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29TH

ANNUAL REPORT 2009

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ADINATH TEXTILES LIMITED

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BOARD OF DIRECTORS

Sh. Rajneesh Oswal	Executive Director
Sh. Raman Marwaha	Director
Sh. R.P. Gupta	Director
Sh. S.K. Sekhri	Director

AUDITORS :

M/s. Dass Khanna & Co.
Chartered Accountants
Ludhiana.

REGISTERED OFFICE & WORKS

Village Bholapur, P.O. Sahabana
Chandigarh Road, Ludhiana - 141 123

BRANCHES / OFFICES

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

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Registrar & Transfer Agents
Skyline Financial Services (p) Limited
246, 1st Floor, Sant Nagar,
Main Iscon Temple Road,
East Of Kailash,
New Delhi - 1100065.

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NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of the Company will be held on Wednesday, the 30th day of September 2009 at 11.30 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, 2009 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. Raman Marwaha, 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 provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Rules made there under, including any statutory modification or re-enactment thereof, consent of the Company be and is hereby accorded to the re-appointment of Sh. Rajneesh Oswal, as the Executive Director of the Company for a further period of five years with effect from 1st July, 2009 on the, terms and conditions as set out in the agreement, to be entered into between the Company and Sh. Rajneesh Oswal, as submitted to this meeting which is hereby specifically approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

By order of the Board
For Adinath Textiles Limited
Sd/-
R.P. Gupta
(Director)

Place : Ludhiana
Dated : 21st August,2009

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 Tuesday the 15th day of September 2009 to Monday the 21st day of September, 2009 (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, so as to reach the registered office of 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 ISIN - INE207C01019. 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 being accompanied by non-members and children.

By order of the Board
For Adinath Textiles Limited
Sd/-
R.P.Gupta
(Director)

Place : Ludhiana
Dated : 21st August,2009

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO.4 OF SPECIAL BUSINESS.

FOR ITEM NO.4

Section 269 of the companies Act 1956 require for the appointment of a whole time director. Sh. Rajneesh Oswal is a whole time director, designated as Executive Director of the company since 1989.

The previous term of appointment of Sh. Rajneesh Oswal is expired on 30.06.2009. Board of Directors at its meeting held on 30.04.2009 has re- appointed Sh. Rajneesh Oswal as whole time director, designated as Executive Director of the Company for another term of 5 years w.e.f. 01.07.2009 to 30th June 2014, to meet out the requirement of Section 269 of the Companies Act, 1956. Sh. Rajneesh Oswal is also holding the office of Chairman & Managing Director of M/s Shreyans Industries Ltd. Board of Directors of the company had not proposed any remuneration for Sh. Rajneesh Oswal for holding the office of Executive Director of the company. Accordingly no remuneration shall be paid to Sh. Rajneesh Oswal for holding the office of Executive Director of the company. Sh. Rajneesh Oswal is a Management Graduate and has experience of two decades in the field of administration & management to his credit. He is also holding office of Chairman & Managing in Shreyans Industries Ltd and Director in the following companies.

Adeep Investment Co.
Virat Investment & Mercantile Co.
Jagvallabh Parasnath Capital Investment (P). Ltd.
Oasis Share Trading (P) Ltd.

The Provisions of Schedule XIII of the companies Act, 1956 require the approval of Shareholders for the appointment by an ordinary resolution. Accordingly directors recommends the resolution at Item No. 4 for approval of Shareholders.

NOTICE OF INTEREST

None of the directors, in any way, is interested in the proposed resolution except Sh. Rajneesh Oswal.

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING REAPPOINTMENT(AS PER CLAUSE 49 OF THE COMPANIES ACT, 1956)

Sh. Raman Marawaha is a Fellow Member of the Institute of Chartered Accountants of India. He has an experience of more than two decades to his credit in the field of Accounts and Finance. Mr. Raman Marawaha was first appointed as additional director of the company on 31.01.2001 and thereafter was appointed as director liable to retire by rotation. Mr. Raman Marwaha is the Chairman of Audit Committee and member of share transfer cum Investor Grievances Committee of the Board.

Mr. Raman Marawaha does not have any share in the company.

Details of Sh. Rajneesh Oswal , Excutive Director of the company has already been provided in the Explanatory statement given above.

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DIRECTORS' REPORT

The Directors of your company are pleased to present the 29th Annual Report together with the Audited Accounts of the company for the year ended 31.03.2009.

FINANCIAL RESULTS

	2008-09	(Rs. in lacs) 2007-2008
Income from Operations	1276.28	64.72
Other Income	51.60	968.86
Profit/(Loss) before interest and depreciation	220.17	942.89
Less interest	0.24	12.09
Gross Profit/(Loss)	219.93	930.80
Depreciation	14.83	16.71
Net Profit/(Loss) Before Tax	205.10	914.09
Provision for Taxation	0.33	(0.45)
Net Profit/(Loss) after Tax	204.77	914.54

During the year under consideration the turnover of the company is Rs. 1221.63 Lacs . In addition company had also carried the job work to the extent of Rs. 54.65 Lacs in comparison to Rs. 64.72 Lacs in previous year.

