

# **38<sup>TH</sup> ANNUAL REPORT**



***2017 - 2018***

**ADINATH TEXTILES LIMITED**



## BOARD OF DIRECTORS

Sh. Rajneesh Oswal	Chairman & Managing Director	(DIN : 00002668)
Sh. Vishal Oswal	Vice-Chairman & Managing Director	(DIN : 00002678)
Sh. S. K. Sekhri	Independent Director	(DIN : 00002601)
Sh. Ramesh Chander Juneja	Independent Director	(DIN : 07804729)
Mrs. Priya Begana	Independent Director	(DIN : 07706647)

## CHIEF FINANCIAL OFFICER

Mr. Rajesh Kumar

## COMPANY SECRETARY

Mr. Parminder Singh

## STATUTORY AUDITORS :

M/s. Malhotra Manik & Associates  
Chartered Accountants  
Ludhiana.

## SECRETARIAL AUDITORS :

M/s. P.S. Bathla & Associates  
Ludhiana.

## REGISTERED OFFICE & WORKS

CIN: L17115PB1979PLC003910  
Village Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana - 141 123  
Tel: +91-161-2685270, 9876100948  
Email: atl@shreyansgroup.com  
Website: www.adinathtextiles.com

## OFFICES

1. 5 A-C, Gopala Tower, 25, Rajendra  
Place, New Delhi- 110008.  
TEL: +91-11-25818258-59, 25721042  
EMAIL: sil.delhi@shreyansgroup.com

2. 912, Hub Town, Viva Building,  
9<sup>th</sup> Floor, Shankar Wadi, Western  
Express Highway, Jogeshwari (East)  
Mumbai- 400060.  
TEL: +91-22-22851025, 22851708  
EMAIL: sil.mumbai@shreyansgroup.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  
Tel.: 011 40450193-97  
Email: admin@skylinerta.com



## NOTICE

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of the members of the Company will be held on Friday, the 28<sup>th</sup> day of September, 2018 at 3:00 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 Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Sh. Vishal Oswal (DIN: 00002678), who retires by rotation and being eligible offers himself for re-appointment.

### **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.**

A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

**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 Register of Members and Share Transfer books of the Company shall remain closed from 22<sup>nd</sup> September, 2018 to 28<sup>th</sup> September, 2018 (both days inclusive) for the purpose of Annual General Meeting of the Company.

5. 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.

6. 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 2018 are being sent by the permitted mode.

7. 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.

8. 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.

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

10. 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 Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. 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 24<sup>th</sup> September, 2018 (09.00 A.M.) and ends on 27<sup>th</sup> September, 2018 (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) 21<sup>st</sup> September, 2018 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. 21<sup>st</sup> September, 2018 may obtain the login ID and password by sending a request at [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com).

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in De-mat 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.
- (vii) If you are holding shares in physical form or first time user in case holding shares in De-mat form, follow the steps given below:

	For Members holding shares in Physical Form and Demat Form (First time user)
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.</p>
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\*Sequence number shall be as per separate sheet enclosed 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 De-mat 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 De-mat 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.
- (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 (180816011)** for the <Adinath Textiles Limited> 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 De-mat 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. i-phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non-Individual Shareholders and Custodians: Non- Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.

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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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) help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

11. M/s P.S. Bathla & Associates, Company Secretaries in practice, Ludhiana have been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms). The Scrutinizer shall within a period of 48 hours from the conclusion of Annual General Meeting, unblock the votes cast in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

12. The Results shall be declared within a period of 48 hours 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 shall also be communicated to the Stock Exchange.

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

**Sd/-  
Parminder Singh  
Company Secretary  
ACS 43115**

**Dated : 28<sup>th</sup> May, 2018**  
**Regd. Office: Village: Bholapur,**  
**P.O. Sahabana, Chandigarh Road,**  
**Ludhiana 141 123**  
**CIN: L17115PB1979PLC003910**  
**Tel.: +91-161-2685270, 98761-00948**  
**Email: [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)**  
**Website: [www.adinathtextiles.com](http://www.adinathtextiles.com)**

## ANNEXURE TO ITEM NO. 2 OF THE NOTICE

**Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)**

Name of the Director	Sh. Vishal Oswal
DIN	00002678
Date of Birth	02.09.1972
Date of Appointment on the Board	01.05.2017
Expertise in specific functional areas	Management & Administration
Qualification	Commerce Graduate
Directorship of other public limited companies	Shreyans Industries Ltd.
Memberships of Committees of other public limited companies (mandatory committees only)	Stakeholder's Relationship Committee (Shreyans Inds. Ltd.)
Disclosure of relationship between directors inter-se	Sh. Vishal Oswal and Sh. Rajneesh Oswal are real brothers.
No. of Shares held in the Company	4300

## DIRECTORS' REPORT

Your Directors are pleased to present the 38<sup>th</sup> Annual Report on the business and operations of the Company along with audited financial statements for the year ended 31<sup>st</sup> March, 2018.

### FINANCIAL RESULTS

FINANCIAL RESULTS		(₹ in lakhs)
Particulars	2017-18	2016-17
Income from Operations	120.73	126.28
Other Income	122.24	113.05
Profit/ (Loss) before interest & depreciation	(1.86)	58.36
Less Interest	8.20	7.46
Gross Profit/ (Loss)	(10.06)	50.90
Depreciation and amortization expense	19.12	18.68
Net Profit/ (Loss) Before Tax	(29.18)	32.22
Provision For Taxation (including deferred tax)	(7.54)	6.22
Net Profit/ (Loss) after Tax	(21.64)	26.00

### CORPORATE REVIEW

During the year under consideration the income from operations of the company is ₹120.73 lakhs against ₹126.28 lakhs in the last Financial Year. Other Income of the company is ₹122.24 lakhs in comparison to ₹113.05 lakhs in previous year.

### SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2018 was ₹ 681.44 lakhs. 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

The Company do not proposes to carry any amount to any reserve.

### 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. Vishal Oswal, Vice-Chairman & 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.

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 Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013 and Listing Regulations, 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**

There was no change in the Key Managerial Personnel during the year under review.

**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 Listing Regulations. 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 Whistle blower 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**

As per Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in its 37<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 approved the appointment of M/s. Malhotra Manik & Associates, Chartered Accountants (Firm Reg. No. 015848N), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 37<sup>th</sup> Annual General Meeting till the conclusion of 42<sup>nd</sup> Annual General Meeting of the Company.

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 2017-18 is not applicable to the Company 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 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules made there under. The secretarial audit report for FY 2017-18 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 re-appointed M/s P. S. Bathla & Associates, Practising Company Secretaries, Ludhiana as secretarial auditor of the Company for the financial year 2018-19.

**RELATED PARTY TRANSACTIONS**

There was no material contract or arrangement or transactions with Related Party as referred to in sub-section (1) of Section 188 of the Companies Act, 2013 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 Regulations.

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 (12) 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 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, 2018.

**CORPORATE GOVERNANCE**

As per the provisions of Listing Regulations, 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.

**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, 2018, 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;
- (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 that such systems were adequate and operating effectively.