

33rd ANNUAL REPORT



2013

ADINATH TEXTILES LIMITED

BOARD OF DIRECTORS

Sh. Rajneesh Oswal	Executive Director
Sh. R.P. Gupta	Director
Sh. S.K. Sekhri	Director
Sh. Arun K. Geol	Additional Director

AUDITORS :

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

REGISTERED OFFICE & WORKS

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

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
D-153/A, 1st Floor
Okhla Industrial Area, Phase - 1,
New Delhi - 110020

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the members of the Company will be held on Friday, the 30th August, 2013 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.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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. S. K. Sekhri, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

"RESOLVED THAT Sh. Arun K. Goel, who was appointed as an Additional Director of the Company w.e.f. November 14, 2012 and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as "the Act") up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Directors of the Company, be and are hereby severally authorized to do all such acts, deeds, things as may be necessary, to give effect to the foregoing resolution."

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 Register of Members and Share Transfer books of the Company shall remain closed from Friday, the 23rd day of August, 2013 to , Friday the 30th day of August, 2013 (both days inclusive), for the purpose of AGM, for both physical and electronic segments.
3. Members/proxies are requested to bring their copy of Annual Report to the Meeting.
4. 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.

5. Members are requested to :

- a) Quote their folio number/Client ID & DP-ID in all correspondence with the company.
- b) Notify immediately to the company any change in their address/mandate, if any.

c) REGISTER THEIR E. MAIL ID WITH THE COMPANY OR ITS REGISTRAR OR THEIR DEPOSITORY PARTICIPANT TO ENABLE THE COMPANY TO SEND THE NOTICES AND OTHER REPORTS THROUGH EMAIL.

6. Shares of the Company are available for De-Materialization under **ISIN – INE207C01019**. Members who have not opted for De-Materialization are requested to do so in their own interest.

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.

8. 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**

**Place : Ludhiana
Dated : 29.05.2013**

**Sd/-
Rajneesh Oswal
(Executive Director)**

Important communication

The Ministry of Corporate Affairs, Government of India (MCA) vide its General Circular No. 18/2011 dated 29th April, 2011 has clarified that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. A recent amendment to the listing agreement with the Stock Exchanges now permits company to send soft copies of the Annual Report to all those share holders who have registered their e-mail address for the purpose. To support this green initiative, you are requested to register your email id with the Company's Share Transfer Agent viz. Skyline Financial Services (P) Ltd. D-153/A 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110 020 by giving your consent to receive the Annual Report in future in electronic form. To facilitate you in doing so, please write to us or to our Share Transfer Agent as mentioned above and also update the email address as and when there is change.

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

ITEM NO. 4

The Board of Directors of your Company had co-opted Sh. Arun K. Goel, as an additional director of the Company w.e.f. November 14, 2012, in terms of Section 260 of the Companies Act, 1956 read with Article 110 of the Article of Associations of the Company.

Sh. Arun K. Goel is a Human Resource Management professional with an experience of more than two decades with various business houses.

Your Directors, believe that with his appointment as a Non-Executive Director, the Company would be immensely benefited by way of strategic guidance, leadership and knowledge of the above said director. Hence, the resolution as set out at item No.4 of the notice is recommended for your approval.

None of the Directors except Sh. Arun K. Goel is concerned or interested in the said resolution.

**DETAILS OF DIRECTOR SEEKING RE-
APPOINTMENT AT THE ANNUAL GENERAL
MEETING (PURSUANT TO CLAUSE 49 OF THE
LISTING AGREEMENT)**

ITEM NO. 2

Sh. S. K. Sekhri is Fellow Member of The Institute of Chartered Accountants of India. He has experience of more than three decades to his credit in the field of Finance & Internal Control. Mr. S. K. Sekhri was first appointed as additional director of the company on 29.06.2004 & thereafter was appointed as director liable to retire by rotation. Mr. S. K. Sekhri is the member of Audit Committee of the Board. He is also a director in M/s Noble Share Trading Pvt. Ltd. He holds Nil Shares in the Company.

