



ADHUNIK SYNTHETICS LIMITED

**ANNUAL REPORT
1998 - 99**

Adhunik Synthetics Limited

BOARD OF DIRECTORS

Radheshyam Poddar	Chairman & Managing Director
Pradeep Poddar	Joint Managing Director
Sunil Poddar	Joint Managing 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, 1st 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)

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 Seventeenth Annual General Meeting of the Members of Adhunik Synthetics Limited will be held on Thursday, 30th September, 1999 at 11.00 a.m. at Smt.Kalawati Maganlal Hall No.3 (Thathai Bhatia Hall) Kandivli (West), Mumbai 400067 to transact the following business:-

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999, and the Profit and loss Account for the year ended on that date along with Directors' and 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 auditors and fix their remuneration.

By Order of the Board
For Adhunik Synthetics Ltd.

Place : Mumbai,
Date : August 9, 1999.

Sunil Poddar
Jt. Managing Director

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 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 Tuesday, the 21st September, 1999 to Thursday, the 30th September, 1999 (both days inclusive).

By Order of the Board
For Adhunik Synthetics Ltd.

Place : Mumbai,
Date : August 9, 1999.

Sunil Poddar
Jt. Managing Director

Adhunik Synthetics Limited

DIRECTORS' REPORT

To,

The Members,
Adhunik Synthetics Limited,

Yours' Directors have pleasure in presenting the Seventeenth Annual Report and Audited Statement of Accounts for the year ended 31st March 1999.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	1998-1999	1997-1998
Sales and other Income	3178.37	3764.08
Profit/(loss) before provision of Depreciation & Tax	(280.34)	(83.34)
Less/(add): Provision for Depreciation	(155.95)	(155.17)
Profit/(loss) before tax	(436.29)	(238.51)
Less/(add): Tax adjustment	1.24	(6.79)
Profit/(loss) after tax	(435.05)	(245.30)

DIVIDEND :

The Board is not recommending dividend for the year ended 31st March 1999.

DIRECTORS :

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

PROVISION OF SICA, 1985 :

The Provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) will be applicable to the company as more than 50% of the peak net worth has been eroded as on 31.03.1999.

Your Board of Directors have reviewed the situation and are of the opinion that in view of anticipated improvement in the economy and better balance between demand and supply in the Synthetic Fabrics/ Texturised Yarn combined with the strick cost control, it is possible to overcome the situation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE • EARNINGS 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 herebelow:-

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 :

	Units	Current Year	Previous Year
a. Power and Fuel Consumption			
1. Electricity-Purchased			
Unit (KWH)	Thousands	1868.98	1835.80
Total Amount	Rs. in lacs	72.76	65.88
Average Rate	Rs.per unit	3.89	3.59
2. Light Speed Diesel			
Quantity	Kilo Litres	23.29	19.44
Total Cost	Rs. in lacs	2.58	2.14
Average Rate	Rs. per Kilo Ltrs.	11082.00	11007.00
b. Consumption per unit of production.			
1. Electricity (KWH)			
Cloth	100 mtrs .	42.41	40.23
Yarn	100 kgs.	651.65	—
2. Light Speed Diesel (litres)			
Cloth	100 Mtrs.	0.46	0.43
Yarn	100 kgs.	9.35	—

B. TECHNOLOGY ABSORPTION :

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

C. FOREIGN EXCHANGE EARNING AND OUTGO :

There is no foreign exchange earning during the year and foreign exchange outgo appears as in Note No.18 (f)(ii) of schedule 18 to the accounts.

PARTICULARS OF EMPLOYEES :

Particulars of employees under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule 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 do not require any clarification.

Y2K COMPLIANCE :

Your Company has taken necessary steps on Y2K hardware/software problem and remediation process will be completed in time. The total cost of Y2K compliance is not expected to be significant.

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

Place : Mumbai,
Date : August 9, 1999.

Radheshyam Poddar
Chairman & Managing Director

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 1999, and also the Profit and 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 account.
 - iv) In our opinion, the profit and loss account and Balance Sheet complies with the mandatory accounting standards referred to in sub-section (3 C) of Section 211 of the Companies act, 1956 subject to Note No.6 of Schedule 18 for non provision of gratuity and bonus.
 - v) 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.7 of shedule 18 due to reasons mentioned therein resulting in upto date lower charge of depreciation by Rs.285.11 lacs including Rs.27.50 lacs for the current year, read together with the accounting policies and other 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 1999 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

Place : Mumbai

Date : August 9, 1999.

R.S. Agrawal
Partner

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. As informed to us physical verification was conducted by the management at reasonable intervals during 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. There were no material discrepancies noticed on physical verification of stocks as compared to book records and the same has been properly dealt with in the books of account.
6. In our opinion the valuation of finished goods, stores, spare parts and raw materials is fair and proper