

31st ANNUAL REPORT



2011

ADINATH TEXTILES LIMITED

BOARD OF DIRECTORS

Sh. Rajneesh Oswal	Executive Director
Sh. Raman Marwaha	Director
Sh. R.P. Gupta	Director
Sh. S.K. Sekhri	Director

AUDITORS :

M/s. Dass Khanna & Co.
Chartered Accountants
Ludhiana.

REGISTERED OFFICE & WORKS

Village Bholapur, P.O. Sahabana
Chandigarh Road, Ludhiana - 141 123

OFFICES

1. 4-J & E, Gopala Tower,
25, Rajendra Place
New Delhi - 110 008.
2. 302, Raheja Chambers,
Nariman Point,
Mumbai - 400 021.

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Registrar & Transfer Agents
Skyline Financial Services (p) Limited
D-153/A, 1st Floor
Okhla Industrial Area, Phase - 1,
New Delhi - 110020

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of the company will be held on Friday the 30th day of September, 2011 at 11.00 A.M. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana to transact the following business.

AS ORDINARY BUSINESS:

- 1.To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
- 2.To appoint a Director in place of Sh R.P.Gupta, who retires by rotation and being eligible offers himself for re-appointment.
- 3.To appoint Auditors and to fix their remuneration.

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1.The Register of Members and Share Transfer books of the Company shall remain closed from Saturday the 24th day of September 2011 to Friday the 30th day of September 2011 (both days inclusive), for the purpose of AGM, for both physical and electronic segments.

2.Members/proxies are requested to bring their copy of Annual Report to the Meeting.

3.Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Company, so as to reach the registered office of the Company at least 10 days before the date of the meeting so that information required may be made available at the time of the Meeting

4.Members are requested to :

(i)Quote their folio number/Client ID & DP-ID in all correspondence with the company.

(ii)Notify immediately to the company any change in their address/ mandate, if any.

(iii)REGISTER THEIR E. MAIL ID WITH THE COMPANY OR ITS REGISTRAR OR THEIR DEPOSITORY PARTICIPANT TO ENABLE THE COMPANY TO SEND THE NOTICES AND OTHER REPORTS THROUGH E.MAIL.

5.Shares of the Company are available for De-Materialization under ISIN INE207C01019. Members who have not opted for De-Materialization are requested to do so in their own interest.

6.Shareholders/ Proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the Meeting Hall.

7.Please note that the meeting is for members or their proxies only. Please avoid being accompanied by non-members and children.

By order of the Board
For Adinath Textiles Limited
Sd/-

Place : Ludhiana Rajneesh Oswal
Dated : 11th August, 2011 (Executive Director)

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING REAPPOINTMENT

Sh. R.P.Gupta is a graduate. He has an experience of more than three decades to his credit in the field of Accounts and Finance. Mr. R.P. Gupta was first appointed as additional director of the company on 31.01.2001 and thereafter was appointed as director liable to retire by rotation. Mr. R.P.Gupta is member of Audit Committee and share transfer cum Investor Grievances committee of the board. He is director in Limelite Consultants (Pvt.) Ltd.

Mr. R.P.Gupta does not hold any shares in the company

DIRECTORS' REPORT

The Directors of your company are pleased to present the 31st Annual Report together with the Audited Accounts of the company for the year ended 31.03.2011.

FINANCIAL RESULTS

	2010-11	(Rs. in lacs) 2009-2010
Income from Operations	448.15	1284.12
Other Income	39.42	12.92
Profit/(Loss) before interest and depreciation	52.43	181.54
Less interest	0.01	0.09
Gross Profit/(Loss)	52.42	181.45
Depreciation	10.39	12.08
Net Profit/(Loss) Before Tax	42.03	169.37
Provision for Taxation	0.00	0.02
Net Profit/(Loss) after Tax	42.03	169.35

During the year under consideration the income from operations of the company is Rs. 448.15 Lacs against Rs. 1284.12 lacs in the last Financial Year. Other Income of the company is Rs. 39.42 Lacs in comparison to Rs. 12.92 Lacs in previous year.

As reported earlier that the company has been declared as Sick by the BIFR. The management of the company has submitted its Detailed Rehabilitation Scheme (DRS) to the BIFR through the operating agency appointed by the BIFR and is hopeful to get the approval of revival scheme submitted.

DIVIDEND

Due to accumulated losses of the previous years, Directors of your company are unable to recommend any dividend for the year under review.

DIRECTORS

Sh. R.P.Gupta is retiring by rotation and is eligible for re-appointment as director of the company.