**By Order of the Board
For Adinath Textiles Limited**

**Place : Ludhiana
Dated : 29.05.2013**

**Sd/-
Rajneesh Oswal
(Executive Director)**

DIRECTORS' REPORT

The Directors of your company are pleased to present the 33rd Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2013.

FINANCIAL RESULTS

	2012-13	(Rs. in lacs) 2011-2012
Income from Operations	950.69	501.98
Other Income	80.48	80.89
Profit/ (Loss) before interest & depreciation	104.51	81.41
Less Interest	0.00	0.00
Gross Profit/ (Loss)	104.51	81.41
Depreciation	9.38	9.77
Net Profit/ (Loss) Before Tax	95.13	71.64
Provision For Taxation (including deferred tax)	19.86	0.08
Net Profit/ (Loss) after Tax	75.27	71.72

During the year under consideration the income from operations of the company is Rs. 950.69 lacs against Rs. 501.98 lacs in the last Financial Year. Other Income of the company is Rs. 80.48 lacs in comparison to Rs. 80.89 lacs in previous year

As reported earlier that the company has been declared as Sick by the BIFR. The management of the company has submitted its Detailed Rehabilitation Scheme (DRS) to the BIFR through the operating agency appointed by the BIFR after incorporating the changes suggested by different agencies. The same is under active consideration of the Hon'ble BIFR for circulation and final approval.

DIVIDEND

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

DIRECTORS

Sh. S. K. Sekhri, Director of the Company, liable to retire by rotation at the forthcoming Annual General Meeting under clause 113 of Article of Association of the Company and being eligible, offers himself for reappointment.

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

As per new cost audit orders, the company has been advised that cost audit is not applicable for the financial year 2012-13 as company is not carrying any manufacturing activity at its own.

AUDITORS REPORT

The Auditors Report on accounts of the company for the year under review is self explanatory and requires 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.

As regards the non compliance of Section 383A of the Companies Act, 1956 management has taken due steps to appoint Company Secretary, but no suitable candidate was available for appointment.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate Chapter on Corporate Governance practices followed by the Company together with a Certificate from the Practicing Company Secretary confirming compliance forms part of this report.

INDUSTRIAL RELATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

STATEMENT OF PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts, applicable accounting standards have been followed and there has been no material departures;
2. the selected accounting policies were applied consistently and the directors 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 as at March 31, 2013 and of the profit or loss of the company for the year ended on that date;
3. proper and sufficient care has been taken 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. annual accounts have been prepared 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, Customers and Suppliers for their valuable support.

ON BEHALF OF THE BOARD
For ADINATH TEXTILES LIMITED

Place : Ludhiana
Date : 29th May, 2013

Sd/-
RAJNEESH OSWAL
(Executive Director)

ANNEXURE TO DIRECTOR'S REPORT**INFORMATION PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956**

- (i) Conservation of Energy-All efforts are being made to conserve energy.
- (ii) Technology Absorption-- Nil.
- (iii) Foreign Exchange Earnings and Outgo--Nil
- (iv) Activities and initiatives related to Export—Nil

DRAFT REPORT ON CORPORATE GOVERNANCE

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 laid down a code of conduct for all its Board Members and senior management personnel for avoidance of conflicts of interests. Company has received the necessary declaration affirming compliance with the code of conduct for the year 2012-13.

Board of Directors

Composition :

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

The Board of Directors met five times during the year 2012-13 on 14th May, 2012, 9th August, 2012, 30th August, 2012, 14th November 2012 and 11th February, 2013. All information laid down in corporate governance code is being placed before the board in regular manner.

