



ADHUNIK YARNS LIMITED
ANNUAL REPORT 1999-2000

ADHUNIK YARNS

Thirteenth Annual Report 1999-2000

BOARD OF DIRECTORS :

Radheshyam Poddar :	Chairman
Sandeep Poddar :	Managing Director
Pradeep Poddar :	Director

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) Ltd.
1,Mittal Chambers, Nariman Point,
Mumbai-400 021.

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NOTICE**Thirteenth Annual Report 1999-2000**

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Adhunik Yarns Limited will be held on Saturday, 30th September 2000, 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, 2000, 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 Radheshyam Poddar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution ;

"RESOLVED THAT Shri Pradeep Poddar be and is hereby appointed as a director of the Company."

By Order of the Board,
For Adhunik Yarns Limited

Sandeep Poddar
Managing Director

Mumbai, 11th August, 2000

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 THURSDAY 21ST SEPTEMBER, 2000 TO SATURDAY 30TH SEPTEMBER, 2000 (BOTH DAYS INCLUSIVE).

By Order of the Board,
For Adhunik Yarns Limited

Sandeep Poddar
Managing Director

Mumbai, 11th August, 2000

ANNEXURE TO THE NOTICE**THE EXPLANATORY STATEMENT**

(Pursuant to section 173(2) of the Companies Act, 1956)

ITEM NO. 4 OF THE NOTICE

Shri Pradeep Poddar was appointed by the Board of Directors as additional director on 1st November, 1999. He holds office upto the date of the ensuing Annual General Meeting. In terms of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member alongwith requisite deposit, proposing the candidature of Shri Pradeep Poddar for the office of the Director.

Accordingly the directors recommend the resolution for approval of the shareholders.

Shri Radheshyam Poddar, Chairman of the company, as a father of Shri Pradeep Poddar and Shri Sandeep Poddar, Managing Director of the Company as a brother of Shri Pradeep Poddar and Shri Pradeep Poddar himself are concerned or interested in the said resolution.

By Order of the Board,
For Adhunik Yarns Limited

Sandeep Poddar
Managing Director

Mumbai, 11th August, 2000

DIRECTOR'S REPORT

Thirteenth Annual Report 1999-2000

To

The Members,
Adhunik Yarns Limited,

Yours Directors have pleasure in presenting the Thirteenth Annual Report and Audited Statement of Accounts for the Year ended 31st March, 2000.

FINANCIAL HIGHLIGHTS :

	1999-00	(Rs.in lacs) 1998-99
Sales and other Income	<u>6.60</u>	<u>353.83</u>
Profit/(Loss) before depreciation and tax	<u>(89.68)</u>	<u>(163.01)</u>
Less/(Add): Provision for Depreciation	<u>(41.97)</u>	<u>(45.74)</u>
Profit/(Loss) before tax	<u>(131.65)</u>	<u>(208.75)</u>
Less/(Add): Tax Adjustments	<u>1.37</u>	<u>3.75</u>
Net Profit/(Loss) after tax	<u>(130.28)</u>	<u>(205.00)</u>

OPERATIONS :

Global recession in the synthetic fibre industry and liberal import policy of Government of India has crippled the indigenous players and small players like us have been compelled to be out of the market. Our units at Navapur and Vapi are suffering from shortage of working capital as networth of the company was fully eroded as on 31.03.99 owing to substantial losses in the operation due to unremunerative prices, poor demand and increase in the cost of production would also not be passed on to the customers. In view of this, management was compelled to suspend the manufacturing operation for the time being.

DIVIDEND :

In view of loss for the year, your directors regret their inability to recommend payment of any dividend for the year.

DIRECTORS :

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

On 01/11/1999 Shri Pradeep Poddar was appointed as additional director on the board to hold office till the date of next Annual General Meeting and offer himself for reappointment. The board proposes to reappoint him as a director.

Shri J.S.Pal, Nominee Director of SICOM has since resigned, your Directors wish to place on record, its sincere appreciation for the valuable contribution made by Shri J.S.Pal.

REFERENCE TO BIFR :

As reported last year, the company's net worth as per the audited accounts as at 31st March, 1999 stood fully eroded and accordingly a mandatory reference was made to BIFR under section 15 of the Sick Industrial Companies (Special Provisions), 1985 on 01/10/1999 which is duly registered on 13.10.99 under case no. 330/99. BIFR appointed IDBI as an Operating Agency for getting the special investigative report for last three financial years. The special investigative report was submitted in May, 2000 by the auditors appointed by IDBI. The declaration of the company as Sick Industrial Company by BIFR is under consideration.

CONVERSATION 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:-

DIRECTOR'S REPORT (Contd.)**Thirteenth Annual Report 1999-2000****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:-

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
Total Amount	Rs. in lacs	—	5.32
Average Rate	Rs. per unit	—	5.64
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	—	—
Total Cost	Rs. in lacs	—	—
Average Rate (Ltrs.)	Rs. per Kilo Ltrs.	—	—
b. Consumption per unit of production.			
1. Yarn			
i. Electricity (KWH)	100 Kgs.	—	121.03
ii. Light Speed Diesel (Ltrs)	100 Kgs.	—	—
2. Fabrics			
i. Electricity (KWH)	100 Mtrs.	—	—
ii. Furnace Oil	100 Mtrs.	—	—

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) 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.

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

Radheshyam Poddar
Chairman

Mumbai, 11th August, 2000

AUDITOR'S REPORT

Thirteenth Annual Report 1999-2000

To,

The Members,
ADHUNIK YARNS LIMITED

We have audited the attached Balance Sheet of ADHUNIK YARNS LIMITED as at 31st March 2000, 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, except referred to elsewhere in the report, 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 except;
 - a) AS-1 as referred to in Note No. 17 of schedule 18 that the accounts have been prepared on the concept that the company will continue as a going concern,
 - b) AS-2 as referred to in Point No. 5 of schedule 17 of significant accounting policies for valuation of inventories and
 - c) AS-15 as referred to in Note No. 10 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. 2, 5, 12, 13 and 18 of schedule 18 due to reasons mentioned therein, 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 2000 and
 - ii) In the case of Profit and Loss Account, of the loss for the year ended on that date.

For R. S. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

R. S. AGARWAL
PARTNER.

Place : Mumbai
Date : 11th August, 2000

ANNEXURE TO THE AUDITORS REPORT

ANNEXURE REFERRED IN PARAGRAPH (1) OF AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2000 OF ADHUNIK YARNS LIMITED ON THE BASIS OF SUCH CHECKS AS WE CONSIDER APPROPRIATE AND IN TERMS OF THE INFORMATIONS AND EXPLANATIONS GIVEN TO US, WE STATE THAT ;

1. The Company has maintained records, showing 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 need to be strengthened in relation to the size of the Company and the nature of its business.
5. As informed to us, 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.