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# ADHUNIK

## SUGGESTIONS FOR MEN

ADHUNIK SYNTHETICS LTD  
Fifteenth Annual Report  
1995-96

**Adhunik Synthetics Limited****BOARD OF DIRECTORS**

Radheshyam Poddar	Chairman & Managing Director
Pradeep Poddar	Joint Managing Director
Sunil Poddar	Joint Managing Director
Dilip Gokani	Wholetime Director
A. N. Desai	Nominee Director (SICOM)

**AUDITORS**

R. S. Agrawal & Associates,  
Chartered Accountants,  
Mumbai.

**BANKERS**

Central Bank of India  
Bank of Baroda  
State Bank of India

**REGISTERED OFFICE**

Plot No.5, Municipal Industrial Estate,  
Sai Nagar, Ist M. G. Cross Lane,  
Kandivli (West), Mumbai - 400 067.

**PLANTS**

1. A-6/1, M.I.D.C.  
Murbad Dist. Thane (Maharashtra)
2. J/49, Addl. M.I.D.C.  
Jalgaon (Maharashtra)
3. Plot No. 179/2, Village Palod  
Dist. Surat (Gujarat)
4. R.S. No.43, Village Palgam  
Umbergaon, Dist. Valsad (Gujarat)
5. C-4, Addl. M.I.D.C.  
Dhule (Maharashtra)

**REGISTRARS & TRANSFER AGENTS**

Computronics Financial Services (I) Limited  
1, Mittal Chambers, Nariman Point,  
Mumbai - 400 021.

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### NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of Adhunik Synthetics Limited will be held on Tuesday, 30th September 1997, at 11.30 a.m. at Dhudmal Bajaj Bhawan, S.V. Road, Malad (W), Mumbai 400 064, to transact the following business :-

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997, and the Profit and Loss Account for the year ended on that date along with Directors' & Auditors' Reports thereon.
2. To appoint a Director in place of Shri Pradeep Poddar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Dilip Gokani, who retires by rotation and he does not offer himself for re-appointment.
4. To appoint auditors and fix their remuneration.

#### SPECIAL BUSINESS :

5. To consider and if thought fit to pass, with or without modification, the following resolution as a special resolution :

"RESOLVED THAT PURSUANT to the provisions of Section 293 (1) (a) and other applicable provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to lease, sell, discard or otherwise dispose off the undertaking as a whole at Jalgaon (Maharashtra).

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take necessary steps in leasing or disposing of the undertaking as a whole or sell out the machines in working condition or as scrap to any person, firm whether or not related to any director or to any body corporate whether or not in which any director is interested and authorised to decide upon price, terms and conditions, settle any question, doubt of difficulty, alter, modify, increase, decrease plants and machinery as deem fit.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to delegate the power hereby conferred to any one of the Directors".

By Order of the Board  
For Adhunik Synthetics Ltd.

Sunil Poddar  
Jt. Managing Director

Mumbai, August 27, 1997.

#### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxy should be lodged with the company 48 hours before the commencement of the meeting.
2. The Registers of Members and transfer books of the Company will remain closed from Saturday, the 20th September, 1997 to Tuesday, the 30th September, 1997 (both days inclusive).
3. Pursuant to section 205A of the Companies Act, 1956, all unclaimed dividends upto financial year 1992-93 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed dividend warrants upto the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.
4. Those members who have so far not encashed their dividend warrants for the financial year 1993-94 may claim or approach the company as the same will be transferred to the general revenue account of the central government in due course.

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

##### Item No.5

The Company had installed 2 No. Texturising machine of 288 spindles alongwith 2 dalal dyeing plants of 200 Kg. each per batch per hour and 9 twisting plants of 2064 spindles at Jalgaon. It was experienced that the plant is not running efficiently due to poor market condition of the texturising industry. Hence, it was thought appropriate to lease out/sell the said machine/undertaking as a whole.