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, 2013 are given in the following table:

Name & Designation of the Director	Category	Board Meetings Attended during the year	Attendance of Last AGM 29.09.2012	No. of Directorships in all public companies*	Membership of the Board Committees in all public companies**	Chairmanship of the Board Committees in all public companies**
Sh. Rajneesh Oswal	Executive Director	5	Present	2	2	---
Sh. Raman Marwaha#	Non-Executive Director	3	Present	1	1	-1
Sh. R. P. Gupta	Non-Executive Director	5	Present	1	1	1
Sh. S. K. Sekhri	Non-Executive Director	5	Not Present	2	1	---
Sh. Arun K. Goel##	Non-Executive Director	2	---	1	2	---

*including Adinath Textiles Ltd. and excluding private limited companies, foreign companies, unlimited liability companies and Companies under section 25 of the Companies Act, 1956.

**Board Committee for this purpose includes Audit Committee and Share Transfer Cum Investors' Grievance Committee (including committees of Adinath Textiles Ltd.)

#Sh. Raman Marwaha ceases to be director w.e.f 29.09.2012.

Sh. Arun K. Goel was elected as Additional Director w.e.f. 14.11.2012

Audit Committee

Company has constituted Audit Committee in compliance with the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The committee's terms and reference, authority and powers are in conformity with the requirements of the Companies Act, 1956 and Clause 49 of the Listing Agreement. All financial statements are reviewed by the Audit Committee before submission to the Board.

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	Designation	Meetings Held	No. of Meetings Attended
Sh. Raman Marawaha*	Chairman (upto 29.09.2012)	5	3
Sh. R.P. Gupta	Chairman (since 14.11.2012)	5	5
Sh. S.K. Sekhri	Member	5	5
Sh. Arun K. Goel**	Member	5	2

*Sh. Raman Marwaha ceases to be director w.e.f 29.09.2012.

**Sh. Arun K. Goel was elected as Additional Director w.e.f. 14.11.2012

Share Transfer-cum-Investor Grievance Committee

The Board has formed an investors' Grievance Committee named as Share Transfer-cum-Investor Grievance Committee to specifically look into the redressal of investors' complaint like transfer of shares, non receipt of balance sheet or non receipt of credit of shares into the De mat account etc. The committee also approves issue of duplicate share certificate(s) and overseas and reviews all matters connected with the share transfer.

The Share Transfer cum Investor Grievance Committee is headed by a Non-Executive Director and met twelve times during the year 2012-13. The detail of members and their attendance are given in the table:

Name of Member	Designation	Meetings Held	No. of Meetings Attended
Sh. R. P. Gupta	Chairman	12	12
Sh. Rajneesh Oswal	Member	12	12
Sh. Raman Marwaha*	Member	12	6
Sh. Arun K. Goel**	Member	12	5

*Sh. Raman Marwaha ceases to be director w.e.f 29.09.2012.

** Sh. Arun K. Goel was elected as Additional Director w.e.f. 14.11.2012

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

Particulars	No. of Complaints
Pending as on 01.04.2012	0
Received during the year	22
Resolved during the year	22
Pending as on 31.03.2013	0

REMUNERATION PAID TO DIRECTORS

Company has not paid any remuneration to its Executive Director. Sitting fee was paid to the Non Executive Directors during the year under consideration as per detail given below:

Name of Member	Category	Sitting Fees for Board Meeting
Sh. Raman Marwaha*	Independent Director	---
Sh. R. P. Gupta	Independent Director	3000
Sh. S. K. Sekhri	Independent Director	3000
Sh. Arun K. Goel**	Additional Director	1500

*Sh. Raman Marwaha ceases to be director w.e.f 29.09.2012.

** Sh. Arun K. Goel was elected as Additional Director w.e.f. 14.11.2012

General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date of A.G.M	Time	Venue
2011 - 2012	29th Sep, 2012	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Shabana, Chandigarh Road, Ludhiana- 141123
2010 - 2011	30th Sep, 2011	11.00 A.M.	----Do-----
2009 - 2010	28th Sep, 2010	11.30 A.M.	----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 shareholders approval in the forthcoming Annual General Meeting.