DEPOSITS

During the year under review the company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

AUDITORS

Auditors of the Company M/s Dass Khanna & Co., Chartered Accountants, Ludhiana retire at the ensuing Annual General Meeting of the company and are eligible for reappointment.

COST AUDITORS

Mr. Vipin Maini, Cost Accountant, New Delhi, has been appointed as Cost Auditors for the year 2010-11. He will submit his report in due course.

AUDITORS REPORT

The Auditors Report on accounts of the company for the year under review is self explanatory and requires no comments. As for their comments regarding realization of old outstanding, management has taken effective steps, including the filing of legal cases, and is hopeful to recover the old outstanding.

As regards the non compliance of section 383A of the Companies Act, 1956 management has taken due steps to appoint Company Secretary, but no suitable candidate was available for appointment.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

(A) Subsection (1)(e)

(i) Conservation of Energy - All efforts are being made to conserve energy.

(ii) Technology Absorption - Nil.

(iii) Foreign Exchange Earnings and Outgo - Nil

(iv) Activities and initiatives related to Export - Nil

B) Subsection 2A

The Company has no employee in the category specified under Section 217 (2A) of the Companies Act, 1956.

(C) Subsection 2AA

Your Directors state:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed by the Company along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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;

3. That the directors had taken proper and sufficient care 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;
4. That the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation for the dedicated work and co-operation extended by all the employees.

Your Directors also wish to record their gratitude to the shareholders, and Customers for their valuable support.

ON BEHALF OF THE BOARD
for ADINATH TEXTILES LIMITED

Sd/-

RAJNEESH OSWAL
(Chairman)

Place : Ludhiana

Date : 11th, August, 2011

REPORT ON CORPORATE GOVERNANCE

The Company is in compliance with requirements of the guidelines on corporate governance stipulated under clause 49 of the Listing Agreement. The status with regard to the various aspects of the corporate governance is given below.

The company has laid down a Code of Conduct for members of the Board and senior management personnel for avoidance of conflicts of interests. Company has received the necessary declaration affirming compliance with the code of conduct for the year 2010-11.

Board of Directors

(I) Composition :

The Board of Directors of the Company comprises of a One Executive Director, and three Independent and Non Executive Directors with professional expertise and experience in their respective field.

The Board of Directors met four times during the year 2010-11 on 15th May, 2010, 14th August, 2010, 15th November 2010 and 14th February, 2011. All information laid down in corporate governance code are being placed before the board in regular manner.

The name of Board members, their attendance at Board Meetings and the number of other Directorships and Board Committee memberships held by them as on March 31, 2011 are given in the following table:

Name of the Director	Board meetings attended during the year	Attendance at last AGM (28.09.10)	No. of other Directorship held	Membership of the Committees of other Companies
EXECUTIVE DIRECTOR				
Sh. Rajneesh Oswal	4	Present	5	2
NON EXECUTIVE DIRECTORS				
Sh. Raman Marwaha	4	Present	---	---
Sh. R. P. Gupta	4	Present	1	---
Sh. S. K. Sekhri	1	Not Present	1	---

Audit Committee

Company has constituted Audit Committee in compliance with the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The committee's terms and reference, authority and powers are in conformity with the requirements of the Companies Act, 1956 and Clause 49 of the Listing Agreement. All financial statements are reviewed by the Audit Committee before submission to the Board.

There were four meetings of the committee during the year. The details of composition of committee and attendance at its meetings are given in the following table:

Name of Member	No. of Meetings Attended
Sh. Raman Marawaha	4
Sh. R.P.Gupta	4
Sh.S.K.Sekhri	1

Share Transfer-cum-Investor Grievance Committee

The Board has formed an investors' Grievance Committee named as Share Transfer-cum-Investor Grievance Committee to specifically look into the redressal of investors' complaint like transfer of shares, non receipt of balance sheet or non receipt of credit of shares into the De mat account etc. The committee also approves issue of duplicate share certificate(s) and overseas and reviews all matters connected with the share transfer.

The Share Transfer cum Investor Grievance Committee is headed by a Non-Executive Director and met twelve times during the year 2010-11. The detail of members and their attendance are given in the table

Name of Member	Meetings Held	Meetings Attended
Sh. R.P.Gupta(Chairman)	12	12
Sh. Rajneesh Oswal	12	10
Sh. Raman Marawaha	12	12

The company has designated the e.mail id "cs@shrevansgroup.com" for the purpose of registering complaints by investors electronically. This e.mail id is displayed on the company's website.

