenses	K	202,000,473	201,525,887
Payment to & Provision for Employees	L	21,820,814	16,431,935
Financial Expenses	M	4,592,418	4,793,166
Depreciation		9,687,326	11,172,453
		<u>240,553,486</u>	<u>233,923,441</u>
Profit/(Loss) Before Tax		1,122,973	1,096,705
Less : Provisions for Taxes			
- Current Tax		-	-
- Deferred Tax		(1,053,261)	(818,028)
- Fringe Benefit Tax		-	169,790
- Wealth Tax		-	8,750
Less : Tax adjustments for earlier years		767,856	-
Profit/(Loss) After Tax		1,408,377	1,736,193
Add: Amount b/f from last year		(5,991,642)	(7,727,649)
Balance Transferred to Balance Sheet		(4,583,265)	(5,991,456)
Basic / Diluted Earning per share (Rs.) (Refer Note B-10 of Schedule -N)		0.13	0.16
Significant Accounting Policies & Notes to the Account	N		

As per our report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 01478N

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

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)



ADDI INDUSTRIES LIMITED

CASH FLOW STATEMENT AS AT 31ST MARCH, 2010

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before Tax & extraordinary items	1,122,972.62	1,096,705
Adjustments For :		
Depreciation	9,687,326	11,172,453
Excess Depreciation w/back	(1,915,677)	(1,418,571)
Provision no longer required	–	(29,008)
Loss on sale of Fixed Assets	229,700	52,445
Interest paid	1,454,548	4,793,166
Interest Received	(2,518,712)	(388,084)
Operating profit before working capital Changes	8,060,156	15,279,105
Adjustments For :		
Trade and other receivables	(5,095,593)	(4,413,280)
Inventories	(2,300,144)	(1,484,750)
Trade & other Payable	22,638,345	(7,529,082)
Cash generated from operations before extraordinary items	366,552	(263,638)
Direct Tax Received / (Paid)	15,609,159	(13,690,750)
Cash generated from operations after extraordinary items	23,669,316	1,588,355
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	23,669,316	1,588,355
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	5,655,976	(16,295,230)
(Purchase)/sale of Investment	–	(63,185)
Interest Received	2,518,712	388,084
NET CASH USED IN INVESTING ACTIVITIES	8,174,688	(15,970,332)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,454,548)	(4,793,166)
Bank Borrowings	8,329,542	6,660,771
NET CASH FLOW FROM FINANCING ACTIVITIES	6,874,994.00	1,867,605
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	38,718,999	(12,514,371)
Cash & Cash equivalents as at beginning of the year	16,637,817	29,152,188
Cash & Cash equivalents as at the end of the year	55,356,816	16,637,817
Cash and Cash Equivalents include:		
–Cash in hand	57,064	30,840
Balances with Scheduled Banks		
–In Current Accounts	18,430,529	15,032,106
–In Deposit Account	36,869,223	1,574,871

As per our report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 01478N

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

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)

SCHEDULES FORMING PART OF THE ACCOUNTS

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
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)	<u>75,000,000</u>	<u>75,000,000</u>
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)	<u>53,982,870</u>	<u>53,982,870</u>
Forfeited shares (amount originally paid up)	<u>17,500</u>	<u>17,500</u>
	<u><u>54,000,370</u></u>	<u><u>54,000,370</u></u>
 SCHEDULE - B		
RESERVES AND SURPLUS		
Capital Reserve	<u>5,799,016</u>	<u>5,799,016</u>
Share Premium	<u>131,850,587</u>	<u>131,850,587</u>
	<u><u>137,649,603</u></u>	<u><u>137,649,603</u></u>
 SCHEDULE - C		
SECURED LOANS		
From Scheduled Bank :		
–Packing Credit & Others	<u>32,877,614</u>	<u>24,548,071</u>
	<u><u>32,877,614</u></u>	<u><u>24,548,071</u></u>
 Notes:		
1. Secured by hypothecation of Current Assets & Fixed Assets (both present & future) & Guarantee of promoter / Mg. Director.		
2. Repayable within one year Rs. 32,877,614 (Previous year Rs. 24,548,071).		
 SCHEDULE - D		
DEFERRED TAX ASSET / (LIABILITY)		
Deferred Tax Asset /(Liabilities)	<u>(11,019,921)</u>	<u>(11,837,949)</u>
Add: Deferred Tax Asset /(Liabilities)	<u>1,053,261</u>	<u>818,028</u>
(Refer Note B-8 of Schedule 'N')	<u><u>(9,966,660)</u></u>	<u><u>(11,019,921)</u></u>



ADDI INDUSTRIES LIMITED

SCHEDULE - E FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At 01.4.09	Additions during the year	Sale/Adj. during the year	Total As At 31.03.10	Up to 31.03.09	For the year	Adj. (Dep.W/B)	Total upto 31.03.10	As At 31.03.10	As At 31.03.09
Leasehold Land	12,851,942	3,147,362	–	15,999,304	2,822,111	187,539	–	3,009,650	12,989,654	10,029,831
Building:										
– Office	7,674,212	–	–	7,674,212	847,429	125,090	–	972,519	6,701,693	6,826,783
– Factory	48,923,261	–	–	48,923,261	24,037,279	1,634,037	–	25,671,316	23,251,945	24,885,982
Plant and Machinery	178,221,024	1,113,407	–	179,334,431	129,479,388	5,364,429	–	134,843,817	44,490,614	48,741,636
Electrical Installation	11,600,131	–	–	11,600,131	11,356,538	176,462	1,915,677	9,617,323	1,982,808	243,593
Furniture & Fittings	12,223,730	14,501	–	12,238,231	6,614,448	788,263	–	7,402,711	4,835,520	5,609,282
Vehicles	5,072,186	1,451,901	1,238,581	5,285,506	2,763,843	507,010	812,058	2,458,795	2,826,711	2,308,343
Computer	9,912,873	395,505	513,380	9,794,998	7,984,704	904,496	487,711	8,401,489	1,393,509	1,928,169
	286,479,359	6,122,676	1,751,961	290,850,074	185,905,740	9,687,326	3,215,446	192,377,620	98,472,455	100,573,618
Capital Work in Process (including capital advances)	14,000,000	–	11,556,152	2,443,848	–	–	–	–	2,443,848	14,000,000
Current Year	300,479,359	6,122,676	13,308,113	293,293,922	185,905,740	9,687,326	3,215,446	192,377,620	100,916,303	114,573,618
Previous Year	287,250,573	2,334,230	1,828,898	287,755,903	179,165,857	11,172,453	318,882	190,019,428	97,736,475	108,084,715

PARTICULARS	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
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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 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. 6 Nos. of 8 gms each)

