



ADHUNIK YARNS LIMITED

ANNUAL REPORT 1998-99

Twelfth Annual Report 1998-99**BOARD OF DIRECTORS**

Radheshyam Poddar	Chairman
Sandeep Poddar	Managing 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,
1st M. G. Cross Lane, Sai Nagar,
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

CONTENTS	PAGES
NOTICE TO SHAREHOLDERS	3
DIRECTORS' REPORT	4
AUDITORS' REPORT	6
BALANCE SHEET	8
PROFIT & LOSS ACCOUNT	9
SCHEDULE 1 TO 18	10 to 20
CASH FLOW STATEMENT	22

NOTICE

Twelfth Annual Report 1998-99

Notice is hereby given that the Twelfth Annual General Meeting of the Members of Adhunik Yarns Limited will be held on Thursday, 30th September 1999, at 11.30 a.m. at Smt. Kalawati Maganlal Hall, No.3 (Thathai Bhatia Hall) Corner of Shankar lane, S.V.Road, Kandivli (W) Mumbai - 400 067, 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 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 auditors and fix their remuneration.

By Order of the Board,
For Adhunik Yarns Limited

Place: Mumbai.
Date : August 9, 1999.

Sandeep Poddar
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 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 TUESDAY 21ST SEPTEMBER, 1999 TO THURSDAY 30TH SEPTEMBER, 1999 (BOTH DAYS INCLUSIVE).

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By Order of the Board,
For Adhunik Yarns Limited

Place: Mumbai.
Date : August 9, 1999.

Sandeep Poddar
Managing Director.

DIRECTORS' REPORT**Twelfth Annual Report 1998-99**

To,

The Members,
Adhunik Yarns Limited,

Your Directors have pleasure in presenting the Twelfth Annual Report and Audited Statement of Accounts for the Year ended 31st March, 1999.

FINANCIAL HIGHLIGHTS:

	1998-99	(Rs.in lacs) 1997-98
Sales and other Income	353.83	1263.78
Profit/(Loss) before depreciation and tax	(163.01)	(142.41)
Less/(Add): Provision for Depreciation	(45.74)	(48.18)
Profit/(Loss) before tax	(208.75)	(190.59)
Less/(Add): Tax Adjustments	3.75	(1.77)
Net Profit after tax	(205.00)	(192.36)

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 Sandeep Poddar retires by rotation and being eligible offer himself for re-appointment.

PROVISIONS OF SICA, 1985.

The company has prima-facie become a Sick Industrial Company within the meaning of section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) as the accumulated losses being in excess of net worth of the Company as on 31.03.1999. Your Directors formed an opinion that the reference to be made to the Board for Industrial and Financial Reconstruction under Section 15 of the SICA, 1985.

CONSERVATION OF ENERGY , TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS 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.)

Twelfth Annual Report 1998-99

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	94.28	1416.70
Total Amount	Rs. in lacs	5.32	51.97
Average Rate	Rs. per unit	5.64	3.67
2. Fuel			
i) Light Speed Diesel			
Quantity	Kilo Litres	—	—
Total Cost	Rs. in lacs	—	—
Average Rate	Rs. per Kilo Ltrs.	—	—
ii) Furnace Oil			
Quantity	Kilo Litres	—	883.05
Total Cost	Rs. in lacs	—	57.45
Average Rate (Ltrs.)	Rs. per Kilo Ltrs.	—	6505.74
b. Consumption per unit of production.			
1. Yarn			
1. Electricity (KWH)	100 Kgs.	121.03	109.53
2. Light Speed Diesel (Ltrs)	100 Kgs.	—	—
2. Fabrics			
1. Electricity (KWH)	100 Mtrs.	—	21.76
2. Furnace Oil (Ltrs)	100 Mtrs.	—	26.58

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.

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.

By Order of the Board,
For ADHUNIK YARNS LIMITED

Place : Mumbai.
Date : August 9, 1999.

Radheshyam Poddar
Chairman

AUDITORS' REPORT**Twelfth Annual Report 1998-99**

To,
The Members,
ADHUNIK YARNS LIMITED

We have audited the attached Balance Sheet of ADHUNIK YARNS 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 paragraph 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, the profit and loss account and Balance Sheet complies with the mandatory accounting standards referred to in sub section (3C) of the section 211 of the Companies Act, 1956 subject to (a) Note No.10 of Schedule 18 for the non provision of gratuity and bonus and (b) Note No.15 of schedule 18 that the accounts have been prepared on the concept that company will continue as going concern.
 - 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.5 of schedule 18 due to reasons mentioned therein resulting in up to date lower charge of depreciation by Rs.216.46 lacs including Rs.11.49 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 and Loss Account, of the loss for the year ended on that date.

Place: Mumbai.
Date : August 9, 1999.

For R. S. Agrawal & Associates,
Chartered Accountants

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 and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.
7. The company has not taken any loans from the companies, firms or other parties listed in the register