

# ADINATH TEXTILES LIMITED



**23RD ANNUAL REPORT 2003**



# ADINATH TEXTILES LIMITED

## BOARD OF DIRECTORS

Sh. Rajneesh Oswal	Executive Director
Sh. Raman Marwaha	Director
Sh. R.P. Gupta	Director

## Manager Accounts

Sh. Sharad Srivastava

## 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

## BRANCHES :

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

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## Electronic Transfer Agent

IN TIME SPECTRUM REGISTRY LIMITED  
A-31, THIRD FLOOR, NARAINA INDUSTRIAL AREA  
PHASE-1, NEAR PVR NARAINA, NEW DELHI-28

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## ADINATH TEXTILES LIMITED

### NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of the Company will be held on Tuesday, the 30th day of September, 2003 at 11.00 A.M. at the Registered Office of the Company at Vill. 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 as at 31st March, 2003 and Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Sh. R.P. Gupta, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint Auditors and to fix their remuneration.

#### AS SPECIAL BUSINESS

4. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as Guidelines, 2003) and subject to the provisions of the Companies Act, 1956, (including any statutory modification (s) or re-enactment thereof (for the time being in force), Securities Contracts (Regulation) Act 1956 and the Rules framed thereunder, Listing Agreements, and all other applicable rules, regulations, and guidelines and subject to the approval, consent, permission or sanction of the Securities and Exchange Board of India, Stock Exchange where the shares of the Company are listed and any other appropriate authorities, institutions or regulators as may be necessary and subject to such conditions and modifications, if any as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (herein after referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), and further to the special resolution passed by the company at Annual General Meeting held on 30th Sept, 1998, the consent of the Company be and is accorded for voluntary delisting of shares of company from all or any of the Stock Exchange at Ludhiana, Chennai, Ahmedabad, Kolkata and New Delhi at such time of times as the Board may decide."

By order of the Board  
For Adinath Textiles Limited  
Sd/-

Place : Ludhiana  
Dated : 26th August, 2003

Rajneesh Oswal  
(Executive Director)

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business as set out above, is annexed hereto and forms part of this notice.

3. The Register of Members and Share Transfer books of the Company shall remain closed from -Friday, the 27th day of September, 2003 to, Tuesday the 30th day of September, 2003 (both days inclusive), for the purpose of AGM, for physical and Electronic, both segments.

4. Members/ proxies 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 question in writing to the Company at least 10 days before the date of the meeting so that information required may be made available at the time of the Meeting.

6. Members are requested to :

(i) Quote their folio number/Client ID & DP-ID in all correspondence with the company.

(ii) Notify immediately to the company any change in their address/ mandate, if any.

7. Shares of the company are available for De-Materialisation under ISN-INE207CV1012. Members who have not opted for De-Materialisation are requested to do so in their own interest.

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

Please note that the meeting is for members or their proxies only. Please avoid accompanied by non-members and children.

By order of the Board  
For Adinath Textiles Limited  
Sd/-

Place : Ludhiana  
Dated : 26th August 2003

Rajneesh Oswal  
(Executive Director)

### DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING REAPPOINTMENT (AS PER CLAUSE 49 OF THE LISTING AGREEMENT)

Sh. R.P. Gupta is a graduate. He has an experience of more than three decades to his credit in the field of Account and Finance. Mr. R.P. Gupta was first appointed as additional director of the company on 31.01.2001 and thereafter was appointed as director

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## ADINATH TEXTILES LIMITED

liable to retire by rotation. Mr. R.P. Gupta is member of Audit Committee and Share Transfer cum Investor Grievance Committee of the board.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 5 TO OF SPECIAL BUSINESS.**

#### **FOR ITEM NO. 5**

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") incorporating, among others, provisions for delisting of securities of a body corporate voluntarily by a promoter or an acquirer or any other person from the stock Exchange.

