

# 35th ANNUAL REPORT



**2015**

**ADINATH TEXTILES LIMITED**

**BOARD OF DIRECTORS**

|                    |                                   |                  |
|--------------------|-----------------------------------|------------------|
| Sh. Rajneesh Oswal | Managing Director                 | (DIN : 00002668) |
| Sh. Arun K. Goel   | Independent Director              | (DIN : 06450046) |
| Sh. R.P. Gupta     | Independent Director              | (DIN : 00958239) |
| Sh. S.K. Sekhri    | Independent Director              | (DIN : 00002601) |
| Dr. Shalini Gupta  | Additional Director (Independent) | (DIN : 07128078) |

**CHIEF FINANCIAL OFFICER**

Mr. Rajesh Kumar

**COMPANY SECRETARY**

Mr. Preet Kanwar Singh

**AUDITORS :**

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

**REGISTERED OFFICE & WORKS**

CIN: L17115PB1979PLC003910  
Village Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana - 141 123  
Tel: +91-161-2685271, 2685272, 6574125  
Fax: +91-161-2685270  
Email: atl@shreyangroup.com  
Website: www.adinathtextiles.com

**OFFICES**

- 5 A-D, Gopala Tower, 25, Rajendra Place, New Delhi- 110 008.  
TEL: +91-11-25818258, 25818259, 25721042  
FAX: +91-11-2575-2271,  
EMAIL: sil.delhi@shreyangroup.com
- 302, Raheja Chambers,  
Nariman Point, Mumbai- 400 021.  
TEL: +91-22-22851025, 22851708  
FAX: +91-22-2284-2825,  
EMAIL: sil.mumbai@shreyangroup.com

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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 35<sup>th</sup> Annual General Meeting of the members of the Company will be held on Wednesday, 12<sup>th</sup> August, 2015 at 03.30 P.M. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123 to transact the following business.

**AS AN ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 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. Rajneesh Oswal (DIN 00002668), who retires by rotation and being eligible, offers himself for re-appointment.

3. Ratification of the Appointment of Statutory Auditors

"Resolved that consent of the Company be and is hereby accorded to the ratification of the appointment of M/s. Dass Khana & Co., Chartered Accountants, who were appointed to hold office from the conclusion of 34<sup>th</sup> Annual General Meeting until the conclusion of the 37<sup>th</sup> Annual General Meeting, as an Statutory Auditors of the Company, on remuneration to be fixed by the Board of Directors of the Company, based on the recommendations of the Audit Committee."

**AS SPECIAL BUSINESS:****ITEM NO. 4****RE-DESIGNATION OF SH. RAJNEESH OSWAL AS MANAGING DIRECTOR****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

"RESOLVED THAT consent of the company be and is hereby accorded to the re-designation of Sh. Rajneesh Oswal (DIN: 00002668), from Executive Director to Managing Director of the Company, w.e.f. 30<sup>th</sup> September, 2014, liable to retire by rotation, other terms of the appointment, as approved by the shareholders in the Annual General Meeting of the Company held on 13<sup>th</sup> August, 2014, remaining unchanged."

**ITEM NO. 5****APPOINTMENT OF DR. SHALINI GUPTA AS AN INDEPENDENT DIRECTOR****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

"Resolved that pursuant to the provisions of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with schedule IV to the said Act, the consent of the

company be and is hereby accorded to appoint Dr. Shalini Gupta (DIN- 07128078), who was appointed as an Additional Director (Independent) on the Board of the Company w.e.f. 26<sup>th</sup> March, 2015 and whose term expires at the this Annual General Meeting of the company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, as an Independent Director to hold office from 12<sup>th</sup> August, 2015 to 11<sup>th</sup> August, 2020, not liable to retire by rotation."

**NOTES:**

**1. 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.**

**2. 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.**

3. Members/proxies are requested to bring their copy of Annual Report to the Meeting and bring in duly filled attendance slips enclosed herewith to attend the meeting. Shareholders/ Proxy holders are requested to produce at the entrance, duly filled and signed attendance slips for admission to the Meeting Hall.

Corporate members are required to send a certified copy of the Board Resolution to the Company, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.

4. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

5. The Register of Members and Share Transfer books of the Company shall remain closed from Thursday 6<sup>th</sup> August, 2015 to Wednesday 12<sup>th</sup> August, 2015 (both days inclusive), for the purpose of AGM, for both physical and electronic segments.

6. 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.

7. Copies of the Annual Report are being sent by electronic mode only to those members whose email addresses are registered with the company/depository participants(s) for communication purposes unless any members has requested for hard copy of the same. For members who have not registered their email

addresses, physical copies of the Annual Report 2015 are being sent by the permitted mode.