63,185 63,185

17,416,418 17,416,418

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

ADDI INDUSTRIES LIMITED



PARTICULARS	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
SCHEDULE - G		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
Inventories		
(As taken, valued & certified by the management)		
Raw Materials	8,309,757	13,844,056
Stores & Spares	3,879,638	3,813,624
Packing Material	547,283	474,907
Stock-in-Process	4,059,359	3,016,043
Finished Goods	<u>30,131,575</u>	<u>23,478,838</u>
	46,927,612	44,627,468
Sundry Debtors		
(Unsecured & Considered good)		
– Exceeding six months	2,386,048	728,879
– Others	<u>34,973,403</u>	<u>34,753,088</u>
	37,359,451	35,481,967
Cash & Bank Balances		
Cash in hand	57,064	30,840
With Scheduled Banks		
– In Current Account	18,430,529	15,032,106
– In Deposit Account *	<u>36,869,223</u>	<u>1,574,871</u>
	55,356,816	16,637,817
*Pledged with appropriate authorities Rs. 537,940 (Previous Year Rs. 609,388)		
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	6,273,211	4,608,236
Considered doubtful	<u>904,661</u>	<u>904,661</u>
	7,177,872	5,512,897
Less: Provision for doubtful advances	<u>904,661</u>	<u>904,661</u>
	6,273,211	4,608,236
Export Incentive Receivable		
Considered good	4,173,584	3,111,548
Considered doubtful	<u>539,466</u>	<u>339,342</u>
	4,713,050	3,450,890
Less: Provision for doubtful amount	<u>539,466</u>	<u>339,342</u>
	4,173,584	3,111,548
Balance with Excise Authorities	1,117,248	626,150
Advance Tax	822,116	1,965,466
[Net of provisions of Rs. 556,390 (PY Rs. 556,390)]		
	<u>152,030,038</u>	<u>107,058,652</u>



ADDI INDUSTRIES LIMITED

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
SCHEDULE - H		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
- Due to SME	-	-
- Other than SME	21,816,040	11,268,340
(Refer Note B-3 of Schedule -'N')		
Security Received	950,000	819,672
Unclaimed Dividend *	396,641	396,641
Other Liabilities	11,806,972	1,915,010
(A)	34,969,653	14,399,663
*It does not include any amount transferable to Investor Education & Protection Fund.		
Provisions		
Gratuity	4,593,358	2,616,765
Leave Encashment	888,766	797,004
Wealth Tax	-	8,750
(B)	5,482,124	3,422,519
(A) + (B)	40,451,777	17,822,182
SCHEDULE - I		
TURNOVER		
Export Sales	211,463,684	192,066,413
Domestic Sales	7,720,241	17,457,800
Scrap Sales	722,919	327,930
	219,906,844	209,852,143
SCHEDULE - J		
OTHER INCOME		
Export Incentive	16,711,959	16,438,314
Interest Income		
- On Fixed Deposits	2,108,804	388,084
[TDS Rs. 2,71,235 (Pr. Year Rs. 77,821)]		
- On Income Tax Refund	409,908	-
Provision No Longer Required	-	29,008
Exchange fluctuation	-	6,664,447
Miscellaneous Income	623,267	229,578
	19,853,938	23,749,432



(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE - K		
MANUFACTURING, SELLING, ADMINISTRATIVE & OTHER EXPENDITURE		
Raw Materials consumed	51,569,637	49,644,360
Freight & Cartage inward	856,540	815,082
(Increase)/Decrease in Stock		
Finished goods - Opening Stock	23,478,838	20,950,531
Stock-in-process- Opening Stock	3,490,950	3,033,335
	<u>26,969,788</u>	<u>23,983,866</u>
Finished goods - Closing Stock	30,131,575	23,478,838
Stock-in-process - Closing Stock	4,059,359	3,016,043
	<u>34,190,934</u>	<u>26,494,881</u>
	(7,221,146)	(2,511,015)
Processing Charges	16,830,817	17,565,698
Stores & Spares Consumed	22,773,231	21,478,971
Fabrication Wages	36,277,326	30,939,771
Power & Fuel	10,197,640	10,834,641
Other Manufacturing Expenses	22,165,422	18,082,160
Sample & Designing Expenses	558,610	1,068,583
Rent, Rates & Taxes	2,655,224	4,354,939
Insurance	2,152,780	2,083,311
Repairs & Maintenance		
– Machinery	627,731	719,820
– Building	1,739,153	2,413,620
	<u>2,366,884</u>	<u>3,133,440</u>
Travelling & Conveyance	648,777	778,472
Vehicle Running & Maintenance	510,249	614,971
Communication Expenses	1,122,437	1,492,812
Directors' Sitting Fees	100,000	100,000
Security Expenses	1,228,197	1,439,066
Printing & Stationery	421,043	523,310
Legal, Professional & Service charges	1,251,822	1,459,520
Payment to Auditors	204,967	211,580
Outward Freight & Cartage	11,304,603	12,121,840
Advertisement & Publicity	52,211	120,364
Commission, Claims & Discounts	16,709,554	18,448,164
Packing material consumed	3,175,294	2,813,117
Exchange fluctuation	2,645,261	–
Provision for Doubtful debts	200,124	339,342
Loss on Sale of Fixed Assets	229,700	52,445
Miscellaneous Expenses	1,013,269	3,520,944
	<u>202,000,473</u>	<u>201,525,887</u>



ADDI INDUSTRIES LIMITED

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE - L		
PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary and other allowances	16,927,179	11,937,717
Director's Remuneration	2,280,000	1,920,000
Contribution to Provident & other funds	2,249,396	2,185,819
Staff Welfare	364,239	388,399
	<u>21,820,814</u>	<u>16,431,935</u>
SCHEDULE - M		
FINANCIAL EXPENSES		
Interest		
– On working capital	1,407,973	1,389,497
– Others	46,575	308,652
Bank charges	3,137,870	3,095,017
	<u>4,592,418</u>	<u>4,793,166</u>

Schedule forming part of the Balance Sheet and Profit & Loss Account SCHEDULE - N SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNT

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concepts :

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the mandatory Accounting Standards 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

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

5. Valuation of Inventories

Method of Valuation

- Raw Material
At Lower of Cost or Net realisable value.*
*The cost is determined on Weighted Average basis.
- Finished Goods
At Lower of Cost or Net realisable value.
- Stock-in-Process
At Cost.
- 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 notified under Companies (Accounting Standard) Rules, 2006.

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 1,527,325 (Previous Year Rs. 4,964,863)
 - 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.1,905,177 (Previous Year Rs.1,401,401), as stated below:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Prior Period Expenses	-	-
Sales Incentive	10,000	-
Repair & Maintenance	500	17,170
Total (A)	10,500	17,170
Excess depreciation written back	1,915,677	1,418,571
Total (B)	1,915,677	1,418,571
Net Prior Period income (Expenditure) (B-A)	1,905,177	1,401,401

6. Managerial Remuneration to Directors

(Amount in Rs.)

Particulars	Current Year	Previous Year
Salary	2,280,000	1,920,000
Perquisites :		
• Rent	900,000	900,000
• Club Membership Fees	30,985	8,160
	3,180,000	2,820,000

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” notified under Companies (Accounting Standard) Rules, 2006, 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.)

