

19th
ANNUAL REPORT
2001



ADDI INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Shri C. L. Jain	-	Chairman & Managing Director
	:	Shri R. K. Khanna		
	:	Shri R. D. Thapar		
	:	Shri Harihar Lal		
	:	Dr. P. K. Hari		
	:	Smt. Urmila Jain	-	Whole-time Director
	:	Shri S. C. Singhal	-	Whole-time Director
	:	Shri U. K. Srivastava	-	Whole-time Director
DIRECTOR (FINANCE) & COMPANY SECRETARY	:	Shri S. C. Singhal		
BANKERS	:	Punjab National Bank		
AUDITORS	:	M/s. S. R. Dinodia & Co. Chartered Accountants K-39 Connaught Circus New Delhi-110 001		
CORPORATE OFFICE	:	A-105,106, Sector IV Noida - 201 301 (U.P.)		
REGISTERED OFFICE	:	A-34, Industrial Area Sikandrabad - 203 205 Distt. Bulandshahr (U.P.)		
WORKS	:	A-105,106, Sector IV Noida - 201 301 (U.P.)	:	B-1, 2, 3, Hosiery Complex Phase-II, Noida (U.P.)
		C-227, Indl. Area Bulandshahr Road Ghaziabad (U.P.)	:	
		A-34, Indl. Area Sikandrabad (U.P.)		

Request to Members

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



ADDI INDUSTRIES LIMITED

NOTICE

TO ALL MEMBERS

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of the Members of Addi Industries Ltd. will be held on Saturday, the 29th day of September, 2001 at 9.30 A.M. at the Regd. Office of the Company at A-34, Industrial Area, Sikandrabad-203205, Distt. Bulandshahr (U.P.), to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2001 alongwith the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri R. K. Khanna, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri R. D. Thapar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Harihar Lal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors for the current year 2001-2002 and fix their remuneration.

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

Special Business

6. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:
 - "RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 314 read with Schedule-XIII, & all other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the appointment of Shri S. C. Singhal, as a Whole-time Director, for a period of two years commencing from 29th January, 2001, and payment of remuneration of Rs. 25000/- (Rupees Twenty five thousand) per month by way of salary, perquisites and allowances, to him".
 - "RESOLVED FURTHER THAT the aforesaid remuneration shall be paid to the Whole-time Director as minimum remuneration in the event of absence or inadequacy of profits in any year."
 - "RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary the remuneration upto a maximum of Rs. 35000 (Rupees Thirty five thousand) per month and to do all such acts, deeds and things as may be required and deemed necessary, in the best interest of the Company."
7. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:
 - "RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 314 read with Schedule-XIII, & all other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the payment of remuneration of Rs. 22000 (Rupees Twenty Two Thousand) by way of salary, perquisites and allowances per month to Shri Umesh Kumar Srivastava, Whole-time Director, for a further period of two years commencing from 26th April, 2001."
 - "RESOLVED FURTHER THAT the aforesaid remuneration shall be paid to the Whole-time Director as minimum remuneration in the event of absence or inadequacy of profits in any year."
 - "RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary the remuneration upto a maximum of Rs. 35000 (Rupees Thirty five thousand) per month, and to do all such acts, deeds and things as may be required and deemed necessary, in the best interest of the Company."

By order of the Board
ADDI INDUSTRIES LIMITED

Regd. Off.: A-34, Industrial Area,
Sikandrabad - 203 205 (U.P.)
Dated : August 25, 2001

S.C. Singhal
Director (Fin.) & Company Secretary



ADDI INDUSTRIES LIMITED

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 must be lodged with the Company not less than 48 hours before the Meeting.
- (b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto and forms part of this Notice.
- (c) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 10th September, 2001 to Saturday, the 15th September, 2001 (both days inclusive).
- (d) The Company's Equity Shares are listed on the Delhi & Bombay Stock Exchange/s, and the listing fees have been duly paid. Members are aware that they have passed the Special Resolution for delisting of Equity Shares on the Ludhiana Stock Exchange. The compliance of formalities is in progress.
- (e) **NOMINATION** : Pursuant to new Section 109A inserted in the Companies Act, 1956 individual Shareholders holding Shares of the Company signly 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.
- (f) **DEMATERIALISATION** : The Company has already signed agreements with both the Depositories in the Country namely NSDL and CDSL to enable the shareholders of the Company to hold shares in dematerialised form. The Shareholders may approach Depository Participant with whom they are maintaining account for getting their shares dematerialised. It may be noted that Company's Equity Shares are being traded in the Stock Exchanges compulsorily in dematerialised form only.
- (g) **REGISTRARS & TRANSFER AGENTS** : The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., 321-S, Chirag Delhi (Near Shahid Bhagat Singh College), New Delhi-110 017, as its Registrars & Transfer Agents. Shareholders may write to them also directly, or communicate with the Company at its Corporate Office, as they may like.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Special Business

