SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

THE STOCK EXCHANGE
MUMBAI
5 APR 1999
No. .....
RESEARCH, STATISTICS
& PUBLICATIONS DEPT.

Shreyans Group

Attested to be a true copy
For Adinath Textiles Ltd.
Secretary

MD	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	DIV	✓
TRA	NR	AC	✓
AGM	✓	SHI	✓
YE	✓		



ADINATH TEXTILES LIMITED

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Shreyans Group

ADINATH TEXTILES LIMITED

BOARD OF DIRECTORS

Shri D.K. Oswal	Chairman
Shri Anil Kumar	
Shri O.P. Sahni	
Shri R.C. Singal	
Shri Sanjiv Mohan	
Shri Rajneesh Oswal	Executive Director
Shri Vishal Oswal	

GENERAL MANAGER (Finance & Taxation)
Shri A.K. Kapoor

AGM (Finance & Commerical)
Shri R.K. Bhandari

COMPANY SECRETARY
Shri Vipin K. Bhatia

BANKERS :
1. INDIAN BANK
2. STATE BANK OF PATIALA
3. ALLAHABAD BANK
4. STATE BANK OF INDIA

AUDITORS :
M/S. Dass Khanna & CO.
Chartered Accountants
Ludhiana.

REGISTERED OFFICE & WORKS
VILLAGE - BHOLAPUR, P.O. SAHABANA
CHANDIGARH ROAD, LUDHIANA-141123.

SALES OFFICE
1133, Rupa Mistry Street,
Near Jain Dharamshala,
Ludhiana - 141 008.

BRANCHES
1. 4-J & E, GOPALA TOWER,
   25, RAJENDRA PLACE,
   NEW DELHI - 110 008.
2. 302, RAHEJA CHAMBERS,
   NARIMAN POINT,
   MUMBAI - 400 021.
3. 646 - P.K. Complex,
   P.N. Road,
   Tirupur - 638604.

CONTENTS **Page No.**

NOTICE.....	3
DIRETORS' REPORT.....	8
AUDITORS' REPORT.....	10
BALANCE SHEET.....	12
PROFIT & LOSS ACCOUNT....	13
SCHEDULE TO ACCOUNT.....	14
NOTES ON ACCOUNT.....	21

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Shreyans Group

ADINATH TEXTILES LIMITED

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the company shall be held on Wednesday, the 30th day of September, 1998 at 10.30 A.M. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana to transact the following business.

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31.3.1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Sh. O.P. Sahni, who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint a Director in place of Sh. Sanjiv Mohan, who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to section 17 of the Companies Act, 1956 the Memorandum of Association of the Company be altered by inserting following new sub-clause (s) bearing no (s) 24, 25, 26, 27 and 28 after the existing sub-clause 23 in Clause III (C) :

24. To generate power from coal agroresidues, wood, pertrofuels, gas, water, steam, sunlight, geothermal source, wind or any other mean or instrument and to act as distributors of power.

25. To produce, manufacture, purchase, refine, prepare, process, import, export, sell and genrally deal in all kinds of cement, portland cement, alumina cement, lime & lime stone and by products thereof, cement pipes, sheets and other building materials, referactories and bricks.

26. To carry on business as producers, importers, exporters, sellers, distributors, stockists, agents and brokers of sugar and sugar products.

27. (a) To carry on the business of general finance industrial enterprises in their project on turnkey basis or otherwise.

(b) To carry on and undertake business of leasing, hire purchase and to finance leasing operation of all kinds, and to provide leasing advisory/counseling service to other entities and/or form the leasing, financing and investment arm of other entities.

(c) To carry on and undertake the business of financing the purchase of immovable properties of all kinds including real estate, buildings, factories, flats, depots, warehouses, apartments and the like and to buy, sell, alter, repair, exchange and deal in and finance the sale of furniture, appartus, machinery, materials, goods and articles, lease out or sell any of the same on hire purchase system.

(d) To advance, or lend money, or provide guarantee (s), securities and/or properties with any company, firm person or association whether falling under the same management or otherwise, in accordance with and to the extent permissible under the provisions contained in Section 370 and 372 of the Companies Act, 1956 with or without security, on such terms as may be determined from time to time. However, the Company shall not carry on the business of banking as defined in Banking Regulations Act, 1949.