	As at 31.03.09	For the year	As at 31.03.10
Deferred Tax Liabilities			
Depreciation	12,811,947	(304,295)	12,507,651
Deferred Tax Assets			
Disallowances under section 40A(7) & 43B of the Income Tax Act	1,407,629	687,127	2,094,756
Provision for doubtful advances	384,397	61,838	446,235
Deferred Tax Assets/(Liability)	(11,019,921)	1,053,261	(9,966,660)

The Deferred Tax Assets of Rs 1,053,261 (Previous year Rs. 818,028) for the year ended 31st March 2010 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	159,935
Tax Audit Fees	27,575	27,575
Others	166,696	158,217
Out of pocket expenses	17,457	23,866
Total	371,663	369,593

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)	1,408,377	1,736,193
No. of Equity Shares (Weighted) (B)	10,796,574	10,796,574
Nominal Value Per Shares (Rs.)	5	5
Earnings per Share	0.13	0.16

11. Disclosure of Related parties/ Related parties transactions :

A. Name of the Related Parties and description of relationship

- | | |
|---|---|
| i) Wholly owned Subsidiary Company | Aum Texfab Pvt. Ltd. |
| ii) Key Management Personnel | Mr. C.L. Jain
Mrs. Urmila Jain
Mr. Hari Bansal
Mr. Abhishek Bansal |
| iii) Enterprises owned or substantially influenced by key management personnel or their relatives | Ultimate Investments Pvt. Ltd. |
| 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	Total
i) Managerial Remuneration	- (-)	4,980,000 (4,260,000)	- (-)	4,980,000 (4,260,000)
ii) Rent paid	- (-)	840,000 (840,000)	394,116 (267,035)	1,234,116 (1,107,035)
iii) Loans taken	- (-)	- (5,000,000)	- (-)	- (5,000,000)
iv) Loans Repaid	- (-)	- (5,000,000)	- (-)	- (5,000,000)
v) Interest paid	- (-)	- (227,836)	- (-)	- (227,836)

C. Balance outstanding as at 31st March, 2010

i) Investment	7,523,831 (7,523,831)	- (-)	- (-)	7,523,831 (7,523,831)
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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.)

	2009-10	2008-09
Employer's Contribution to Provident Fund/ Pension Fund	845,563	884,526
Employer's Contribution to Employee State Insurance	1,313,888	1,301,293

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 :

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Encashment Unfunded	Gratuity Unfunded	Encashment Unfunded
Defined Benefit obligation as at the beginning				
of the year	2,616,765	797,004	2,139,618	521,520
Current Service Cost	918,064	438,708	743,942	488,310
Past Service Cost	1,271,246	-	-	-
Interest Cost	196,257	59,775	149,773	36,506
Actuarial (gain) / loss on obligations	(348,859)	109,374	(358,204)	162,437
Benefits paid	(60,115)	(516,096)	(58,364)	(411,769)
Defined Benefit obligation at the year end	4,593,358	888,765	2,616,765	797,004

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	4,593,358	888,765	2,616,765	797,004
Amount recognized in balance sheet	(4,593,358)	(888,765)	(2,616,765)	(797,004)

* 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	918,064	438,708	743,942	488,310
Past Service Cost	1,271,246	-		
Interest Cost	196,257	59,775	149,773	36,506
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	(348,859)	109,374	(358,204)	162,437
Net Cost	2,036,708	607,857	535,511	687,253

V. Actuarial Assumptions
(Amount in Rs.)

Particulars	Current Year		Previous Year	
	Gratuity Unfunded	Encashment (Unfunded)	Gratuity Unfunded	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)	7.5%	7.5%	7%	7%
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%

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	753,174 (731,787)	733,863* (733,131)	216,089,526 (209,524,213)

* The above does not 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 Garments	Pcs.	114,747	22,810,583	134,058	30,131,575
		(116,091)	(20,282,216)	(114,747)	(22,810,583)

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)	- (-)	- (-)	478 (-)	28,630 (-)	- (478)	- (288,101)
Jewellery	731 (731)	380,154 (380,154)	- (-)	- (-)	731 (-)	36,550 (-)	- (731)	- (380,154)
Ready made Garments	- (-)	- (-)	11,919 (-)	2,452,456 (-)	11,919 (-)	3,029,219 (-)	- (-)	- (-)

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

15. Raw Materials Consumed

	Qty.	Value (Rs.)
Yarn/Fabric	Unit	234,572
	Kgs	(285,798)
		(49,644,360)

Note: The above consumption are after reducing the sales of raw material 17,188.30 kgs (P.Y. 27,870.29 kgs) at Rs. 1,615,233 (P.Y. Rs. 971,104).

16. Value of Imports calculated on CIF Basis

(Amount in Rs.)

Particulars	Current Year	Previous Year
Raw Material	851,967	4,206,806
Stores & Spares (Consumables)	11,608,831	11,067,244

17. Expenditure in Foreign Currency

(Amount in Rs.)

Particulars	Current Year	Previous Year
Sampling Expenses	-	360,295
Commission	6,358,009	5,037,140
Claim & Discount	693,177	1,174,361

18. The value of consumption of directly imported and indigenously obtained raw materials, spare parts and components and percentage of each to total consumption.

Particulars	Raw Material		Components & Spares	
	Amount	%	Amount	%
a) Imported	851,967 (4,206,806)	1.65 (8.47)	10,997,670 (11,067,244)	48.29 (51.53)
b) Indigenous	50,717,670 (45,437,554)	98.35 (91.53)	11,775,561 (10,411,727)	51.71 (48.47)
	51,569,637 (49,644,360)		22,773,231 (21,478,971)	

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

Particulars	Current Year	Previous Year
FOB value of Goods Exports	207,829,257	186,898,682

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 394,116 (Previous Year : 2,233,065) 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	357,312
(ii) later than 1 year but not later than 5 years	833,728	11,91,040
(iii) later than 5 years	-	-

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, 2010.

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
Regn. No. 01478N

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

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)



AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**TO THE BOARD DIRECTORS OF
M/S ADDI INDUSTRIES LIMITED**

We have audited the attached consolidated Balance sheet of **M/S ADDI INDUSTRIES LIMITED** (the Company), and its Subsidiary (the company & its subsidiary constitute 'the Group') as at **31st March 2010** 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. 9,438,682 as at 31st March, 2010, total revenues of Rs. 789,767 and net cash flows from operating activities amounting to Rs. (887,932) for the year ended March 31, 2010. 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, 2010;
 - 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
Regn. No. 01478N

(Sandeep Dinodia)
Partner
M. No. 083689

Place : New Delhi
Date : September 4, 2010

ADDI INDUSTRIES LIMITED



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
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	32,877,614	24,548,071
Deferred Tax Liability (Net)	D	9,966,660	11,019,921
		<u>234,762,231</u>	<u>227,485,949</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	290,850,074	287,755,903
Less: Depreciation		<u>192,377,620</u>	<u>187,182,283</u>
Net Block		<u>98,472,454</u>	<u>100,573,620</u>
Capital Work-in-Progress (including capital advances)		100,916,302	14,000,000
		<u>2,443,848</u>	<u>114,573,620</u>
Investments			
	F	9,892,588	9,892,588
Current Assets, Loans & Advances			
Current Assets			
Inventories	G	46,927,612	44,627,368
Sundry Debtors		37,359,451	35,481,967
Cash and Bank Balances		63,810,171	25,189,337
Loans and Advances		13,379,758	10,676,218
		<u>161,476,993</u>	<u>115,974,891</u>
Less: Current Liabilities & Provisions			
Current Liabilities	H	34,977,925	14,407,935
Provisions		5,482,124	3,422,519
		<u>40,460,049</u>	<u>17,830,454</u>
Net Current Assets		<u>121,016,944</u>	<u>98,144,437</u>
Profit and Loss Account		<u>2,936,397</u>	<u>4,875,304</u>
		<u>234,762,231</u>	<u>227,485,949</u>
Significant Accounting Policies & Notes to the Account			
	N		

As per our report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 01478N

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

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)