As reported earlier that the company has been declared as Sick by the BIFR. Now the management has submitted its Detailed Rehabilitation Scheme (DRS) to the operating agency appointed by the BIFR. The operating agency appointed by the BIFR has submitted its 1st report to BIFR . The management is hopeful to get the approval of revival scheme submitted.

DIVIDEND

Due to accumulated losses of the previous years, your Directors are unable to recommend any dividend for the year under review.

DIRECTORS

Sh. Raman Marwaha is retiring by rotation and is eligible for re-appointment as director of the company. The Board has re appointed Sh. Rajneesh Oswal as Executive Director of the company for a term of five years w.e.f. 01.07.2009.

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 there under.

AUDITORS

Auditors of the Company M/s Dass Khanna & Co., Chartered Accountants, Ludhiana retire at the ensuing Annual General Meeting of the company and are eligible for reappointment.

COST AUDITORS

Mr. Vipin Maini, Practicing Cost Accountant, New Delhi, have been appointed as Cost Auditors for the year 2008-09. They will submit their report in due course.

AUDITORS REPORT

The Auditors Report on accounts of the company for the year under review is self explanatory and require no comments. As for their comments regarding realization of old outstanding, management has taken effective steps, including the filing of legal cases, and is hopeful to recover the old outstanding.

Company had appointed Ms. Manpreet Kaur as its secretary to meet out the requirement of Section 383A of the Companies Act, 1956. However, Ms. Manpreet Kaur did not stay with the company for long time.

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. Nil/-

B) Subsection 2A

The Company has no employee in the category specified under Section 217 (2A) of the Companies 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 ;

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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.

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 and Customers for their valuable support.

ON BEHALF OF THE BOARD
for ADINATH TEXTILES LIMITED
Sd/-
RAJNEESH OSWAL
(Chairman)

Place : Ludhiana
Date : 21st August, 2008

PARTICULARS	Unit	
(A) POWER CONSUMPTION		
1. ELECTRICITY		
(a) Purchased	KWH	6,24,194
Total Amount	Rs.	30,07,737
Rate/KWH	Rs.	4.81
(b) Own Generation		
Through Diesel Generator	KWH	9089
Fuel Cost/KWH (For D.G. Set Only)	Rs.	8.79

REPORT ON CARPORATE GOVERNANCE

Adinath, as a responsible corporate citizen, strongly adheres to corporate governance principals to ensure that the resources of the company are used in a manner that fulfill its obligations to all stakeholders.

The Company is in compliance with requirements of the guidelines on corporate governance stipulated under clause 49 of the Listing Agreement. The status with regard to the various aspects of the corporate governance is given below.

The company has adopted a Code of Conduct for members of the Board and senior management. All directors have affirmed in writing their adherence to the above code.

Board of Directors

(I) Composition :

The Board of Directors of the Company comprises of a One Executive Director, and three Independent and Non Executive Directors. All the Non executive directors are independent directors with professional expertise and experience in their respective field.

The name of Board members, their attendance at Board Meetings and the number of other Directorships and Board Committee memberships held by them as on March 31, 2009 are given in the following table:

During the year 2008-09 Board of Directors met five times .

Name of the Director	Board meetings attended during the year	Attendance at last AGM (27.09.08)	No. of other Directorship held	Membership of the Committees of other Companies
EXECUTIVE DIRECTOR				
Sh. Rajneesh Oswal	5	Present	5	2
NON EXECUTIVE DIRECTORS				
Sh. Raman Marwaha	5	Present	---	---
Sh. R. P. Gupta	5	Present	1	---
Sh. S. K. Sekhri	1	Not Present	3	---

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Audit Committee

The Board of Company has constituted Audit Committee. The terms of reference have been reviewed from time to time. Presently, these confirm to the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The role of Audit committee include to ensure that Financial Statements are correct, sufficient and credible. All financial statements are reviewed by the Audit Committee before submission to the Board.

Audit Committee has also powers to review the findings of Internal Auditors involving any suspected fraud or failure of internal control system. Company's Financial and Risk Management Policies are also reviewed by the Audit committee at a regular interval.

The Audit Committee comprises of the three independent directors and is chaired by Sh. Raman Marwaha. There were five meetings of the committee during the year. The details of composition of committee and attendance at its meetings are given in the following table:

Name of Member	Meetings Held	Meetings Attended
Sh. Raman Marawaha	5	5
Sh. R.P.Gupta	5	5
Sh.S.K.Sekhri	5	1

Share Transfer-cum-Investor Grievance Committee

The Company has a shareholders committee named as Share Transfer-cum-Investor Grievance Committee to look into the redressal of shareholder's grievances. The committee inter alia approves issue of duplicate share certificate(s) and overseas and reviews all matters connected with the share transfer.