(e) To carry on the business of Merchant Banking, Underwriter, Managers to Issues, Transfer Agents and Brokers of Stocks, Shares, Debentures, Debentures Stock, Government bonds, Governments Securities, Units of Unit Trust of India, National Savings Certificates and other securities.

28. To carry on the business of general merchants, trade of business, manufacture or commerce and to further export or import all kinds of produce and merchandise, subsidiary or auxiliary or which can be conveniently or otherwise carried on or not with all or any of the company's objects

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

detailed in clause III (A),(B) and (C) of this Memorandum aforementioned and to do the business as principals, contractors, dealers, distributors, consultants, advisors, procurers, agents, factors, brokers, managing agents, contractors, financiers, carriers, merchants and commission agents and all agency business relating to any trade, business, services and all kinds of goods and merchandise either alone or in conjection with others.

6. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

"RESOLVED THAT subejct to all applicable provisions of the Companies Act, 1956 (including any statutory modification (s) or reenactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sancitons, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the Board), the consent of the Company be and is hereby accorded to the Board to buy-back, from the existing holders of shares and/or other securities giving right to subscribe for shares of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the Securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Goverment or any other regulatory authority, from time to time (herein for brevity's sake referred to as the Securities) of the Company, from out of its free reserves or part of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the Securities so bought back shall not exceed specified limits for the respective Securities of the Company."

"RESOLVED FURHTER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or propers."

7. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

"RESOLVED THAT subejct to such consents, permissions or sanctions as may be required from any authority, statutory or otherwise, particularly from the Securities and Exchange Board of Inida (SEBI) and/or the concerned provisions of the Companies Act, 1956 provisions of Section 61 and all other applicable provisions of the Companies Act, 1956 and pursuant to the Guidelines issued, Rules framed by SEBI in this regard, the Board of directors of the company be and is hereby authorised to seek Voluntary Delisting of its Equity shares listed at The Madras Stock Exchange at Chennai, The Calcutta Stock Exchange Association Ltd., at Calcutta and The Stock Exchange, Ahmedabad at Ahmedabad and for that matter to approach the respective Stock Exchange(s) and/or any other concerned authority (ies) seeking its (their) approval for voluntary delisting of the Equity Shares from the said respective Stock Exchange(s).

"RESOLVED FURTHER THAT the Board/ Committee be and is hereby authorised to settle all questions, difficulties or doubts as may arise in regard to the aforesaid voluntary delisting of Securities, as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution."

"RESOLVED THAT the Board of Directors be and is hereby authorised to take all necessary steps in this regards in order to comply with all the legal and procedural formalities and further to authorise any of its committee or any of its Director or any of its Directors or any of the officers of the company to do all such acts, deeds or things to give effect to the above said resolution."

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

8. TO CONSIDER, AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), IF ANY, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to seciton 80, 81, 81(A) and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or enactments thereof, for the time being in force) and subject to the enabling provisions of the Memorandum and Articles of Association of the Company, the Board be and is hereby authorised to issue; offer and allot Redeemable 11% Non-Comulative Preference Shares whether convertible or non convertible, of the face of Rs. 100/- each of an aggregate nominal amount not exceeding Rs. 2.00 lacs (Rupees Two Lacs only).

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board/ Committee of the Board be and is hereby authorised to do all such act, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in absolute discretion deem necessary or desirable and pay any fee, charges, commission and incur expenses in relation thereto."

"RESOLVED FURTHER THAT the Board/ Committee be and is hereby authorised to settle all questions, difficulties or doubts they may arise of the Board in regard to the Issue, Offer or allotment of the Securities and utilisation of issue proceeds as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution, including the authority under Section 81(1A) of the Companies Act, 1956."

"RESOLVED THAT the Board/Committee of the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any other officer or officers of the Company to give effect to the aforesiad resolutions."

