

ADINATH TEXTILES LIMITED



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20TH ANNUAL REPORT 2000



ADINATH TEXTILES LIMITED

BOARD OF DIRECTORS

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

VICE PRESIDENT (Finance & Taxation)

Sh. A. K. Kapoor

COMPANY SECRETARY

Sh. 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 - 141 123

SALES OFFICE

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

BRANCHES :

- | |
|---|
| 1. 4-J & E, Gopala Tower,
25, Rajindra Place
New Delhi - 110 008. |
| 2. 302, Raheja Chambers,
Nariman Point,
Mumbai - 400 021. |

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NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of the Company shall be held on Wednesday, the 26th day of July, 2000 at 11.30 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 31.03.2000 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. D. K. Oswal who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sh. R. C. Singal who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be amended as under.

- (i) The existing article 14 (a) and 14 (b) be renumbered as 14 A and 14 B respectively.
- (ii) After the amended article 14 B as above the following new article 14 C be inserted :

14C. Dematerialisation of Securities

For the purpose of this Article, unless the context otherwise requires :

a. Definitions:

Beneficial Owner : 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996:

Bye-laws: 'Bye Laws' mean bye-laws made by a Depository under Section 26 of the Depositories Act, 1996

Depositories Act: 'Depositories Act' means the Depositories Act, 1996 and any statutory modification or re-enactment thereof for the time being in force.

Depository: 'Depository' means a company formed and registered under the Companies Act, 1956 (1 of 1956) ('the Act') and which has been granted a certificate or registration under sub section (1A) of Section 12 of the Securities Board of India Act, 1992 (15 of 1992);

Record: 'Record' includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations: 'Regulations' means the regulations made by SEBI;

SEBI: 'SEBI' means the Securities and Exchange Board of India;

Security: 'Security' means such security as may be specified by SEBI from time to time;

Shareholder or Member: 'Shareholder' or 'Member' means the duly registered holder, from, time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also every person holding Equity Shares and/or preference Shares of the Company as also one whose name is entered as a beneficial owner of the shares in the records of a Depository;

b. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares,

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debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any ;

c. Option for Investors:

Every person subscribing to securities offered by the company shall have the option to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

Where as person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

d. Securities in Depositories to be in fungible form;

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B and 187C of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners:

e. Rights of Depositories and Beneficial Owners;

- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;
- ii. Save as otherwise provided in (i) above, the Depository as a registered owner of the

securities shall not have any voting rights or any other rights in respect of the securities held by it;

- iii. Every person holding securities of the company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

f. Depository to furnish information:

Notwithstanding anything to the contrary contained in the Act or these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of computer floppies and discs.

g. Option to opt out in respect of any security;

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

h. Section 83 and 108 of the Act not to reply:

Notwithstanding anything to the contrary contained in the Articles:

- i. Section 83 of the Act shall not apply to the shares with a Depository;
- ii. Section 108 of the Act shall not apply to transfer of security effected by the transfer and the transferee both of whom are entered

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a beneficial owners in the records of a Depository.

i. Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders, as the case may be for the purposes of these Articles.

j. Intimation to Depository:

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

k. Stamp duty on securities held in dematerialised form:

No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

l. Applicability of the Depositories Act:

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

m. Company to recognise the rights of Registered Holders as also the Beneficial owners in the records of the Depository;

Save as herein otherwise provided, the company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial owner of the shares in records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the company, and accordingly, the Company

shall not, except as ordered by a court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof."

By order of the Board
for ADINATH TEXTILES LIMITED

S/d-

Place : Ludhiana

V. K. BHATIA

Date : 19th June, 2000 (Company Secretary)

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. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items of special business is annexed hereto and forms part of this notice.
3. The Register of Members and share Transfer Books of the Company will remain closed from Monday, the 24th day of July, 2000 to Wednesday, the 26th day of July, 2000 (both days inclusive)
4. Members are requested to bring their copy of Annual Report to the Meeting.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries in writing to the Secretary of the Company, so as to reach the Registered Office of the Company at least 10 days before the date of the Meeting so that information required can be compiled and

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may be made available at the time or Meeting.