The committee also overseas the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in quality of investor services.

The Share Transfer cum Investor Grievance Committee is headed by a Non-Executive Director and met twelve times during the year 2008-09. The detail of members and their attendance are given in the table

Name of Member	Meetings Held	Meetings Attended
Sh. R.P.Gupta(Chairman)	12	12
Sh. Rajneesh Oswal	12	10
Sh. Raman Marawaha	12	12

The company has designated the e.mail id " cs@shreyansgroup.com " for the purpose of registering complaints by investors electronically. This e.mail id is displayed on the company's website.

The details regarding the investor's complaints are as under

	No. of Complaints
Pending as on 01.04.2008	NIL
Received during the year	22
Resolved during the year	22
Pending as on 31.03.2009	NIL

REMUNERATION PAID TO DIRECTORS

Company has not paid any remuneration to its Executive Director. Further no sitting fee was paid to the Non Executive Directors during the year under consideration.

General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date of A.G.M	Time	Venue
2007 - 2008	September 27, 2008	03.00 AM.	Regd. Office of the Company at Vill. Bholapur, P.O. Shabana, Chandigarh Road Ludhiana- 141123
2006 - 2007	September 29, 2007	10.30 AM.	---Do-----
2005 - 2006	September 15, 2006	03.30 PM.	---Do-----

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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 shareholders approval in the forthcoming Annual General Meeting.

Disclosures

a) The related party transactions are placed before Audit Committee. For the year 2008-09, there were no transactions of material nature with related parties which are not in the normal course of business. The related party transactions are disclosed in the Notes on Account to the Balance Sheet.

b) There are no pecuniary relationships or transactions of non executive directors vis-a-vis company that have a potential conflict with the interests of the company.

c) The company has complied with requirements of the stock exchanges as well as the Regulations and Guidelines prescribed by the Securities & Exchange Board of India. There were no penalties or strictures imposed on the company by Stock exchanges or SEBI, any statutory authority on any matter related to capital markets during last three years.

Upto date listing fee has been paid to the Bombay Stock Exchange. However, BSE has suspended the trading in equity shares of the company. Company has taken steps for restoring the trading. Company has also made applications for the voluntary delisting from the stock exchanges at Ludhiana, Delhi, Channai, Kolkata and Ahmdabad, which are pending for decision at end of respective stock Exchange. Company has not paid listing fee to these stock exchanges in view of poor financial position.

d) The company has complied with all mandatory requirements of clause 49 of listing agreement on corporate governance.

e) As on 31st March, 2009 none of the non executive directors, is holding any equity shares of the company.

f) The company has a Whistle Blower Policy in place and it has not denied access to any personnel to approach the Management or the Audit Committee on any issue.

g) No director of the company is having any relationship with each other.

Means of Communication

The Quarterly / Half-Yearly/ Annual Audited Results of the Company are sent to the Stock Exchanges after they were approved by the Board of Directors and communicated to the investors through publication in News Papers

General Share Holders Information

(i) Annual General Meeting Date & Time: Wednesday, the 30th day of September,2009 at 11.30A.M.
Place: Regd. office of the Company at Vill. Bholapur, P.O. Sahabana , Chandigarh Road, Ludhiana - 141 123.

(ii) Financial Year The company's Financial Year starts from 1st April every year and conclude on 31st March, next year.

(iii) Book Closure: From Tuesday, the 15th day of September, 2009 to Monday, the 21st day of September, 2009 (both days inclusive)

(iv) Company has not declared any dividend during the year 2008-09.

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

(i) The Ludhiana Stock Exchange Association Limited ,Feroze Gandhi Market, Ludhiana - 141 001

(ii) The Delhi Stock Exchange Association Limited, DSE House, Asaf Ali Road, New Delhi - 110 002

(iii) The Stock Exchange, Mumbai ,Pheroze Jeejeebhoy Towers, 25th floor,Dalal street, Mumbai - 400 001

(iv) The Culcatta Stock Exchange Association Limited , 7, Lyons Range, Kolkata - 700 001

(v) The Madras Stock Exchange Limited , Post Bag No. 183, 11 Second Line Beach, Chennai - 600 00

vi) The Ahmdabad Stock Exchange, Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmedabad-380 015

Stock Code : BSE Code: 514113

(vi) Depositories for Equity Shares :National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

ISIN No. for the Companies Equity Shares : INE207C01019

(vii) Registrar and Share Transfer Agent.

The details of Registrar & Transfer Agents are as under

Name	: Skyline Financial Services (P) Ltd.
Address	: 246, 1st Floor, Sant Nagar, Main Iscon Tample Road, East of Kailash, New Delhi 110065.
Phone No.	: 011-26292682, 26292683
Fax No.	: 011-26292681
Contact Person	: Mr. Subhash Aggarwal, Director.

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