By Order of the Board
For **ADINATH TEXTILES LIMITED**

Sd/-
VIPIN K. BHATIA
Company Secretary

Place : Ludhiana
Date : 3rd Sept., 1998

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. A blank proxy form is enclosed. The proxy, in order to be effective, must be deposited at the Registered office of the Company, not less than 48 hours before the meeting.
2. The Register of Members and share Transfer Books of the company will remain closed from 23rd September, 1998 to 26th September, 1998 (Both days inclusive).
3. All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 9.30 A.M. to 11.30 A.M. on all working days, upto the date of the Annual General meeting.
4. Members are requested to send their queries, if any, to Registered Office of the Company at least 10 days before the date of the Meeting.
5. Members are requested to notify immediately change in their address, if any, to the Company at its Registered Office by quoting their folio numbers.

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

FOR ITEM NO. 5

With a view of changed economic scenario of the country and globalisation of trade and commerce, management of your company feels it beneficial to explore the opportunities. In order to enable the company to proceed further in carrying out such activities, the Management proposes to amend the Object Clause of Memorandum of Association by inserting new sub clause no (s) 24,25,26,27 and 28 after exisiting sub-clause no. 23 of clause III (C) of the Memorandum of Association as contained in resolution. Hence the Board recommends the resolution, as proposed, for your approval.

None of the Directors of the Company is, in any way, concerned of interested in the resolution.

FOR ITEM NO. 6

Buy back of own shares or other securities convertible into equity shares by the Companies is presently not allowed under the Companies Act, 1956. The Companies Bill, 1997 has sought to lay down the operative provisions to regulate the buy back of shares/securtities by companies. Hence it is expected that, in due course of time, the law would be amended to allow such buy back. Earlier the Company had passed such resolution in its 15th Annual General Meeting held on 30.11.1995. Since almost three years passed, it is proposed to get a fresh resolution passed by the shares holders.

It is proposed to buy back such portion of the total voting powers relating to the shares or other securities giving right to subscribe for shares of the Company, from the existing security holders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees of the Company pursuant to the scheme of stock option, subject to necessary enactment in this regard.

The buy back of shares as aforesaid would entail investing of an amount which would not be less than the market value of the shares or other securities giving right to subscribe for shares of the Company and shall be met out of the free reserves and/or the securities premium account and/or out of the proceeds of an issue specifically made for the purpose. The shares so bought back shall be cancelled fothwith.

The Board is of the opinion that it will be in the best interests of the Company if shareholders approve the said resolution, should the provisions be enacted, permitting such buy back, so that the Company will be able to implement this resolution.

The resolution is an enabling provision aimed at facilitating the Company to buy back its shares as soon as legally permissible in one or more stages.

The Directors recommend the resolution for approval of the share holders.

FOR ITEM NO. 7

As the members are aware, that Company's Equity Shares of Rs. 10/- each have been listed on the Stock Exchange at Ludhiana, Ahmedabad, Delhi, Mumbai, Calcutta and Chennai in terms of its prospectus dated 18th May, 1989. The Board has

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

observed that there has been no trading in the shares of the company at Chennai, Calcutta and Ahmedabad Stock Exchange as such there is no use to continue listing with these stock exchanges. Accordingly the Board considers that the company should approach to seek Voluntary Delisting of its Equity Shares from Chennai, Calcutta and Ahmedabad Stock Exchange on account of the following reasons :

1. There is no trading the Equity Shares of the company at the said Stock Exchanges.

2. That the Voluntary Delisting will reduce paper work while not required to deal with these Stock Exchanges after delisting.

3. Since the company is not earning any profits it is unable to bear the burden of Listing fee and other related expenses while dealing with the said stock exchanges.

Further at the time of making the Public Issue in terms of Prospectus dated 18th May, 1989 it was intention of the company to provide easy liquidity to the then prospective investors. However, since there is no trading and no. of share holders is negligiable from the region falling under the jurisdiction of Chennai, Callcuta and Ahmedabad Stock Exchanges, the Board of Directors had decided to seek voluntary delisting of the Equity Shares of the company listed at the said Stock Exchanges. The Board therefore proposes the resolution as set out in item No. 7 of this Notice for approval as a special resolution read with the provisions of section 61 and all other applicable provision of the Companies Act, 1956 and pursuant to the guidelines issued/Rules framed by SEBI in this regard.