ADDI INDUSTRIES LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	Current Year	Previous Year
INCOME			
Turnover	I	219,906,844	209,852,143
Other Income	J	20,643,705	24,502,237
Excess Depreciation Written Back		1,915,677	1,418,571
		<u>242,466,226</u>	<u>235,772,951</u>
EXPENDITURE			
Purchase of Traded Items		2,452,456	–
Manufacturing, Administrative, Selling & Other Expenses	K	202,013,090	201,563,178
Payment to & Provision for Employees	L	21,820,814	16,457,135
Financial Expenses	M	4,592,518	4,793,166
Preoperative Expenses W/off		–	182,612
Depreciation		9,687,326	11,172,453
		<u>240,566,204</u>	<u>234,168,543</u>
Profit/(Loss) Before Tax		1,900,022	1,604,407
Less : Provisions for Taxes			
– Current Tax		240,136	99,600
– Deferred Tax		(1,053,261)	(818,028)
– Fringe Benefit Tax		–	169,790
– Wealth Tax		–	8,750
Less : Tax adjustments for earlier years		774,240	
Profit/(Loss) After Tax		1,938,907	2,144,295
Add: Amount b/f from last year		(4,875,304)	(7,019,599)
Balance Transferred to Balance Sheet		<u>(2,936,397)</u>	<u>(4,875,304)</u>
Basic / Diluted Earning per share (Rs.)		0.18	0.20
(Refer Note B–10 of Schedule –N)	N		

Significant Accounting Policies & Notes to the Account

As per our report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 01478N

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

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

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	1,900,107.62	1,604,407
Adjustments For :		
Depreciation	9,687,326	11,172,453
Preoperative Expenses written off	-	182,612
Excess Depreciation w/back	(1,915,677)	(1,418,571)
Provision no longer required	-	(29,008)
Loss on sale of Fixed Assets	229,700	52,445
Interest paid	1,454,548	4,793,166
Interest Received	(3,308,479)	(955,480)
Dividend Received	-	(185,409)
Operating profit before working capital Changes	8,047,524	15,216,614
Adjustments For :		
Trade and other receivables	(5,864,909)	(3,836,627)
Inventories	(2,300,144)	(1,484,752)
Trade & other Payable	22,778,881	(7,558,245)
B. Cash generated from operations before extraordinary items		
Direct Tax Received / (Paid)	120,032	(287,375)
Cash generated from operations after extraordinary items	14,733,859	(13,166,999)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	22,781,384	2,049,615
C. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets Including Capital Work in Progress	5,655,976	(16,295,230)
(Purchase)/sale of Investment	-	(63,185)
Interest Received	3,308,479	955,480
Dividend Received	-	185,409
NET CASH USED IN INVESTING ACTIVITIES	8,964,455	(15,217,526)
D. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,454,548)	(4,793,166)
Bank Borrowings	8,329,542	6,660,772
NET CASH FLOW FROM FINANCING ACTIVITIES	6,874,994.00	1,867,606.03
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	38,620,834	(11,300,305)
Cash & Cash equivalents as at beginning of the year	25,189,337	36,489,642
Cash & Cash equivalents as at the end of the year	63,810,171	25,189,337
Cash and Cash Equivalents include:		
• Cash in hand	60,917	34,873
Balances with Scheduled Banks		
• In Current Accounts	18,700,031	15,249,593
• In Deposit Account	45,049,223	9,904,871

As per our report of even date attached

For **S.R. Dinodia & Co.**
Chartered Accountants
Regn. No. 01478N

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

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)



ADDI INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
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)	<u>75,000,000</u>	<u>75,000,000</u>
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)	<u>53,982,870</u>	<u>53,982,870</u>
Forfeited shares (amount originally paid up)	<u>17,500</u>	<u>17,500</u>
	<u>54,000,370</u>	<u>54,000,370</u>
SCHEDULE – B : RESERVES AND SURPLUS		
Capital Reserve	<u>5,799,016</u>	<u>6,067,000</u>
Share Premium	<u>131,850,587</u>	<u>131,850,587</u>
	<u>137,649,603</u>	<u>137,917,587</u>
SCHEDULE – C : SECURED LOANS		
From Scheduled Bank :		
• Packing Credit & Others	<u>32,877,614</u>	<u>24,548,071</u>
	<u>32,877,614</u>	<u>24,548,071</u>

Notes:

- Secured by hypothecation of Current Assets & Fixed Assets (both present & future) & Guarantee of promoter / Mg. Director.
- Repayable within one year Rs. 32,877,614 (Previous year Rs. 24,548,071).

SCHEDULE – D : DEFERRED TAX ASSET / (LIABILITY)

Deferred Tax Asset /(Liabilities)	<u>(11,019,921)</u>	<u>(11,837,949)</u>
Add: Deferred Tax Asset /(Liabilities) (Refer Note B-8 of Schedule 'N')	<u>1,053,261</u>	<u>818,028</u>
	<u>(9,966,660)</u>	<u>(11,019,921)</u>

SCHEDULE - E : FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At 01.4.09	Additions during the year	Sale/Adj. during the year	Total As At 31.03.10	Up to 31.03.09	For the year	Deletion/ Adj.	Total upto 31.03.10	As At 31.03.10	As At 31.03.09
Leasehold Land	12,851,942	3,147,362	–	15,999,304	2,822,111	187,539	–	3,009,650	12,989,654	10,029,831
Building:										
– Office	7,674,212	–	–	7,674,212	847,429	125,090	–	972,519	6,701,693	6,826,783
– Factory	48,923,261	–	–	48,923,261	24,037,279	1,634,037	–	25,671,316	23,251,945	24,885,982
Plant and Machinery	178,221,024	1,113,407	–	179,334,431	129,479,388	5,364,429	–	134,843,817	44,490,614	48,741,636
Electrical Installation	11,600,131	–	–	11,600,131	11,356,538	176,462	1,915,677	9,617,323	1,982,808	243,593
Furniture & Fittings	12,223,730	14,501	–	12,238,231	6,614,448	788,263	–	7,402,711	4,835,520	5,609,282
Vehicles	5,072,186	1,451,901	1,238,581	5,285,506	2,763,843	507,010	812,058	2,458,795	2,826,711	2,308,343
Computer	9,912,873	395,505	513,380	9,794,998	7,984,704	904,496	487,711	8,401,489	1,393,509	1,928,169
	<u>286,479,359</u>	<u>6,122,676</u>	<u>1,751,961</u>	<u>290,850,074</u>	<u>185,905,740</u>	<u>9,687,326</u>	<u>3,215,446</u>	<u>192,377,620</u>	<u>98,472,455</u>	<u>100,573,618</u>
Capital Work in Process (including capital advances)	14,000,000	–	11,556,152	2,443,848	–	–	–	–	2,443,848	14,000,000
Current Year	<u>300,479,359</u>	<u>6,122,676</u>	<u>13,308,113</u>	<u>293,293,922</u>	<u>185,905,740</u>	<u>9,687,326</u>	<u>3,215,446</u>	<u>192,377,620</u>	<u>100,916,303</u>	<u>114,573,618</u>
Previous Year	<u>287,250,573</u>	<u>2,334,230</u>	<u>1,828,898</u>	<u>287,755,903</u>	<u>179,165,857</u>	<u>11,172,453</u>	<u>318,882</u>	<u>190,019,428</u>	<u>97,736,475</u>	<u>108,084,715</u>