Items No. 6 : Shri S. C. Singhal was appointed Director, and Whole-time Director of the Company on 29th January, 2000 and paid remuneration for a period of one year from 29.01.2000 to 28.01.2001. Shri S. C. Singhal, a Post Graduate in Economics, Commerce and Law, besides being Fellow Member of Professional Bodies, is having wide experience in managing affairs of the Company particularly in Finance, Company Law and other related fields. Keeping in view his expertise in his professional field, the Board of Directors thought it expedient that the Company should continue to avail his services as a Whole-time Director and approved payment of remuneration for a further period of two years w.e.f. 29th January, 2001, as set out in the Notice, subject to the approval of the Members. The remuneration including perquisites is proposed to be paid as minimum remuneration in the event of absence or inadequacy of profits in the year. The Directors commend the resolution for appointment of and payment of remuneration to Shri S. C. Singhal for your consideration and approval.

None of the Directors except Shri S. C. Singhal himself is in any way, directly or indirectly, concerned or interested in the resolution. This may also please be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

Item No. 7 : Shri Umesh Kumar Srivastava, Whole-time Director, was paid remuneration for a further period of one year commencing from 26th April, 2000 to 25th April, 2001. The Board of Directors felt that it would be expedient and in the interest of the company to continue the availment of the services of Shri Srivastava, and therefore, approved payment of remuneration to him, as set out in the Notice, for a further period of one year commencing from 26th April, 2001, subject to the approval of the Members. Shri Umesh Kumar Srivastava is a technically and professionally qualified Executive having about 12 years experience in the relative dyeing sphere and the availability of his experience will be of immense help to the Company. The Directors commend the resolution for consideration and approval of the Members.

None of the Directors except Shri Umesh Kumar Srivastava himself is in any way, directly or indirectly, concerned or interested in the resolution. This may also be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

By order of the Board
ADDI INDUSTRIES LIMITED

Regd. Off.: A-34, Industrial Area,
Sikandrabad - 203 205 (U.P.)
Dated : August 25, 2001

S.C. Singhal
Director (Fin.) & Company Secretary

**ADDI INDUSTRIES LIMITED****DIRECTORS' REPORT**

Dear Members

The Directors have pleasure in presenting their NINETEENTH ANNUAL REPORT together with the Audited Statements of Account of the Company for the financial year ended on 31st March, 2001.

Financial Results :

Your Company's performance for the year ended on 31st March, 2001 has been as shown hereunder:

	2000-2001	(Rs. in Lacs) 1999-2000
Turnover & other Income	5288.35	3479.35
(incl. Exports)	(4596.08)	(2855.04)
Gross Profit before interest & depreciation	591.41	481.63
Less : Interest	182.93	207.38
Depreciation	265.64	234.09
Provision for Taxation	—	—
Net Profit	142.84	40.16
Surplus carried forward	142.84	40.16

The technological advancement in plant and machinery, modernisation and renovation and other allied factors have necessitated gradual but constant updating of the plant and equipment particularly in the Knitting and Dyeing Units of the Company, to keep abreast of and conform to international standards. The Foreign Buyers are today making frequent spot inspections and approve the Works after satisfying the capability of the Unit for such latest modern technological improvements. The Company has to conserve resources for such developmental activities. In view thereof, the Directors do not recommend a dividend for the year under Report.

Operations

The Company has achieved a turnover of Rs. 4597.59 Lacs as against Rs. 2958.73 Lacs in the preceding year, registering an increase of 55% over that year. A definite and steady growth in its business activities, and improvement in exports have resulted in higher profitability, which could still be better but for keen and stiff competition in the international market. The Company has concentrated on manufacturing high value-added products, and also diversification and development of new products to cater to the present requirements and demand of the Foreign Buyers.

The Company aggressively pursued various initiatives to reduce costs and improve productivity and efficiency.

Exports

Your Company's Exports continue to grow. The export achievement during the year under Report has been Rs. 4596.08 Lacs, registering an increase of 61% over last year exports of Rs. 2855.04 Lacs.

The Company continues to enjoy a prominent place for the fine quality and excellence of its products in the international market.

Commitment to technology upgradation, modernisation-cum-diversification

The Company has made further additions to its existing plant and machinery in the Knitting/Dyeing Units. An expenditure of Rs. 307.23 Lacs has been incurred during the year under Report on acquisition of latest and modern plant and equipment. The Company is committed to constant technology upgradation and modernisation to further improve the operational efficiency, lower costs and achieve improvement, in the face of keen competition.