All material documents, copy of listing agreement etc. are open for inspection to the members till the conclusion of the meeting at the Registered Office of the Company.

None of the directors of the Company is interested in this resolution.

FOR ITEM NO. 8

The Company had issued 2000 11% Non-Convertible Redeemable Preference Shares of Rs. 100/- each which were due for redemption on 14.06.1998, in terms of the Companies (Amendment) Act, 1988.

The Preference Share holders authorised the Board of Directors to redeem these shares within a period of Six months, at their meeting held on 6th June, 1998.

As per provisions of the Companies Act, 1956 Shares can be redeemed only out of profits or proceeds of fresh issue. Since the company does not have any profits, as required for, your Board has decided to issue fresh 2000 11% Redeemable Non convertible Preference Shares of Rs. 100/- each.

MEMORANDUM OF INTEREST

None of the directors of the Company is interested in this resolution.

By Order of the Board
For **ADINATH TEXTILES LIMITED**

Sd/-
VIPIN K. BHATIA
Company Secretary

Place : Ludhiana
Date : 3rd Sept., 1998

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Shreyans Group

ADINATH TEXTILES LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting 18th Annual Report of the Company together with Audited Accounts for the year ended 31st March 1998.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1997-98	1996-97
Gross Sales	**2923.32**	2804.30
Profit before interest and depreciation	**269.37**	241.30
Less : Interest	**163.81**	198.09
Gross Profit	**105.56**	43.50
Depreciation	**111.23**	108.19
Net Profit/(Loss) Before tax	**(5.67)**	(64.69)

PERFORMANCE REVIEW

During the year under review, your Company has achieved the sales turnover of Rs. 2923.32 lacs against the sales of Rs. 2804.30 lacs in the previous year. As you are aware that your Company is passing through a phase of consolidation. Your management has taken all effective steps to enable the Company to turn the corner. However, due to general recession in the Industry prevailing for the past some time which is expected to continue in the current year as well, the efforts of the management have been adversely affected. Despite this it is heartening to note that the Company has been able to register almost 142% of increase in cash accruals which have increased from Rs. 43.49 lacs in 1996-97 to Rs. 105.56 lacs during the year under review.

Your management is seized of the situation and taking corrective steps to overcome the prevailing recessionary conditions by way of cost control, value addition and better sales realisation.

EXPORTS

The Company maintained its export performance during the year and continuous efforts are being made to increase exports. The company generated foreign exchange earnings of Rs. 474.03 lacs, during the year under consideration.

DIVIDEND

Your Directors are refraining themselves to declare any dividend due to non availability of profits.

OUT LOOK FOR THE CURRENT YEAR

The Company has observed in past two three years that the acrylic market for worsted spinning unit, in organised sector is slowly turning into a low margin activity. In its efforts to diversify the product range your company has introduced some value added products. Your management has plans to introduce some more products to add value to Company's balance sheet by curtailing the production of traditional products. Total Export of the first quarter of current year 98-99 is Rs. 239 Lacs and we expect a quantum jump in Exports this year.

DIRECTORS

Sh. O.P. Sahni and Sh. Sanjiv Mohan are retiring by rotation and being eligible offer themselves for reappointment.

DEPOSITS

During the year under reveiw the Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

AUDITORS

The Statutory Auditors of the Company M/s Dass Khanna & Co., Chartered Accountants, Ludhiana retire at the ensuing Annual General Meeting and are eligible for re-appointment.

COST AUDITORS

M/s. Ramanathan Iyer & Co., Accountants, New Delhi have been appointed as Cost Auditors of the Year 1997-98 and their report would be submitted to the Government in accordance with the requirement of law.

ENERGY CONSERVATION

Information with respect to conservation of energy technology absorption, foreign exchange earnings and outgo, pursuant to Section 217(1) (s) of the Companies Act, 1956 is set out in Annexure to the report.

PERSONNEL

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956. As such the information under this is nil.

INDUSTRIAL RELATIONS

The Industrial relations remained very cordial throught the year under review.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support and co-operation of the agencies and departments of the central and State Governments, the Financial Institutions and Banks, the customers and suppliers and other business associates.

www.reportjunction.com