The details regarding the investor's complaints are as under

	No. of Complaints
Pending as on 01.04.2010	NIL
Received during the year	20
Resolved during the year	20
Pending as on 31.03.2011	NIL

REMUNERATION PAID TO DIRECTORS

Company has not paid any remuneration to its Executive Director. Sitting fee was paid to the Non Executive Directors during the year under consideration as per detail given below.

Name	Category	Sitting Fees for Board Meetings
Sh. R.P.Gupta	Independent Director	3000/-
Sh. Rajneesh Oswal	Independent Director	3000/-
Sh. Raman Marawaha	Independent Director	750/-

General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date of A.G.M	Time	Venue
2009 - 2010	September 28, 2010	11.30 AM.	Regd. Office of the Company at Vill. Bholapur, P.O. Shabaha, Chandigarh Road Ludhiana- 141123
2008 - 2009	September 30, 2009	11.30 AM.	—Do—
2007 - 2008	September 27, 2008	3.00 PM.	—Do—

There was no occasion to pass Special Resolutions through postal ballot on any of the matters as required under the rules for passing of resolution through Postal Ballot.

Further no such proposal is proposed to be placed for the shareholders approval in the forthcoming Annual General Meeting.

Disclosures

- a) The related party transactions are placed before Audit Committee. For the year 2010-11, there were no transactions of material nature with related parties which are not in the normal course of business. The related party transactions are disclosed in the Notes on Account to the Balance Sheet.
- b) There are no pecuniary relationships or transactions of non executive directors vis-à-vis company that have a potential conflict with the interests of the company.
- c) The company has complied with requirements of the stock exchanges as well as the Regulations and Guidelines prescribed by the Securities & Exchange Board of India. There were no penalties or strictures imposed on the company by Stock exchanges or SEBI, any statutory authority on any matter related to capital markets during last three years. Listing fee has been paid to the Bombay Stock Exchange and Ludhiana Stock Exchange Association Ltd. up to the F.Y. 2010-11. BSE has suspended the trading in equity shares of the company and the company has taken desired steps for restoring the trading. The Company has also made application to the Ludhiana Stock Exchange Association Ltd. seeking restoration of trading under amnesty scheme and the approval of LSE is awaited. Company has also made applications for the voluntary delisting from the stock exchanges at Delhi, Chennai, Kolkata and Ahmedabad, which are pending for decision at end of respective stock Exchange. Company has not paid listing fee to these stock exchanges in view of poor financial position.
- d) The company has complied with all mandatory requirements of clause 49 of listing agreement on corporate governance.
- e) As on 31st March, 2011 none of the non executive directors, is holding any equity shares of the company.
- f) The company has a Whistle Blower Policy in place and it has not denied access to any personnel to approach the Management or the Audit Committee on any issue.
- g) No director of the company is having any relationship with each other.

Means of Communication

The Quarterly / Half-Yearly/ Annual Audited Results of the Company are sent to the Stock Exchanges after they were approved by the Board of Directors and communicated to the investors through publication in News Papers.

General Share Holders Information

- (i) **Annual General Meeting** Date & Time: Friday, the 30th day of September, 2011 at 11.00 A.M.
Place: Regd. office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana - 141 123.
- (ii) **Financial Year** The company's Financial Year starts from 1st April every year and conclude on 31st March, next year.
- (iii) **Book Closure** From Saturday, the 24th day of September, 2011 to Friday, the 30th day of September, 2011 (both days inclusive)
- (iv) Company has not declared any dividend during the year 2010-11.
- (v) **Listing Details**: The Equity shares of the Company are listed on
 - (i) The Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana - 141 001
 - (ii) The Delhi Stock Exchange Association Limited, DSE House, Asaf Ali Road, New Delhi - 110 002
 - (iii) The Stock Exchange, Mumbai, Pheroze Jeejeebhoy Towers, 25th floor, Dalal Street, Mumbai - 400 001
 - (iv) The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata - 700 001
 - (v) The Madras Stock Exchange Limited, Post Bag No. 183, 11 Second Line Beach, Chennai - 600 001
 - (vi) The Ahmedabad Stock Exchange
- Stock Code : BSE Code: 514113
- (vi) Depositories for Equity Shares : National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
- ISIN No. for the Companies Equity Shares : INE207C01019
- (vii) Registrar and Share Transfer Agent.

The details of Registrar & Transfer Agents are as under

Name	: Skyline Financial Services (P) Ltd.
Address	: D-153/A 1 st Floor, Okhla Industrial Area, Phase -1 New Delhi-110020
Phone No.	: 011-30857575 (ten lines)
Fax No.	: 011-30857562
Contact Person	: Mr. Subhash Aggarwal, Director.