Disclosures

- a) The related party transactions are placed before Audit Committee for the year 2012-13, 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-à-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. Listing fee has been paid to the Bombay Stock Exchange up to the F.Y. 2013-14. Company has also made applications for the voluntary delisting from the stock exchanges at Delhi, Chennai, Kolkata and Ahmedabad, 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 31 March, 2013 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

Financial Information: The quarterly, half yearly and Annual Financial results were published in The Economic Times and Dешsevak. The same were sent to the Stock Exchanges and also placed at website of the Company, www.adinathtextiles.com.

Online Filing: Periodical compliance filings like shareholding pattern, corporate governance report, announcements, corporate actions etc. have been filed electronically on BSE – Corporate Compliance & Listing Centre.

SCORES (Sebi Complaints Redressal System): The Investor Complaints are processed in a centralized web based complaints redressal system on www.scores.gov.in, a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company had dispose of all the pending complaints filed through scores.

General Share Holders Information

- (i) **Annual General Meeting** Date & Time: Friday, the 30th day of August, 2013 at 11.30 A.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 Friday the 23rd day of August 2013 to Friday the 30th day of August 2013 (both days inclusive).
- (iv) Company has not declared any dividend during the year 2012-13.
- (v) **Listing Details:** The Equity shares of the Company are listed on
- (i) The Stock Exchange, Mumbai, Pheroze Jeejeebhoy Towers, 25th floor, Dalal street, Mumbai - 400 001
- (ii) The Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana - 141 001
- (iii) The Delhi Stock Exchange Association Limited, DSE House, Asaf Ali Road, New Delhi - 110 002
- (iv) The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata - 700 001.
- (v) The Madras Stock Exchange Limited, Post Bag No. 183, 11 Second Line Beach, Chennai - 600 001
- (vi) The Ahmedabad Stock Exchange Limited, Kamdhenu complex, Panjara Road, 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	: D-153/A 1 st Floor, Okhla Industrial Area, Phase -1 New Delhi - 110 020
Phone No.	: 011-26812682-83-84
Fax No.	: 011-26812682
Contact Person	: Mr. Subhash Aggarwal, Director.

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

		PHYSICAL FORM			D-MAT FORM		
NO OF SHARES		NO. OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENTAGE OF SHARE CAPITAL HELD*	NO. OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENTAGE OF SHARE CAPITAL HELD *
From	To						
1	500	19675	2408170	35.34%	3078	468594	6.88%
501	1000	310	240480	3.53%	160	128265	1.88%
1001	2000	90	125320	1.84%	63	90276	1.32%
2001	3000	18	43150	0.63%	21	52108	0.76%
3001	4000	6	20050	0.29%	8	28300	0.42%
4001	5000	1	4850	0.07%	5	23298	0.34%
5001	10000	3	19070	0.28%	11	72606	1.07%
10001	Above 10001	3	66660	0.98%	13	3023153	44.36%
TOTAL		20106	2927750	42.96%	3359	3886600	57.04%

* The above percentage is after excluding the shares forfeited but not re-allotted

(ix) Share Transfer System:

The Board has delegated the power of approving re-materialisation of shares, transfer and transmission cases, splitting- consolidation of share certificates and issue of duplicate share certificates etc. to the Share Transfer - cum - Investor's Grievances Committee. A list of valid transfers prepared by Transfer Agent in respect of transfers received by them and objections, if any, are placed before the committee for approval/ confirmation. The shares are accepted for registration of transfer at the Registered Office of the Company in addition to the office of Registrar & Transfer Agent, M/s Skyline Financial Services Private Ltd., New Delhi.

(x.) Market Price data: The monthly high and low stock quotations for the shares of the company at the Stock Exchange, Mumbai, during the last financial year are not available.

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

(xii.) Location of Plant: Adinath Textiles Ltd., Vill. Bholapur, P.O. Shabana, Chandigarh Road, Ludhiana

(xiii.) Address for Correspondence :

Adinath Textiles Limited, Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana (India) - 141 123

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