Presently, the Company's equity shares are listed on the following six Stock Exchange :

1. The Stock Exchange, Mumbai
2. Ahmedabad Stock Exchange Limited
3. The Ludhiana Stock Exchange Association Limited (the Regional Stock Exchange).
4. The Delhi Stock Exchange Association Limited.
5. Madras Stock Exchange Limited
6. The Calcutta Stock Exchange Association Ltd.

With the extension of the BSE terminals to other cities investors have access to on-line dealings in the Company's equity shares across the country. The bulk of the trading in the company's equity shares in any case takes place on the BSE and the depth and liquidity of trading in the Company's equity shares on all other Stock Exchange are lower and negligible.

The Company's equity shares are one of the scripts which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by-all investors. It is also observed that the listing fee paid to Stock Exchange other than BSE is disproportionately high compared to the extremely low trading volumes of the Company's securities on those Exchanges.

The Board of directors at its meeting on 2003 has resolved for the voluntary delisting of securities from the stock exchanges at Ludhiana, Calcutta, Delhi, Chennai and Ahmedabad.

The proposed resolution, which will enable it is the Company to delist its equity shares at any time in future from all or any of the following Stock Exchange :-

1. Ahmedabad Stock Exchange
2. The Ludhiana Stock Exchange Association Limited (the Regional Stock Exchange).
3. The Delhi Stock Exchange Association Limited
4. Madras Stock Exchange Limited
5. Calcutta Stock Exchange Ltd.

The Company's equity shares will continue to be listed on the Stock Exchange, Mumbai after the proposed delisting. Your Director recommend the Special Resolution for members approval.

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



# ADINATH TEXTILES LIMITED

## DIRECTORS' REPORT

Your Directors presents their 23rd Annual Report alongwith Audited Accounts of the Company for the year ended 31st March, 2003.

	(Rs. in Lacs) 2002-2003	(Rs. in Lacs) 2001-2002
<b>FINANCIAL RESULTS</b>		
Gross Sales	854.88	755.99
Profit/(Loss) before interest and depreciation	(343.15)	(263.21)
Less interest	15.73	223.99
Gross Profit/(Loss)	(358.88)	(487.21)
Depreciation	51.51	105.49
Net Profit/(Loss) Before Tax	(410.39)	(592.70)
Provision for Taxation		
Net Profit (Loss) after Tax	(410.39)	(592.70)

As stated in the last report the Company has approached the Board of Industrial and Financial Restructuring, seeking its directions for revival of the Company. The matter is under consideration of the Honorable Board. Company has approached to the financial institutions and Bankers for the one time settlement of outstanding and discussions are under progress.

## AUDITORS

M/s. Dass Khanna & Company, Chartered Accountants, hold office until the conclusion of this Annual general Meeting and are eligible for reappointment. The notes on the accounts referred to in the Auditor's Report are self explanatory and, therefore do not call for any further Comments on the Auditor's Report under section 217 (3) of the Companies Act, 1956.

## INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

### (A) Subsection (1)(e)

(i) Conservation of Energy- All efforts are being made to conserve energy.

(ii) Technology Absorption- Nil.

(iii) Foreign Exchange Earnings and Outgo

Earnings: Nil Outgo: Rs. 5.81 Lacs

(B) Subsection 2A The Company has no employee in the category specified under Section 217 (2A) of the Company Act, 1956.

### (C) Subsection 2AA Your Directors state;

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed by the Company along with proper explanation relating to material departures;

2. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

4. that the directors had prepared the annual accounts on a going concern basis.

## ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the dedicated work and co-operation extended by all the employees. Your Director also wish to record their gratitude to the shareholders, Bankers, Financial Institutions, Customers and Suppliers for their valuable support.

ON BEHALF OF THE BOARD  
for ADINATH TEXTILES LIMITED

Sd/-

RAJNIEESH OSWAL  
(Chair man)

Place : Ludhiana  
Date : 26.08.2003

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# ADINATH TEXTILES LIMITED

## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy

The Basic Philosophy of corporate governance in the company is to achieve business excellence with an ultimate aim of value creation for all players i.e the stake holders, creditors, government, the depositors and the employees.

