

# Tenth Annual Report 1996-97



**REPORTS & ACCOUNTS****Tenth Annual Report 1996-97****BOARD OF DIRECTORS**

Radheshyam Poddar	Chairman
Sandeep Poddar	Managing Director
S.R.Jariwala	Director
Omprakash Agrawal	Director
J.S.Pal	Nominee Director (SICOM)

**AUDITORS**

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

**BANKERS**

Bank of Baroda

**REGISTERED OFFICE**

Plot No.5, Municipal Industrial Estate,  
Sai Nagar, 1st M. G. Cross Lane,  
Kandivli (West),  
Mumbai - 400 067.

**PLANTS**

1. Village Chinchpada,  
Taluka Navapur,  
Dist. Dhule (Maharashtra)
2. Plot No. 1809, GIDC Phase III,  
Vapi, Dist. Valsad (Gujarat)

**REGISTRARS & TRANSFER AGENTS**

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

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**NOTICE****Tenth Annual Report 1996-97**

Notice is hereby given that the Tenth Annual General Meeting of the Members of Adhunik Yarns Limited will be held on Tuesday, 30th September 1997, at 12.30 p.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 alongwith Directors' & Auditors' Reports thereon.
2. To appoint a Director in place of Shri Sandeep Poddar, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri S. R. Jariwala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

By Order of the Board,  
For Adhunik Yarns Limited,

Sandeep Poddar  
Managing Director

Mumbai, 27th August, 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, 20th September 1997, to Tuesday, 30th September 1997 (both days inclusive).

**Tenth Annual Report 1996-97**

To,

The Members,  
Adhunik Yarns Limited,

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

**FINANCIAL HIGHLIGHTS**

	<b>1996-97</b> <b>(12 Months)</b>	(Rs. in lacs) <b>1995-96</b> <b>(9 Months)</b>
Sales and other Income	<b>1111.15</b>	<b>1214.13</b>
Profit/(Loss) before depreciation and tax	<b>(293.64)</b>	<b>(65.25)</b>
Less/(Add): Provision for Depreciation	<b>(35.39)</b>	<b>(40.74)</b>
Profit/(Loss) before tax	<b>(329.03)</b>	<b>(105.99)</b>
Less/(Add): Tax Adjustments	<b>(1.96)</b>	<b>(0.47)</b>
Net Profit/(Loss) after tax	<b>(330.99)</b>	<b>(106.46)</b>
Add/Less: Balance Brought forward from previous year.	<b>3.47</b>	<b>109.93</b>
Balance Carried over to Balance Sheet	<b>(327.52)</b>	<b>3.47</b>

**DIVIDEND**

The Board is not recommending 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 Sandeep Poddar and Shri S.R.Jariwala retire by rotation and being eligible offer themselves for re-appointment.

**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:-



**DIRECTORS' REPORT (Contd.)****Tenth Annual Report 1996-97****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.**

	<u>Units</u>	<u>Current Year</u>	<u>Previous Year</u>
a. Power and Fuel Consumption			
1. Electricity-Purchased			
Unit (KWH)	Thousands	<b>1139.90</b>	1465.13
Total Amount	Rs. in lacs	<b>48.41</b>	38.54
Average Rate	Rs. per unit	<b>4.24</b>	2.63
2. Fuel			
i) Light Speed Diesel			
Quantity	Kilo Litres	<b>26.50</b>	184.81
Total Cost	Rs. in lacs	<b>2.47</b>	13.52
Average Rate	Rs. per Kilo Ltrs.	<b>9320.00</b>	7314.87
ii) Furnace Oil			
Quantity	Kilo Litres	<b>1280.10</b>	742.99
Total Cost	Rs. in lacs	<b>85.95</b>	39.81
Average Rate	Rs. per Kilo Ltrs.	<b>6714.31</b>	5358.14
b. Consumption per unit of production.			
1. Yarn			
1. Electricity (KWH)	100 Kgs.	<b>109.38</b>	297.95
2. Light Speed Diesel (Ltrs)	100 Kgs.	<b>8.22</b>	57.50
2. Fabrics			
1. Electricity (KWH)	100 Mtrs.	<b>14.80</b>	18.60
2. Furnace Oil (Ltrs)	100 Mtrs.	<b>24.06</b>	17.47

**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**

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 do 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 Yarns Limited,

Radheshyam Poddar  
Chairman

Mumbai, 27th August 1997.

**Tenth Annual Report 1996-97**

To,

The Members,  
ADHUNIK YARNS LIMITED

We have audited the attached Balance Sheet of ADHUNIK YARNS LIMITED as at 31st March 1997, 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 and Loss Account dealt with by this report are in agreement with the books of account.
  - 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.5 of schedule 18 due to reasons mentioned therein the depreciation for the current year is lower by Rs.10.52 Lacs and other expenses and interest for the current year are higher by Rs.182.53 Lacs and Rs.22.23 lacs respectively and also note no.6 of schedule 18 due to reasons mentioned therein resulting in up to date lower charge of depreciation by Rs.191.64 lacs including Rs.20.92 lacs for the current year, read together with 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, 1997 and
    - (ii) In the case of Profit and 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 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 and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.
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.

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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. We are informed that there are no companies under the same management as defined under section 370 (1-B) of the Companies Act, 1956.
9. The Company has granted loans and 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 the 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 material including components, plant and machineries, equipments and other assets and for the sale of goods.
11. In our opinion and according to the information and explanations given to us, the transaction of purchases of goods and materials and sale of goods materials and services made pursuant 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 agreed 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 unserviceable or damaged stores or raw materials or finished goods. Adequate provision has 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 Deposit) Rules 1975 as well as the relevant directives of the 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 realisable scrap, wherever significant. The Company has no by products.
15. The Company has 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 of 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, although no formal books of accounts have been maintained. We have not however 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 been generally been irregularly deposited during the year with the appropriate authorities.
18. In our opinion and according to the explanations given to us, there are no undisputed and outstanding amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty and Excise Duty as at the last day of the financial year concerned for a year of more than six months from the date they become payable.
19. Based on (i) the test checks carried out by us (ii) The vouchers of 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.