ADDI INDUSTRIES LIMITED



(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2009	AS AT MARCH 31, 2008
SCHEDULE - F : INVESTMENTS		
Long Term Investments		
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	63,185	63,185
6 Nos.of 8 gms each (P.Y. 6 Nos. of 8 gms each)	<u>9,892,588</u>	<u>9,892,588</u>
Note : The company is listed on the Delhi Stock Exchange (DSE) of which market value is not available.		
SCHEDULE – G : CURRENT ASSETS, LOANS & ADVANCES		
Inventories (As taken, valued & certified by the management)		
Raw Materials	8,309,757	13,843,957
Stores & Spares	3,879,638	3,813,624
Packing Material	547,283	474,906
Stock-in-Process	4,059,359	3,016,043
Finished Goods	<u>30,131,575</u>	<u>46,927,612</u>
Sundry Debtors		
(Unsecured & Considered good)		
– Exceeding six months	2,386,048	728,879
– Others	<u>34,973,403</u>	<u>37,359,451</u>
Cash & Bank Balances		
Cash in hand	60,917	34,873
With Scheduled Banks		
– In Current Account	18,700,031	15,249,593
– In Deposit Account *	<u>45,049,223</u>	<u>63,810,171</u>
* Pledged with appropriate authorities Rs. 727,940 (Previous Year Rs. 819,388)		
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	7,281,724	4,963,637
Considered doubtful	<u>904,661</u>	<u>904,661</u>
	8,186,385	5,868,298
Less: Provision for doubtful advances	<u>904,661</u>	<u>904,661</u>
	7,281,724	4,963,637
Export Incentive Receivable		
Considered good	4,173,584	3,111,548
Considered doubtful	539,466	339,342
	4,713,050	3,450,890
Less: Provision for doubtful amount	<u>539,466</u>	<u>339,342</u>
	4,173,584	3,111,548
Balance with Excise Authorities	1,117,248	626,150
Advance Tax	807,202	1,974,884
[Net of provisions of Rs. 556,390 (PY Rs. 556,390)]	<u>161,476,992</u>	<u>115,974,890</u>



ADDI INDUSTRIES LIMITED

(Amount in Rs.)

PARTICULARS	AS AT MARCH 31, 2010	AS AT MARCH 31, 2009
SCHEDULE - H		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
- Due to SME	-	-
- Other than SME	21,824,312	5,962,484
(Refer Note B-3 of Schedule -'N')		
Security Received	950,000	819,672
Unclaimed Dividend *	396,641	396,641
Other Liabilities	11,806,972	7,229,139
(A)	<u>34,977,925</u>	<u>14,407,935</u>
* It does not include any amount transferable to Investor Education & Protection Fund.		
Provisions		
Gratuity	4,593,358	2,616,765
Leave Encashment	888,766	797,004
Wealth Tax	-	8,750
(B)	<u>5,482,124</u>	<u>3,422,519</u>
(A) + (B)	<u>40,460,049</u>	<u>17,830,454</u>

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE - I		
TURNOVER		
Export Sales	211,463,684	192,066,413
Domestic Sales	7,720,241	17,785,730
Scrap Sales	722,919	-
	<u>219,906,844</u>	<u>209,852,143</u>
SCHEDULE - J		
OTHER INCOME		
Export Incentive	16,711,959	16,438,314
Interest Income	-	29,008
- On Fixed Deposits	2,898,571	955,480
[TDS Rs. 2,71,235 (Pr. Year Rs. 77,821)]		
- On Income Tax Refund	409,908	-
Dividend Income	-	185,409
-		
Provision No Longer Required	-	-
Exchange fluctuation	-	6,664,447
Miscellaneous Income	623,267	229,578
	<u>20,643,705</u>	<u>24,502,237</u>

ADDI INDUSTRIES LIMITED



(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE -K		
MANUFACTURING , SELLING, ADMINISTRATIVE & OTHER EXPENDITURE		
Raw Materials consumed	51,569,637	49,644,360
Freight & Cartage inward	856,540	815,082
(Increase)/Decrease in Stock		
Finished goods - Opening Stock	23,478,838	20,950,531
Stock-in-process- Opening Stock	3,490,950	3,033,335
	<u>26,969,788</u>	<u>23,983,866</u>
Finished goods - Closing Stock	30,131,575	23,478,838
Stock-in-process - Closing Stock	4,059,359	3,016,043
	<u>34,190,934</u>	<u>26,494,881</u>
	(7,221,146)	(2,511,015)
Processing Charges	16,830,817	17,565,698
Stores & Spares Consumed	22,773,231	21,478,971
Fabrication Wages	36,277,326	30,939,771
Power & Fuel	10,197,640	10,834,641
Other Manufacturing Expenses	22,165,422	18,082,160
Sample & Designing Expenses	558,610	1,068,583
Rent, Rates & Taxes	2,656,934	4,357,658
Insurance	2,152,780	2,083,311
Repairs & Maintenance		
• Machinery	627,731	719,820
• Building	1,739,153	2,413,620
	<u>2,366,884</u>	<u>3,133,440</u>
Travelling & Conveyance	648,777	778,472
Vehicle Running & Maintenance	510,249	614,971
Communication Expenses	1,122,437	1,492,812
Directors' Sitting Fees	100,000	100,000
Security Expenses	1,228,197	1,439,066
Printing & Stationery	421,043	523,310
Legal, Professional & Service charges	1,254,372	1,472,320
Payment to Auditors	213,239	219,852
Outward Freight & Cartage	11,304,603	12,121,840
Advertisement & Publicity	52,211	120,364
Commission, Claims & Discounts	16,709,554	18,448,164
Packing material consumed	3,175,294	2,813,117
Exchange fluctuation	2,645,261	-
Provision for Doubtful debts	200,124	339,342
Loss on Sale of Fixed Assets	229,700	52,445
Miscellaneous Expenses	1,013,355	3,534,444
	<u>202,013,090</u>	<u>201,563,178</u>



ADDI INDUSTRIES LIMITED

(Amount in Rs.)

PARTICULARS	Current Year	Previous Year
SCHEDULE – L		
PAYMENT TO & PROVISION FOR EMPLOYEES		
Salary and other allowances	16,927,179	11,962,917
Director's Remuneration	2,280,000	1,920,000
Contribution to Provident & other funds	2,249,396	2,185,819
Staff Welfare	364,239	388,399
	21,820,814	16,457,135
 SCHEDULE – M		
FINANCIAL EXPENSES		
Interest		
– On working capital	1,407,973	1,389,497
– Others	46,575	308,652
Bank charges	3,137,970	3,095,017
	4,592,518	4,793,166

SCHEDULE - N

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A1 Basis of Consolidation:

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

a) Basis of Accounting:

- (i) The Financial Statements of the subsidiary Company used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ending March 31, 2010
- (ii) The Financial Statements of the Group have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, and other generally accepted accounting principles.

b) Principles of Consolidation:

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

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

Name of the Company	Country of Incorporation	% of holding either directly or through subsidiary	
		As at March 31, 2010	As at March 31, 2009
AUM TEXTFAB 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

a) Raw Material

Method of Valuation

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 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 1,527,325 (Previous Year Rs. 4, 964,863)
 - 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.1,905,177 (Previous Year Rs.1,401,401), as stated below:

(Amount in Rs.)

Particulars	Current Year	Previous Year
Prior Period Expenses		
Sales Incentive	10,000	–
Repair & Maintenance	500	17,170
Total (A)	10,500	17,170
Excess depreciation written back	1,915,677	1,418,571
Total (B)	1,915,677	1,418,571
Net Prior Period Income/(Expenditure) (B-A)	1,905,177	1,401,401

6. Managerial Remuneration to Directors

(Amount in Rs.)

Particulars	Current Year	Previous Year
Salary	2,280,000	1,920,000
Perquisites		
• Rent	900,000	900,000
• Club Membership Fees	30,985	8,160
	3,180,000	2,820,000

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" notified under Companies (Accounting Standard) Rules, 2006, 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.)