The approval of the members by special resolution is required under Section 293 (1) (a) for authorising the Board of Directors to lease out, sell or otherwise dispose off the whole or substantially whole of the undertaking of the Company.

The members are requested to consider and approve the resolution.

None of the Directors is interested in or concerned with the resolution.

By Order of the Board  
For Adhunik Synthetics Ltd.

Sunil Poddar  
(Jt. Managing Director)

Mumbai, August 27, 1997.

## Adhunik Synthetics Limited

### DIRECTORS' REPORT

To  
The Members,  
Adhunik Synthetics Limited.

Your Directors have pleasure in presenting the Fifteenth Annual Report and Audited Statement of Accounts for the year ended 31st March, 1997.

#### FINANCIAL HIGHLIGHTS

	1996-97 (12 Months)	(Rs. in lacs) 1995-96 (9 Months)
Sales and other Income	<u>3921.66</u>	<u>5276.39</u>
Profit/(loss) Incl. of written-back of Depreciation, but before provision of Depreciation & Tax	<u>(435.40)</u>	170.25
Less/(add) : Provision for Depreciation	<u>(159.13)</u>	146.69
Profit/(loss) before tax	<u>(594.53)</u>	23.56
Less/(add) : Provision for Tax /Tax adjustments	<u>(5.72)</u>	2.13
Profit/(loss) after tax	<u>(600.25)</u>	21.43
Add : Balance Brought forward from previous year.	<u>333.14</u>	330.46
Profit available for appropriation	<u>(267.11)</u>	<u>351.89</u>
Appropriations:		
Debenture Redemption Reserve	<u>25.00</u>	18.75
Balance carried over to Balance Sheet	<u>292.11</u>	<u>333.14</u>

#### DIVIDEND

The Board is not recommending any dividend for the year ended 31st March, 1997.

#### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri Pradeep Poddar and Shri Dilip Gokani retire by rotation and being eligible offer themselves for re-appointment.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217 (i) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given here below:-

##### A. CONSERVATION OF ENERGY

As in the past, the Company continues its efforts to improve methods of energy conservation and utilisation.

The information of power and fuel consumption and cost per unit of production is furnished in the prescribed form herebelow:-

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### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

	<u>Units</u>	<u>Current Year</u>	<u>Previous Period</u>
<b>a. Power &amp; Fuel Consumption</b>			
1. Electricity-Purchased			
Unit (KWH)	Thousands	2502.42	2187.58
Total Amount	Rs. in lacs	88.08	62.29
Average Rate	Rs.per unit.	3.51	2.85
2. Light Speed Diesel			
Quantity	Kilo Litres	89.50	41.80
Total Cost	Rs. in Lacs	8.24	3.23
Average Rate	Rs.per kilo Litre	9200.00	7715.89
<b>b. Consumption per unit of production</b>			
1. Electricity (KWH)			
Cloth	100 mtrs	41.91	36.30
Yarn	100 kgs.	267.55	462.79
2. Light Speed Diesel (litres)			
Yarn	100 kgs.	13.40	21.52

### B. TECHNOLOGY ABSORPTION

The Company is doing research and development for improvement in shades of yarns and fabrics as routine activities.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The company has neither earned/received nor spent/paid in foreign currency.

### PARTICULARS OF EMPLOYEES

Particulars of employees under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not attached with this report, as no employee comes under the purview of these provisions.

### AUDITORS

M/s. R.S. Agrawal & Associates, Chartered Accountants, the Auditors of the Company are retiring at the forthcoming Annual General Meeting. The Auditors have informed that they are eligible for re-appointment. The members are requested to appoint the Auditors.

The Auditors' report is self explanatory and hence does not require any clarification.

### APPRECIATION

The Board of Directors place on record their appreciation for the support and co-operation received from the Government, Bankers, IDBI, SICOM, Dealers, Suppliers, Employees and you the shareholders.

On behalf of the Board  
For Adhunik Synthetics Limited

Radheshyam Poddar  
Chairman

Mumbai, 27th August, 1997.