8. Members are requested to :

- Quote their folio number/Client ID & DP-ID in all correspondence with the company.
- Notify immediately to the company any change in their address/ mandate, if any.
- 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 email.

9. 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.

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

11. A remote e-voting facility for the members shall also be provided in terms of Section 108 of the Companies Act, 2013 and rules made there under and clause 35B of the Listing Agreement. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise the right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**The instructions for shareholders voting electronically are as under:**

- The remote e-voting period begins on Saturday Aug 08, 2015 (09.00 A.M.) and ends on Tuesday Aug 11, 2015 (5.00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Wednesday, Aug 05, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. Wednesday, Aug 05, 2015, may obtain the login ID and password by sending a request at [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com).

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period

- Click on "Shareholders" tab.

- Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,

- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- Members holding shares in Physical Form should enter Folio Number registered with the Company.

- Next enter the Image Verification as displayed and Click on Login.

- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- If you are holding shares in physical form or first time user in case holding shares in demat form, follow the steps given below:

| For Members holding shares in Physical Form and Demat Form |   |
|--|---|
| PAN  | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the <b>sequence number*</b> in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> |
| DOB  | <p>Please enter the DOB or Dividend Bank Details in order to login.</p> <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>  |
| Dividend Bank Details                                      | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>  |

\* Sequence number shall be as per separate sheet attached with the Annual Report.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

| EVSN<br>(E-voting<br>Sequence<br>Number) | USER ID<br>(16 Digit Demat Account/<br>Folio No. of members holding<br>shares in physical mode) | PASSWORD<br>(as per point (vi)<br>to (ix) of e-voting<br>instructions) |
|--|---|--|
| 150622003                                |   |  |

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the <Adinath Textiles Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Institutional Shareholders**  
Institutional shareholders (i.e. other than

Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

12. M/s P.S. Bathla & Associates, Company Secretaries in practice, Ludhiana have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms). The Scrutinizer shall within a period of two working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and makes a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

13. The Results shall be declared within two working days from the conclusion of the AGM. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.adinathtextiles.com](http://www.adinathtextiles.com) and on the website of CDSL and communicated to the Stock Exchanges.

**By order of the Board  
For Adinath Textiles Limited**

**Sd/-**

**Rajneesh Oswal**

**Managing Director**

**Dated : 28.05.2015**

**Regd. Office: Village: Bholapur, (DIN: 00002668)**

**P.O. Sahabana, Chandigarh Road,**

**Ludhiana 141 123**

**CIN: L17115PB1979PLC003910**

**Tel.: +91 161 2685271, 2685272 Fax: +91 161 2685270**

**Email: [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)**

**Website: [www.adinathtextiles.com](http://www.adinathtextiles.com)**

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING

#### ITEM NO.4

The Board of Directors of the Company in their meeting held on 30<sup>th</sup> September, 2014, had re-designated Sh. Rajneesh Oswal (DIN: 00002668) as the Managing Director of the Company, liable to retire by rotation, subject to the approval of the shareholders. The other terms of the appointment, as approved by the shareholders in the Annual General Meeting of the Company held on 13<sup>th</sup> August, 2014, remains unchanged."

Directors of your company recommend the same for your consideration and approval.

#### NOTICE OF INTEREST

None of the Directors/Key Managerial Personnel of the Company / their relatives, except Sh. Rajneesh Oswal (DIN: 00002668) himself, are in any way concerned or interested in the said resolution.

#### ITEM NO.5

In terms of second proviso to Section 149(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, listed/prescribed class of companies shall have at least one Woman Director.

Dr. Shalini Gupta (DIN- 07128078) has been appointed as an Additional Director (Independent) w.e.f. 26<sup>th</sup> March, 2015 on the Board of the Company, who shall hold office up to the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company.

The Board, in its meeting held on 28<sup>th</sup> May, 2015, has considered and recommended the appointment of Dr. Shalini Gupta (DIN: 07128078) as an Independent Director (Woman Director) of the Company for the approval of the shareholders.

The Company has received a notice under Section 160 of the Act proposing her candidature for the office of Director of the Company, along with the requisite deposit.

In the opinion of the Board, Dr. Shalini Gupta fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. The Board also opined that she possess appropriate skills, experience and knowledge as required for occupying the position of an Independent Director.

The Board has also received declaration from Dr. Shalini Gupta that she meets the Criteria of Independence as prescribed under section 149(6) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing

Agreement.