	As at 31.03.09	For the year	As at 31.03.10
Deferred Tax Liabilities			
Depreciation	12,811,947	(304,294)	12,507,651
Depreciation Tax Assets			
Disallowances under section 43B of the Income Tax Act	1,407,629	687,127	2,094,756
Provisions disallowed under Income Tax Act	384,397	61,838	446,235
Deferred Tax Assets/(Liability)	(11,019,921)	1,053,261	(9,966,660)

The Deferred Tax Assets of Rs 1,053,261 (Previous year Rs. 818,028) for the year ended 31st March 2010 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.



ADDI INDUSTRIES LIMITED

9. Payment to Auditors

(Amount in Rs.)

Particulars	Current Year	Previous Year
Audit Fees	168,207	168,207
Tax Audit Fees	27,575	27,575
Others	166,696	158,217
Out of pocket expenses	17,457	23,866
TOTAL	379,935	377,865

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)	1,938,907	2,144,295
No. of Equity Shares (Weighted) (B)	10,796,574	10,796,574
Nominal Value Per Shares (Rs.)	5	5
Earnings per Share	0.18	0.20

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 |
| ii) Enterprises owned or substantially influenced by key management personnel or their relatives | Ultimate Investments Pvt. Ltd. |
| 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

Particulars	Key Management Personnel	Enterprises owned or substantially influenced by key management personnel or their relatives	Total
i) Managerial Remuneration	4,980,000 (4,260,000)	— (—)	4,980,000 (4,260,000)
ii) Rent paid	840,000 (840,000)	394,116 (267,035)	1,234,116 (1,107,035)
iii) Loans taken	— (5,000,000)	— (—)	— (5,000,000)
iv) Loans Repaid	— (5,000,000)	— (—)	— (5,000,000)
v) 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.)

	2009-10	2008-09
Employer's Contribution to Provident Fund/ Pension Fund	845,563	884,526
Employer's Contribution to Employee State Insurance	1,313,888	1,301,293

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 :

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	2,616,765	797,004	2,139,618	521,520
Current Service Cost	918,064	438,708	743,942	488,310
Past Service Cost	1,271,246	-	-	-
Interest Cost	196,257	59,775	149,773	36,506
Actuarial (gain) / loss on obligations	(348,859)	109,374	(358,204)	162,437
Benefits paid	(60,115)	(516,096)	(58,364)	(411,769)
Defined Benefit obligation at the year end	4,593,358	888,765	2,616,765	797,004

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	4,593,358	888,765	2,616,765	797,004
Amount recognized in balance sheet	(4,593,358)	(888,765)	(2,616,765)	(797,004)

* 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	918,064	438,708	743,942	488,310
Past Service Cost	1,271,246	-	-	-
Interest Cost	196,257	59,775	149,773	36,506
Expected Return on plan assets	-	-	-	-
Actuarial (gain)/ loss	(348,859)	109,374	(358,204)	162,437
Net Cost	2,036,708	607,857	535,511	687,253

V. Actuarial Assumptions

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)	7.5%	7.5%	7%	7%
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%

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	753,174 (731,787)	733,863* (733,131)	216,089,526 (209,524,213)

* The above does not 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 Garments	Pcs.	114,747	22,810,583	134,058	30,131,575
Garments		(116,091)	(20,282,216)	(114,747)	(22,810,583)

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)	- (-)	- (-)	478 (-)	28,630 (-)	- (478)	- (288,101)
Jewellery	731 (731)	380,154 (380,154)	- (-)	- (-)	731 (-)	36,550 (-)	- (731)	- (380,154)
Ready made Garments	- (-)	- (-)	11,919 (-)	2,452,456 (-)	11,919 (-)	3,029,219 (-)	- (-)	- (-)

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

15. Raw Materials Consumed

	Unit	Qty.	Value (Rs.)
Yarn/Fabric	Unit	234,572	51,569,637
	Kgs	(285,798)	(49,644,360)

Note: The above consumption are after reducing the sales of raw material 17,188.30 kgs (P.Y. 27,870.29 kgs) at Rs. 1,615,233 (P.Y. Rs. 971,104).

16. Value of Imports calculated on CIF Basis

(Amount in Rs.)

Particulars	Current Year	Previous Year
Raw Material	851,967	4,206,806
Stores & Spares (Consumables)	11,608,831	11,067,244

17. Expenditure in Foreign Currency

(Amount in Rs.)

Particulars	Current Year	Previous Year
Sampling Expenses	-	360,295
Commission	6,358,009	5,037,140
Claim & Discount	693,177	1,174,361

18. The value of consumption of directly imported and indigenously obtained raw materials, spare parts and components and percentage of each to total consumption.

Particulars	Raw Material		Components & Spares	
	Amount	%	Amount	%
a) Imported	851,967 (4,206,806)	1.65 (8.47)	10,997,670 (11,067,244)	48.29 (51.53)
b) Indigenous	50,717,670 (45,437,554)	98.35 (91.53)	11,775,561 (10,411,727)	51.71 (48.47)
	51,569,637 (49,644,360)		22,773,231 (21,478,971)	

19. Earnings in Foreign Exchange :

(Amount in Rs.)

Particulars	Current Year	Previous Year
FOB value of Goods Exports	207,829,257	186,898,682

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 394,116 (Previous Year :2,233,065) has been debited to profit and loss account. The future minimum lease payments is as under :

Minimum Lease Payment Payables	Current Year	Previous Year
(i) not later than in 1 years	357,312	357,312
(ii) later than 1 year but not later than 5 years	833,728	11,91,040
(iii) later than 5 years	-	-

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, 2010.
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
Regn. No. 01478N

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

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)



ADDI INDUSTRIES LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANY FOR THE FINANCIAL YEAR 2009-10

Details of Subsidiary Company

(Rs./Lacs)

Sl. No.	Name of Subsidiary Company	Aum Texfab (P) Ltd.	Sl. No.	Name of Subsidiary	Aum Texfab (P) Ltd. Company
1	The Financial year of Subsidiary Company ended on	31st March, 2010	1	Capital	79.00
2	Date from which it become Subsidiary Company	18th April, 2005	2	Reserves	15.39
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	94.39
	b. Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company	100%	4	Total Liabilities	94.39
4	The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the members of the Holding Company		5	Investment	NIL
			6	Turnover/ Total Income	7.90
a.	Not dealt with in the Holding Company's Accounts:		7	Profit before Taxation	7.77
	i) For the financial year ended 31st March, 2010 Taxation	Rs.5.36 Lacs	8	Provision for	2.40
	ii) For the previous financial year of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs.4.08 Lacs	9	Profit after Taxation	5.37
b.	Dealt with in the Holding Company's Accounts:		10	Proposed Dividend	NIL
	i) For the financial year ended 31st March, 2010	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. Aggarwal
Director

Dr. B. K. Behera
Director

Place : New Delhi
Dated : September 4, 2010

Raj Kumar Arora
Company Secretary

Atul Jain
Manager (Finance)

ADDI INDUSTRIES LIMITED

SUBSIDIARY COMPANY AUM TEXFAB PRIVATE LIMITED



DIRECTORS' REPORT

Dear Members

The Directors of your company take pleasure in presenting their 19th Annual Report along with the Audited Statements of Account of the Company for the financial year ended on March 31, 2010.