### Board of Directors

#### (i) Composition :

The Board of Directors of the Company comprises of a One Executive Director, and two Independent and Non Executive Directors.

During the period under review four Board Meeting were held on 29th, June 2002, adjourned for & held on 6th July 2002, July 30, 2002, October 31, 2002 and January 31, 2003.

Name of Director	Designation	Category	No. of Other Director-ship held		Membership of the Committee	No. of Board Meeting Attended	Attendance of last AGM
			Public	Private			
Sh. Rajneesh Oswal	Executive Director	Executive Director & Promoter	3	5	4	4	Y
Sh. Raman Marwaha	Director	Non- Executive & Independent Director	Nil	Nil	2	3	Y
Sh. R.P. Gupta	Director	Non- Executive & Independent Director	1	2	2	4	Y

### Information placed before the Board

All information laid down in corporate governance code are being placed before the board in regular manner. Particulars of Director retiring by rotation and seeking reappointment have been given in the notice convening the 23rd AGM.

### (ii) Committees of the Board

The Board of Directors have constituted the following committees with adequate delegation of powers to discharge affairs of the Company.

#### (i) Audit Committee

The Audit Committee comprises of the following three non-executive Directors.

Sh. Raman Marwaha : Chairman

Sh. Rajneesh Oswal : Member

Sh. R.P. Gupta : Member

During the year under consideration (2002-2003) the Audit Committee Meetings were held on July 30, 2002, October 31, 2002, and January 31, 2003.

#### (ii) Share/ NCD Transfer-cum-Investor Grievance Committee

The Share/ NCD Transfer Cum Investor Grievance Committee is headed by a non-Executive Director and consists of following Directors :

(1) Sh. R.P. Gupta : Chairman

(2) Sh. Rajneesh Oswal : Member

(3) Sh. Raman Marwaha : Member

The Company has an investor base of over 24000 shareholders. During the year under review. The total no. Of complaints received from them on various subjects was 134. All the Complaints were duly attended to and action has been taken within reasonable time. There is no valid requests pending for share Transfer as a the year end.





# ADINATH TEXTILES LIMITED

## DETAILS OF REMUNERATION PAID TO DIRECTORS

Name	Designation	Remuneration			
		Basic Salary	Provident Fund	Other Benefits	Total
Sh. Rajneesh Oswal	Executive Director	3,60,000	43,200	68,336	4,71,536

No Sitting fee was paid to the directors in the financial year 2002-03

### (III) General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date of A.G.M	Time	Venue
2001 - 2002	September 10, 2002	11.30 .AM.	Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road Ludhiana- 141123
2000 - 2001	June 11, 2001	11.30 .AM.	---Do---
1999 - 2000	July 26, 2000	11.30 .AM.	---Do---

There was no occasion to pass Special Resolutions through postal ballot on any of the matters as required under the rules for passing of resolution through postal ballot. Further no such proposal is proposed to be placed for the shareholder's approval in the forthcoming Annual General Meeting.

### (IV) Disclosures

There are no materially significant related party transactions i.e. Transactions, material in nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. Having potential conflict with the interests of the Company at large.

### (V) Means of Communication

(a) The quarterly/ Half-Yearly/ Annual Audited Results of the Company are sent to the Stock Exchange immediately after they were approved by the Board of Director.

### (VI) General Share Holders Information

(a) As indicated in the Notice to the Annual General Meeting of the Company Will be held on Tuesday, 25th day of September, 2003 at 11.00 A.M. At Regd. Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana-141123.