The Board recommends the appointment of Dr. Shalini Gupta (DIN: 07128078) as an Independent Director, to hold office from 12<sup>th</sup> August, 2015 to 11<sup>th</sup> August, 2020, not liable to retire by rotation.

#### NOTICE OF INTEREST

None of the Directors/Key Managerial Personnel of the Company / their relatives, except Dr. Shalini Gupta (DIN: 07128078) herself, are in any way concerned or interested in the said resolution.

#### ANNEXURE TO THE ITEM NOS. 2, 4 & 5

#### Details of Directors seeking re-appointment/ appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

| Name of the Director   | Sh. Rajneesh Oswal  | Dr. Shalini Gupta  |
|--|---|--|
| DIN  | 00002668  | 07128078   |
| Date of Birth  | 27.06.1966  | 17.04.1971   |
| Date of Appointment  | 30.06.1989  | 26.03.2015   |
| Expertise in Specific functional areas   | Business Management   | Management-Education   |
| Qualification  | MBA   | Ph.D, MBA  |
| Directorship of other Public Limited Companies   | Shreyans Industries Limited                                     | Shreyans Industries Limited<br>Shreyans Financial & Capital Services Ltd.                                |
| Membership of Committees of Other Public Limited Companies (Mandatory Committees only) | Stakeholder's Relationship Committee (Shreyans Industries Ltd.) | Audit Committee (Shreyans Industries Ltd.)<br>Audit Committee Shreyans Financial & Capital Services Ltd. |
| Nos. of shares held in the Company   | NIL   | NIL  |

By order of the Board  
For Adinath Textiles Limited

Sd/-  
Rajneesh Oswal  
Managing Director  
(DIN: 00002668)

Dated : 28.05.2015  
Regd. Office: Village: Bholapur,  
P.O. Sahabana, Chandigarh Road,  
Ludhiana 141 123  
CIN: L17115PB1979PLC003910  
Tel.: +91 161 2685271, 2685272 Fax: +91 161 2685270  
Email: atl@shreyansgroup.com  
Website: www.adinathtextiles.com

## DIRECTORS' REPORT

Your Directors are pleased to present the 35<sup>th</sup> Annual Report on the business and operations of the Company along with audited statements of accounts for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

| Particulars                                     | (Amount in Rs.) |            |
|---|-----------------|------------|
|   | 2014-15         | 2013-14    |
| Income from Operations                          | 8879220.00      | 9244196.16 |
| Other Income                                    | 12638867.00     | 8846524.87 |
| Profit/ (Loss) before interest & depreciation   | 5923454.01      | 3483498.77 |
| Less Interest                                   | 6074.71         | 1628.97    |
| Gross Profit/ (Loss)                            | 5917379.30      | 3481869.80 |
| Depreciation                                    | 1720022.00      | 934133.00  |
| Net Profit/ (Loss) Before Tax                   | 4197357.30      | 2547736.80 |
| Provision For Taxation (including deferred tax) | 1013410.00      | 391240.00  |
| Net Profit/ (Loss) after Tax                    | 3183947.30      | 2156496.80 |

### CORPORATE REVIEW

During the year under consideration the income from operations of the company is Rs. 88,79,220.00/- against Rs. 92,44,196.16/- in the last Financial Year. Other Income of the company is Rs. 1,26,38,867.00/- in comparison to Rs. 88,46,524.87/- 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 after incorporating the changes suggested by different agencies. The BIFR has recorded its opinion against the scheme and company has filed an appeal with AAIFR in this regard.

### SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was Rs. 681.44 Lacs. During the year under review, the Company has neither issued any shares nor granted stock options and nor sweat equity.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### RESERVES & SURPLUS

Profit for the period of Rs. 31.84 lac has been transferred to reserve and surplus.

### DIVIDEND

Due to absence of adequate profits, your Directors are unable to recommend any dividend for the year under review.

### DEPOSITS

During the year under review the company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

### NUMBER OF MEETINGS HELD

The details of Board and Committee Meetings are given in the Corporate Governance Report.

### DIRECTORS

Sh. Rajneesh Oswal, Managing Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting under clause 86(1) of Article of Association of the Company and being eligible, offer himself for reappointment.

Dr. [Mrs.] Shalini Gupta has been appointed as an Additional Director (Independent) with effect from 26<sup>th</sup> March 2015 and she shall hold office till the date of forthcoming Annual General Meeting wherein she is proposed to be appointed as an Independent director not liable for retirement by rotation.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**BOARD EVALUATION**

Pursuant to provisions of the Companies Act, 2013 and Clause 49 of the listing agreement, the Board has carried out an annual performance evaluation of its own performance and the performance of the individual Directors as well as the evaluation of the working of its committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance.