None of the directors is in any way interested or concerned in the proposed resolution.

6. Members are requested to :

(i) Intimate to the Company changes, if any, in their registered address at an early date.

(ii) Quote ledger folio number in all their correspondence with the Company.

(iii) Note that the meeting is for members or their proxies only. Please avoid being accompanied by non members and children.

7. Shareholders/Proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the Meeting Hall.

By order of the Board

for ADINATH TEXTILES LIMITED

S/d-

Place : Ludhiana

V. K. BHATIA

Date : 19th June, 2000 (Company Secretary)

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS OF SPECIAL BUSINESS.

FOR ITEM NO.5

The Securities and Exchange Board of India has decided to include the shares of the Company in the list of Securities in which trading in dematerialised form will be compulsory for all investors w.e.f. 26.12.2000 as trading in demat form is being increasingly encouraged in view of its manifold advantages.

As a consequence to the above, and the changes made to the Companies Act, 1956 some of the provisions in the Articles of Association of the Company would have to be modified particularly to facilitate the operations of the Depository system i.e. issue, holding and dealing of the Company's securities in the Dematerialised form. The relevant Articles as per details furnished are therefore being amended.

Hence, a special resolution as required under section 31 of the Companies Act, 1956 is proposed for your consideration and approval.

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DIRECTOR'S REPORT

Your Directors have pleasure in presenting their 20th Annual Report alongwith Audited Accounts of the company for the year ended 31st March, 2000

FINANCIAL RESULTS

	(Rs. in lacs)	
	1999-2000	1998-99
Gross Sales	2994.24	3040.54
Profit before interest and Depreciation	158.45	310.70
Less Interest	227.77	191.08
Gross Profit/Loss	(69.32)	119.62
Depreciation	113.77	112.88
Net Profit/(Loss) Before Tax	(183.09)	6.74
Provision for Taxation	----	----
Net Profit/(Loss) After Tax	(183.09)	6.74

PERFORMANCE REVIEW

During the year under review Acrylic yarn Industry remained depressed. The Company recorded a turnover of Rs. 2994.26 Lacs as compared Rs. 3040.54 Lacs of last year showing a marginal decline. Cash accruals has reduced from Rs. 119.62 Lacs in the year 1998-99 to a cash loss of Rs. 69.32 Lacs in the year under review because of steep hike in the cost of raw material.

EXPORTS

The Company generated foreign Exchange earnings of Rs. 488.54 Lacs during the year under consideration. Continuous efforts are being made to increase the exports.

DIVIDEND

Due to non availability of profits, your Directors are unable to recommend any dividend for the year under review.

DIRECTORS

Sh. D.K. Oswal and Sh. R.C. Singal are retiring by rotation and are eligible for re-appointment.

DEPOSITS

During the year under review the company has not accepted any deposits within the meaning of section 58A of the Companies Act, 1956 and the rules made thereunder.

AUDITORS

Auditors of the Company M/s. Dass Khanna & Co., Chartered Accountants, Ludhiana retire at the ensuing Annual General Meeting of the

company and the eligible for reappointment. The notes on the accounts referred to in the Auditors' Report are self explanatory and, therefore, do not call for any further comments on the Auditors' Report under section 217 (3) of the Company Act, 1956.

COST AUDITORS

M/s Ramanath Iyer & Co., Cost Accountants, New Delhi, have been appointed as Cost Auditors for the year 1999-2000, and they will submit their report to the Central Government in accordance with section 209 of the Companies Act, 1956.

ENERGY CONSERVATION

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo, pursuant to Section 217 (1) (e) 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. The industrial relations in the company continue to be cordial.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation for the dedicated work and co-operation extended by all the employees.

Your Directors also wish to record their gratitude to the shareholders, Bankers, Financial Institutions, Customers and Suppliers for their valuable support.

S/d-

For & on behalf of the Board

Place : Ludhiana

Date : 19th June, 2000

D. K. OSWAL
(Chairman)

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