(b) Tentative calendar events for the financial year 2002-03 (April- March), is given below:

#### Un-Audited Quarterly Results

First Quarter	July, 2003
Second Quarter	October, 2003
Third Quarter	January, 2004
Fourth Quarter	April, 2004

(c) Book Closure : From Friday, 27rd September, 2003 to Tuesday, 30th September 2003 (both days inclusive)

(d) Listing Details : The shares of the Company are listed on :

- (I) The Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana- 141001
- (II) The Delhi Stock Exchange Association Limited, DSE House, Asaf Ali Road, New Delhi- 110002
- (III) The Stock Exchange, Mumbai, Pheroze Jeejeebhoy Towers, 25th floor, Dalal street, Mumbai - 400001
- (IV) The Calcutta Stock Exchange Association Limited.
- (V) The Madras Stock Exchange Limited, Post Bag No. 183, 11 Second Line Beach, Chennai- 600001
- (VI) The Ahmedabad Stock Exchange,

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## ADINATH TEXTILES LIMITED

**(e) Depositories for Equity Shares :**

National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)  
ISIN NO. For the Companies Equity Shares : INE207C01019

**(f) Registrar and Shares Transfer Agent :**

The Company has appointed M/s In-Time spectrum Registry Ltd. New Delhi as a Depository Transfer Agent (DTA) and signed tripartite agreements with NSDL/ CDSL to facilitate dematerialisation of shares.

Shares received for dematerialisation are confirmed within stipulated period from the date of receipt, if the documents are clear in all respects. About 6% of the Equity Shares of the Company are in Dematerialised Form.

(g) The distribution of Company's shareholding is as follows :

CATEGORY		NO. OF SHAREHOLDER		NO. OF SHARE HELD		PERCENTAGE OF SHARE HELD	
From	To	Physical Form	Demat Form	Physical Form	Demat Form	Physical Form	Demat Form
1	500	21991	1790	2720111	277848	24.56	2.51
501	1000	358	98	276992	77488	2.50	0.70
1001	2000	87	46	123793	67627	1.12	0.61
2001	3000	21	13	50114	32286	0.45	0.29
3001	4000	10	6	33300	21250	0.30	0.19
4001	5000	0	5	0	23050	0.00	0.21
5001	10000	0	7	0	48571	0.00	0.44
10001	Above 10001	13	3	2947220	114700	26.61	1.04
TOTAL	1	22480	1966	6151530	662820	55.55	5.99
GRAND TOTAL		24446		6814350			

**(h) Dematerialisation of Shares :**

(i). The Company's Shares are covered under the compulsory dematerialisation list and are transferable through the depository system.

(ii) **Transfer of Shares :** Shares received for physical transfer are generally registered within a period of thirty days from the date of receipt, if the documents are clear in all respects.

(i) **Market Price data :** The monthly high and low stock quotations at the Stock Exchange, Mumbai during the last financial year are given below :





# ADINATH TEXTILES LIMITED

Month & Year	Bombay Stock Exchange			
	High	Date	Low	Date
April-02	3.40	16/04/02	1.25	26/04/02
May-02	2.60	10/05/02	1.25	30/05/02
Jun-02	3.20	21/06/02	1.60	12/06/02
July-02	3.95	11/07/02	1.50	30/07/02
Aug-02	1.80	01/08/02	1.25	26/08/02
Sep-02	4.95	16/09/02	1.50	30/09/02
Oct-02	1.65	16/10/02	1.20	08/10/02
Nov-02	1.55	29/11/02	1.10	21/11/02
Dec-02	1.65	11/12/02	1.20	17/12/02
Jan-03	1.50	08/01/03	0.90	30/01/03
Feb-03				
Mar-03				

(j) The Company has not issued any GDR's/ ADR's and there are no warrants or any convertible warrants.

(k) Location of Plant :

Adinath Textiles Ltd., Vill. Bholapur, P.O. Shabana, Chandigarh Road, Ludhiana

(L) Address for Correspondence :

Adinath Textiles Ltd. Vill. Bholapur, P.O. Shabana, Chandigarh Road, Ludhiana (India) - 141123

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