WORKING RESULTS:

The performance of your company during the financial year 2009-10 is as follows:

(Rs./Lakhs)

	2009-2010	2008-2009
Total Income	7.90	7.53
Total Expenditure	0.13	2.45
Profit before tax	7.77	5.08
Less: Provision for tax	2.40	1.00
Net Profit after Tax	5.37	4.08
Balance B/f from previous year	10.08	6.00
Less : Income Tax Provision for Previous year	0.06	0.09
Balance carried over to Balance Sheet	15.39	10.08

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

DIVIDEND

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

DEPOSITS

The company has neither invited nor accepted any deposits from the public during the year under Report.

DIRECTORS

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

AUDITORS

You are requested to appoint Auditors for the current financial year 2010-11 and fix their remuneration.

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

SUBSIDIARY COMPANY

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

COMPLIANCE CERTIFICATE

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures in the financial statement;
- the accounting policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made when required so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and



ADDI INDUSTRIES LIMITED

SUBSIDIARY COMPANY AUM TEXTFAB PRIVATE LIMITED

iv) the annual accounts for the financial year have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES:

There were no employees within the meaning of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS ETC.

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board
Aum Textfab Pvt. Ltd.

July 17, 2010
New Delhi

Atul Jain
Director

Sunil Agarwal
Director

COMPLIANCE CERTIFICATE

Registration No. of the company : 55 – 43448
Nominal Capital : Rs. 10,00,00,000 (Rupees Ten Crores)

To,
The Members
Aum Textfab Private Ltd.
B-44, Maharani Bagh,
New Delhi – 110 065.

We, have examined the registers, records, books and papers of **Aum Textfab Private Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company is a private limited company within the meaning of the Act.
4. The Board of Directors duly met 4 (Four) times on May 30, August 10, December 26, 2009 and March 30, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company was not required to close its register of members during the financial year.
6. The annual general meeting for the financial year ended on 31.03.2009 was held on September 30, 2009 after giving notice to all the shareholders of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary general meetings were held during the financial year under review.
8. The company has not advanced any loans or given guarantees to its directors or firms or companies referred to under section 295 of the Act.

ADDI INDUSTRIES LIMITED



SUBSIDIARY COMPANY AUM TEXFAB PRIVATE LIMITED

9. The company has not entered into any contract falling within the purview of section 297.
10. The company has duly complied with provision of section 301 in regard to general disclosure u/s 299 and contracts entered there under.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Director, members or Central Government.
12. The company has not issued duplicate share certificates during the financial year under review.
13. (i) The company has not allotted any securities during the year and has not received any Share Certificate(s) for transfer, transmission or any other purpose.
(ii) The company has not deposited any amount in a separate bank account as no dividend was declared during the year.
(iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
(iv) The company has not transferred any amount to Investor Education and Protection Fund during the year.
(v) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and no appointment of directors has been made during the financial year.
15. The company has not made any appointment of Managing Director/Whole time Director/Manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals from the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act.
19. The company has not issued any securities during the financial year.
20. The company has not bought back any shares during the financial year ended on 31.03.2010.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares bonus shares pending registration of transfer of shares.
23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of section 58A during the Financial Year.
24. The company has not made any borrowings during the financial year.
25. The Company being a Private Company, provisions of Section 372A is not applicable to the Company.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not increased its Authorised Share Capital.
30. The company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company for any offences under the Act and no fines or penalties or any other punishment was imposed on the company during the financial year.
32. The company has not received any money as security from its employees during the year under certification.
33. The provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 are not applicable to the Company.

**for S. C. Singhal & Associates
Company Secretaries**

(S. C. Singhal)

Prop.

C. P. No. 6981

Place : New Delhi
Dated : July 17, 2010



ADDI INDUSTRIES LIMITED

SUBSIDIARY COMPANY AUM TEXFAB PRIVATE LIMITED

ANNEXURE – A

Registers as maintained by the Company

Statutory Registers:

1. Register of Members	U/S	150
2. Register of contracts with firms and companies in which directors are interested	U/S	301
3. Register of Directors, Managing Director, Manager and Secretary	U/S	303
4. Register of Directors Shareholding	U/S	307
5. Books of Accounts	U/S	209
6. Minute Books	U/S	193
Board Meeting		
General Meeting		

Other Registers

1. Application Form and Allotment Register.
2. Share Transfer Register.

ANNEXURE – B

Forms and Returns as filed by the Company with Registrar of Companies or other authorities during the financial year ended 31.03.2010.

Sl. No.	Form No./Return	Filed under section	For	Date of Filing & Receipt No.
1.	Compliance Cert.	383A	Annexure to Directors' Report	18/10/2009, SRN P36387314
2.	Annual Return	159	Annual Return as on the date of AGM held on 30/09/2009	18/10/2009, SRN P36389849
3.	Annual Report Balance Sheet/ Profit & Loss Account/ Notice Directors' Report/ Auditors Report	220	For the financial year 2008-2009	18/10/2009, SRN P36389799

ADDI INDUSTRIES LIMITED

SUBSIDIARY COMPANY AUM TEXFAB PRIVATE LIMITED

**BALANCE SHEET AS AT MARCH 31, 2010***(Amount in Rs.)*

PARTICULARS	SCHEDULE	AS AT 31.3. 2010	AS AT 31.3. 2009
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
SHARE CAPITAL	A	7,900,070	7,900,070
PROFIT & LOSS ACCOUNT		1,538,612	1,007,997
TOTAL SOURCES OF FUNDS		9,438,682	8,908,067
APPLICATION OF FUNDS			
CURRENT ASSETS			
Cash & Bank Balance	B	8,453,355	8,551,520
Other Current Assets		1,237,627	468,311
		9,690,982	9,019,831
Less: Current Liabilities and Provisions	C	252,300	111,764
Net Current Assets		9,438,682	8,908,067
MISCELLANEOUS EXPENDITURE (To the extent not yet w/off or adjusted)	D	-	-
TOTAL APPLICATION OF FUNDS		9,438,682	8908067
NOTES TO THE ACCOUNTS	F		

As per our report of even date attached

For and on behalf of the Board of Directors

For Mega & Associates
Chartered Accountants

N. Parasuraman
Partner
M.NO. 83102

Sunil Agarwal
Director

Atul Jain
Director

Place : New Delhi
Dated : July 17, 2010



ADDI INDUSTRIES LIMITED

SUBSIDIARY COMPANY AUM TEXFAB PRIVATE LIMITED

TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31,2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2010	FOR THE YEAR ENDED 31.03.2009
INCOME			
Sales		-	-
Interest Income	E	789,767	567,396
Dividend Received		-	185,409
		<u>789,767</u>	<u>752,805</u>
EXPENDITURE			
Opening Stock		-	-
Bank Charges		100	-
Rate, Taxes, Charges		180	169
ROC Filling Fee		1,530	2,550
Salary		-	25,200
Accountancy Charges		-	13,500
Legal & professional Charges		2,550	12,800
Payment to Auditors		8,272	8,272
Pre Operative Exp.W/O		-	182,612
		<u>12,632</u>	<u>245,103</u>
Net Profit before Tax		777,135	507,702
Provision for Tax		240,136	99,600
Net Profit after Tax		536,999	408,102
Amount B/F from last year		<u>1,007,997</u>	<u>599,895</u>
Less: Previous year income tax		6,384	-
Balance Transfer to Balance Sheet		1,538,612	1,007,997
Earning Per Share		0.68	0.52
NOTES TO THE ACCOUNTS	F		