**KEY MANAGERIAL PERSONNEL**

Sh. Rajesh Kumar was appointed as Chief Financial Officer of the Company w.e.f. 26<sup>th</sup> May, 2014.

The following employees were designated as Whole-time Key Managerial Personnel by the Board of Directors during the year under review:

- ♦ Sh. Rajneesh Oswal, Managing Director
- ♦ Sh. Rajesh Kumar, Chief Financial Officer
- ♦ Sh. Preet Kanwar Singh, Company Secretary

**REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their Remuneration. The said policy has been uploaded on the website of the Company. The Key provisions of Nomination and Remuneration policy are appended as an **Annexure I** to the Board's report.

**AUDIT COMMITTEE**

The company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and revised Clause 49 of the listing Agreement. The composition of the Audit Committee is given in Corporate Governance Report.

All the recommendations of the Audit Committee were accepted by the Board.

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted the Whistleblower Policy/Vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. Such mechanism/policy is also uploaded on the website of the Company.

**STATUTORY AUDITORS**

At the Annual General Meeting held on 13<sup>th</sup> August, 2014 M/s Dass Khanna & Company, Chartered Accountants, Ludhiana were appointed as statutory auditors of the Company to hold office till the conclusion of the 37<sup>th</sup> Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Dass Khanna & Company, Ludhiana, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that their appointment is in accordance with the provisions of Section 141 of the Companies Act, 2013.

The auditors' report on the accounts of the Company for the year under review requires no comments.

**COST AUDIT**

Cost audit for the financial year 2014-15 is not applicable to the Company as per Notification issued by the Ministry of Corporate Affairs, hence no cost auditor was appointed for cost audit purposes.

**SECRETARIAL AUDIT**

M/s P. S. Bathla & Associates, Practising Company Secretaries, Ludhiana, were appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules made there under. The secretarial audit report for FY 2014-15 is appended as an **Annexure II** to the Board's report.

The Secretarial auditors' report for the year under review requires no comments.

The Board has appointed M/s P. S. Bathla & Associates, Practising Company Secretaries, Ludhiana as secretarial auditor of the Company for the financial year 2015-16.



**RELATED PARTY TRANSACTIONS**

No Related Party transactions was entered during the financial year.

There were no material contract or arrangement or transactions with Related Party during the year. Thus, disclosure in form AOC-2 is not required.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the rules there under and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [http://www.adinathtextiles.com/pdf/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.adinathtextiles.com/pdf/Related_Party_Transaction_Policy.pdf)

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as an **Annexure III** and forms an integral part of this report.

**EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as an **Annexure IV** to the Board's report.

**INDUSTRIAL RELATIONS**

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

**DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Company has been addressing various risks through well defined risk management policy/procedures, which are in the opinion of the Board may threaten the existence of the Company.

**INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has laid down adequate internal financial controls with reference to financial statements. During the year such controls were tested and no material weakness in their operating effectiveness was observed.

**ASSOCIATES AND SUBSIDIARIES**

The Company has no Associates & Subsidiaries as on March 31, 2015.

**CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate Report on Corporate Governance practices followed by the Company together with a Certificate from the Practicing Company Secretary confirming compliance forms part of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, technology, absorption and foreign exchange earning and outgo is appended as an **Annexure V** to the Board's Report.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations. except that the BIFR has recorded its opinion against the DRS (Detailed Rehabilitation Scheme) and Company has filed an appeal with AAIFR in this regard.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed and there has been no material departures;

- (b) 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 and loss account of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and.
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and these were adequate and operating effectively.

**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, Customers and Suppliers for their valuable support.

**For and on Behalf of the Board  
For Adinath Textiles Limited**

**Place : Ludhiana  
Date : 28th May, 2015**

**Sd/-  
Rajneesh Oswal  
(Managing Director)  
(DIN : 00002668)**

**Annexure I****NOMINATION AND REMUNERATION POLICY**

The Key provisions of the Nomination and Remuneration policy are given below:

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

The Nomination and Remuneration policy for executives reflects the remuneration philosophy and principles of the Adinath Textiles Limited. When determining the remuneration policy and arrangements for Executive Directors/KMP's, the Nomination and Remuneration Committee shall consider pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Nomination and Remuneration Committee while considering a remuneration package must ensure a balanced approach reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Committee shall consider that a successful remuneration policy must ensure that any increase in the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The Nomination and Remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Remuneration packages are designed to attract high-caliber executives in a competitive market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.