*Adhunik Synthetics Limited***AUDITORS' REPORT**

To

The Members,

ADHUNIK SYNTHETICS LIMITED.

We have audited the attached Balance Sheet of ADHUNIK SYNTHETICS LIMITED as at 31st March, 1997, and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto and report that:

- 1) As required by Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph No.1 above :
  - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
  - iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
  - iv) In our opinion and to the best of our knowledge and according to the information and explanations given to us, the said accounts, subject to note no.6 of schedule 18 due to reasons mentioned therein the depreciation for the current year is lower by Rs.36.46 lacs and other expenses and interest for the current year are higher by Rs.357.58 lacs and Rs.51.60 lacs respectively and also note no.7 of schedule 18 due to reasons mentioned therein resulting in upto date lower charge of depreciation by Rs.230.11 lacs including Rs.27.46 lacs for the current year, read together with notes thereon, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view.
    - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 1997 and;
    - (ii) In the case of Profit & Loss Account, of the loss for the year ended on that date.

For R.S. AGRAWAL & ASSOCIATES  
Chartered Accountants

R.S. Agrawal  
Partner

Mumbai, 27th August 1997.

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 1 of our report of even date:

1. The Company has maintained proper records, showing full particulars including quantitative details and situation of its fixed assets. As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals during the year. We are informed that no material discrepancies have been noticed by the management on such verification as compared to the aforesaid records of fixed assets.
2. None of the fixed assets of the Company have been revalued during the year.
3. Physical verification was conducted by the management at reasonable intervals during the year and/or at the close of the year in respect of finished goods, stores, spare parts and raw materials save and except goods lying with third parties.
4. As explained to us, the procedures of physical verification of stocks followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
5. According to the records produced to us for our verification there were no material discrepancies noticed on physical verification of stocks as compared to book records and the same have been properly dealt with in the books of account.

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6. In our opinion the valuation of finished goods, stores, spare parts and raw materials is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding period.
7. In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from the firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company. We are informed that there are no companies under the same management as defined under section 370 (1-B) of the Companies Act, 1956.
8. The Company has granted interest free advances to the companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act 1956. According to the information given to us, the terms and conditions of the advances are not prima facie, prejudicial to the interest of the Company. There are no companies under the same management.
9. The Company has granted loans or advances in the nature of loans to its employees, free of interest and the repayment of the principal amounts as stipulated/agreed have been made.
10. On the basis of selective checks carried out during the course of Audit and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of stores, raw materials including components, plant & machineries, equipments and other assets and for the sale of goods.
11. In our opinion and according to the information and explanation given to us, the transactions of purchases of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50000/- or more in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties or as per information available with the Company.
12. As explained to us, the Company has a regular procedure for the determination of un-serviceable or damaged stores or raw materials or finished goods. Adequate provisions have been made in the accounts for the loss arising on the items so determined.
13. In our opinion and according to the information given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, as well as the relevant directives of Reserve Bank of India with regard to the deposits from the public.
14. In our opinion, the Company has maintained reasonable records for the sale and disposal of realizable scrap, wherever significant. The Company has no by-products.
15. The Company has an internal audit system commensurate with its size and nature of its business.
16. We have broadly reviewed the records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed records have been maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues, wherever applicable, have generally been irregularly deposited during the year with the appropriate authorities.
18. In our opinion and according to information and explanations given to us, there are no undisputed and outstanding amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
19. Based on (i) the test checks carried out by us, (ii) the vouchers produced to us for our verification (iii) explanations given and representation made to us on our inquiries, we have not come across any personal expenses which have been charged to revenue other than those payable under contractual obligation or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (O) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of the trading activities of the Company, we are informed that the Company does not have damaged goods lying with it at the end of the year. Therefore no provision for any loss is required to be made in the accounts.

For R.S. AGRAWAL & ASSOCIATES  
Chartered Accountants

R.S. Agrawal  
Partner

Mumbai, 27th August 1997.