As per our report of even date attached

For and on behalf of the Board of Directors

For Mega & Associates
Chartered Accountants

N. Parasuraman
Partner
M.NO. 83102

Sunil Agarwal
Director

Atul Jain
Director

Place : New Delhi
Dated : July 17, 2010

ADDI INDUSTRIES LIMITED

SUBSIDIARY COMPANY AUM TEXFAB PRIVATE LIMITED

**CASH FLOW STATEMENT AS AT 31ST MARCH, 2010**

	31.03.2010 (Amount in Rs.)	31.03.2009 (Amount in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	777,135	507,702
Adjustments for :		
Depreciation	-	-
Amount written off	-	182,612
Profit on sale of Investments	-	-
Loss on sale of Fixed Assets	-	-
Interest paid	-	-
Interest received	(789,767)	(567,396)
Dividend received	-	(185,409)
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	(12,632)	(62,491)
Adjustments for :		
Trade and other receivables	773,395	(811,015)
Inventories	-	-
Trade and other payables	(141,795)	187,663
Bank borrowings	-	-
CASH GENERATED FROM OPERATIONS BEFORE EXTRAORDINARY ITEMS	-	99,600
Direct Taxes paid	-	-
Interest paid	-	-
CASH GENERATED FROM OPERATIONS AFTER EXTRAORDINARY ITEMS	879,379	(523,752)
NET CASH FLOW FROM OPERATING ACTIVITIES	(892,011)	461,261
B. CASH FLOW FROM INVESTING ACTIVITIES:		
(Purchase)/Sale of Fixed Assets including Capital Work-in-progress	-	-
Loss on sale of Fixed Assets	-	-
(Purchase)/Sale of Investments	-	-
Interest received	793,846	567,396
Dividend received	-	185,409
NET CASH USED IN INVESTING ACTIVITIES	793,846	752,805
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	-	-
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIPMENTS	(98165)	1,214,066
Cash and cash equivalent as at 01.04.2009 (Op.Balance)	8,551,520	7,337,454
Cash and cash equivalent as at 31.03.2010 (Cl.Balance)	8,453,355	8,551,520

As per our report of even date attached

For and on behalf of the Board of Directors

For Mega & Associates
Chartered Accountants

N. Parasuraman
Partner
M.NO. 83102

Sunil Agarwal
Director

Atul Jain
Director

Place : New Delhi
Dated : July 17, 2010



ADDI INDUSTRIES LIMITED

SUBSIDIARY COMPANY AUM TEXFAB PRIVATE LIMITED

ANNEXURE TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH' 2010

(Amount in Rs.)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE – A: SHARE CAPITAL		
AUTHORISED CAPITAL		
1,00,00,000 (1,00,00,000) Equity Shares of Rs.10/- each	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
7,90,007 (Pr.Yr.7,90,007) Equity Shares of Rs.10 each fully paid up	<u>7,900,070</u>	<u>7,900,070</u>
	<u>7,900,070</u>	<u>7,900,070</u>
SCHEDULE – B: CURRENT ASSETS, LOANS & ADVANCES		
CASH & BANK BALANCE		
Cash in Hand	3853	4,033
Cash at Bank in a) Current Account	269,502	217,487
b) Fixed Deposits	<u>8,180,000</u>	<u>8,330,000</u>
	8,453,355	8,551,520
LOANS AND ADVANCES		
Advances recoverable in cash or in or for value received	1,008,513	355,401
Advance Income Tax Deposit	94,000	-
TDS Receivable A.Y.2010-11	128,188	112,910
Income tax refund A.Y.2009-10	<u>6,926</u>	<u>468,311</u>
	<u>1,237,627</u>	<u>936,622</u>
	<u>9,690,882</u>	<u>8,551,520</u>
SCHEDULE – C: CURRENT LIABILITIES & PROVISIONS		
OTHER LIABILITIES & PROVISIONS		
Audit fees payable	8,272	8,272
Provision for Tax	<u>244,028</u>	<u>103,492</u>
	<u>252,300</u>	<u>111,764</u>
SCHEDULE – D : MISC. EXPENDITURE		
PREOPERATIVE EXPENSES		
Balance as per Last Balance Sheet	-	182,612
Less : Write off during the year (1/5th)	<u>-</u>	<u>182,612</u>
	<u>-</u>	<u>-</u>
SCHEDULE – E: INTEREST INCOME		
Interest on FDR's received	789,767	561,551
interest on Income tax refund	<u>-</u>	<u>5,845</u>
	<u>789,767</u>	<u>567,396</u>

As per our report of even date attached

For and on behalf of the Board of Directors

For Mega & Associates
Chartered Accountants

N. Parasuraman
Partner
M.NO. 83102

Sunil Agarwal
Director

Atul Jain
Director

Place : New Delhi
Dated : July 17, 2010

ADDI INDUSTRIES LIMITED



SUBSIDIARY COMPANY AUM TEXFAB PRIVATE LIMITED

SCHEDULE – F: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31.03.2010.

A. ACCOUNTING POLICIES

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

A. System of Accounting

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

B. Income

Income is taken on accrual basis

C. Deferred Revenue Expenditure

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

D. Deferred Tax

- Consequent to the Accounting Standard 22-"Accounting for taxes on income" becoming mandatory, the differences that result between the profit offered for income tax and the Profit as per financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness or their respective carrying values at each balance sheet date.
- Estimated amount of contracts remaining to be executes on Capital Account and not provided for are Rs. NIL (Pr.Yr. NIL)
- There is no contingent liability against the Company.

B. NOTES TO THE ACCOUNTS

- Payment to Auditors Include

	Year 2009-10 (Rs.)	Year 2008-09 (Rs.)
Audit Fees	8,272.00	8,272.00
Out of pocket Exp.	—	—
Total	8,272.00	8,272.00
- Related Party disclosure : There are no Related Party disclosures.
- Earning in Foreign currency (FOB Value of Exports) Rs.Nil (Pr.Yr. Nil)
 - Expenditure in foreign currency Rs.Nil (Pr.Yr.Nil)
- Fixed deposits include Rs.190000(Previous Yr.Rs.210000) pledged as securities against guarantees issued by the Bank in favour of sales tax department.
- Detail of Opening & Closing Stock

FINISHED GOODS – KNITTED GARMENTS

	Opening Stock		Purchase		Sale		Closing Stock	
	Qty (Pcs)	Value (Rs)	Qty (Pcs)	Value (Rs.)	Qty (Pcs)	Value (Rs.)	Qty (Pcs)	Value (Rs.)
Curent Year	—	—	—	—	—	—	—	—
Previous Year	—	—	—	—	—	—	—	—

- Figures in brackets denote for previous year
- Previous year figures have been regrouped & rearranged wherever necessary to conform to current year figures.
- Information pursuant to Part IV of Schedule VI is annexed.

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

As per our report of even date attached

For and on behalf of the Board of Directors

For Mega & Associates

Chartered Accountants

N. Parasuraman

Partner

M.NO. 83102

Place : New Delhi

Dated : July 17, 2010

Sunil Agarwal

Director

Atul Jain

Director

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..... ofin 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 28th Annual General Meeting of the Company to be held on **30th day of September, 2010 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.....2010.

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 28th Annual General Meeting of the Company being held at **30th day of September, 2010 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.

**PRINTED MATTER
BOOK POST**

If undelivered, please return to:

ADDI INDUSTRIES LIMITED

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

First Impression : 9811224048, 9899578245