Future Prospects

During the first 4 months period of April-July, 2001, the Company has achieved exports of Rs. 20.86 Crores against Rs. 19.69 Crores in the corresponding period of the last year. Barring any unforeseen circumstances, the Company is poised for achieving better performance in future.



ADDI INDUSTRIES LIMITED

Finances

Your Company continues to have the support of its Bankers, Punjab National Bank (PNB), for the increasing working capital requirements commensurate with the gradual and steady growth in 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

S/Shri R. K. Khanna, R. D. Thapar & Harihar Lal, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment.

Auditors

M/s S. R. Dinodia & Company, Chartered Accountants, New Delhi, retire and, being eligible, offer themselves for re-appointment as Auditors of the Company for the current year 2001-2002. The Company has received the requisite Certificate u/s 224(1-B) of the Companies Act, 1956 from them.

Corporate Governance

The requirement of a "Report on Corporate Governance" as per Clause 49 of the revised Listing Agreement with the Stock Exchanges is applicable to the Company for the current financial year ending 31st March, 2002. The Company has already made a beginning in this regard. The Board of Directors consist of 8 Directors out of which four are non-executive directors. Five Board Meetings were held during the year 2000-01. There is an Audit Committee of Directors, & the "Terms of Reference" of the Committee have been revised as per the provisions of Sections 292(A) of the Companies Act, 1956. There is a Compliance Officer to specifically look into and redress promptly any complaints of Shareholders' and Investors'. The last Annual General Meeting was held on 6th September, 2000. The Company's Shares are listed at the Delhi & Mumbai Stock Exchanges and Listing Fees for the year 2001-2002 have been duly paid. The Company's Equity Shares are eligible for dematerialisation. The Company has signed agreements with both the Depositories namely NSDL & CDSL in this regard.

Directors' Responsibility Statement

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

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any, in the financial statement;
- ii) the accounting policies have been selected and applied consistently and judgements 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 for 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.

Audit Committee

The Audit Committee constituted by the Board of Directors consists of three Directors namely Shri C. L. Jain, Shri Harihar Lal & Dr. P. K. Hari. The Audit Committee has been reconstituted to meet the requirements of Section 292A of the Companies Act, 1956, as introduced by the Companies (Amendment) Act, 2000. The terms of reference of the Audit Committee have been specified by the Board including, inter alia, reviewing the annual financial statements and company's various financial and risk management policies, overseeing company's financial reporting process, the adequacy of internal control system, and discussions with the external and internal Auditors from time to time.

Particulars of Employees

The information under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto and forms part of this Report.



ADDI INDUSTRIES LIMITED

Conservation of Energy etc.

The information u/s 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

Appreciation

Your Directors wish to acknowledge the continued support and cooperation received from its Bankers, various Govt. Agencies, Customers, Supplies, Dealers and its Shareholders.

The Directors also appreciate and place on record the commitment and dedication of the Employees at all levels, which has been largely instrumental in achieving the sustained growth of your Company.

Your Directors also express their gratitude to the Government/s, Bank, and the Financial Institution for their continued co-operation and assistance at all times.

For and on behalf of the
Board of Directors

Place : New Delhi
Dated : August 25, 2001

C.L. JAIN
Chairman & Managing Director

ANNEXURE 'A' TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March 2001.

A. Employed throughout the year, but in receipt of remuneration of Rs. 1.00,000 (Rupees One Lac) per month for part of the year.

Sr. No.	Name	Designation	Age (Years)	Gross Remuneration	Qualifications	Experience (Years)	Date of Apptt.	Last Employment held	Duration (Years)
1.	Shri C.L. Jain	Chairman & Mg. Director	57	952641	B. Com	36	1.9.1985	Own Business	21
2.	Smt. Urmila Jain	Whole-time Director	56	672200	M.A.	34	1.12.1996	-	-
3.	Sh. Hari B. Bansal	Manager (Admn. & Prodn. Planning)	26	640000	B. E. (Chem. Engg.)	4	1.9.1998	-	-

B. Employed for part of the year NIL

- The terms of appointment in respect of employees at Sl. Nos. 1 & 2 are contractual in nature.
- Remuneration includes salary, allowances and perquisites.
- Shri C. L. Jain & Smt. Urmila Jain are related to each other. They are also related to Shri Hari B. Bansal.

ANNEXURE 'B' TO DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy

Energy conservation measures have always been a critical factor to maintain Company's objective of continuous improvement in operational efficiency of its plants. The same are closely monitored to minimise losses. Various measures, namely Roof A.C. Sheeting, 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 reduce consumption of Power, Air, Water & Steam. These measures have and are resulting in cost savings for the Company.