

# 34th ANNUAL REPORT



**2014**

**ADINATH TEXTILES LIMITED**



**BOARD OF DIRECTORS**

Sh. Rajneesh Oswal	Executive Director
Sh. Arun K. Goel	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

**OFFICES**

1. 5 A-D, 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 34<sup>th</sup> Annual General Meeting of the members of the Company will be held on Wednesday, 13<sup>th</sup> August, 2014 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 AN ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.

2. To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 37<sup>th</sup> Annual General Meeting and to fix their remuneration, subject to ratification of appointment by members at every AGM.

### **AS SPECIAL BUSINESS:**

#### **ITEM NO.3**

#### **TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS A ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 196 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 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 Executive Director of the company for a further period of five years with effect from 1<sup>st</sup> July, 2014 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 authorized to do all such act, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

#### **ITEM NO.4**

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

"Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions of the

Companies Act, 2013 and the rules made there under read with schedule IV to the said Act, consent of the company be and is hereby accorded to re-appoint Sh. R. P. Gupta as an Independent Director of the Company to hold office from 13<sup>th</sup> August, 2014 to 12<sup>th</sup> August, 2019, not liable to retire by rotation."

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

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

"Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with schedule IV to the said Act, consent of the company be and is hereby accorded to re-appoint Sh. S. K. Sekhri as an Independent Director of the Company to hold office from 13<sup>th</sup> August, 2014 to 12<sup>th</sup> August, 2019, not liable to retire by rotation."

#### **ITEM NO.6**

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

"Resolved that pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under read with schedule IV to the said Act, consent of the company be and is hereby accorded to re-appoint Sh. Arun K. Goel as an Independent Director of the Company to hold office from 13<sup>th</sup> August, 2014 to 12<sup>th</sup> August, 2019, not liable to retire by rotation."

#### **ITEM NO.7**

#### **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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactments thereof, for the time being in force, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company."

"Resolved further that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this 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. Members/proxies are requested to bring their copy of Annual Report to the Meeting and bring in duly filled attendance slips enclosed herewith to attend the meeting. Shareholders/ Proxy holders are requested to produce at the entrance, duly filled and signed attendance slips for admission to the Meeting Hall.

3. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

4. The Register of Members and Share Transfer books of the Company shall remain closed from 07<sup>th</sup> August, 2014 to 13<sup>th</sup> August, 2014 (both days inclusive), for the purpose of AGM, for both physical and electronic segments.

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. Copies of the Annual Report are being sent by electronic mode only to all members whose email addresses are registered with the company/depository participants(s) for communication purposes unless any members has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.

7. Members are requested to :

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

8. 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.

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

10. An e-voting facility for the members shall also be provided in terms of Section 108 of the Companies Act, 2013 and rules made there under.

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Click on "Shareholders" tab.
- Now, select the "ADINATH TEXTILES LIMITED" from the drop down menu and click on "SUBMIT"
- Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company) and then enter the Captcha Code as displayed and Click on Login.
- If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/demat account number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <YOUR NUMBER OF SHARES> in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on <ADINATH TEXTILES LIMITED> to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to

<https://www.evotingindia.co.in> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

## In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 07.08.2014, 09:00 A.M. and ends on 09.08.2014, 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11.07.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	USER ID (16 Digit Demat Account/ Folio No. of members holding shares in physical mode)	PASSWORD (as per point (v) to (vii) of e-voting instructions)
140709001		

11. M/s P.S. Bathla & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and makes a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

12. The Results shall be declared at the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.adinathtextiles.com](http://www.adinathtextiles.com) and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

By order of the Board  
For Adinath Textiles Limited

Rajneesh Oswal  
Executive Director

Dated : 26.05.2014

Regd. Office: Village: Bholapur,  
P.O. Sahabana, Chandigarh Road,  
Ludhiana 141 123

CIN: L17115PB1979PLC003910

Email: [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)

Website: [www.adinathtextiles.com](http://www.adinathtextiles.com)

Tel. No. 0161-2685271-72, Fax 0161-2685270

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING

#### **ITEM NO.3**

Section 196 of the Companies Act, 2013 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<sup>th</sup> June, 2014. Board of Directors at its meeting held on 26<sup>th</sup> May, 2014 has re-appointed Sh. Rajneesh Oswal as Whole time Director designated as Executive Director of the Company for another term of five years w.e.f 1<sup>st</sup> July, 2014 to 30<sup>th</sup> June, 2019, to meet out the requirement of section 196 of the Companies Act, 2013. 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 more than two decades in the field of administration and management to his credit. He is also holding office of Chairman & Managing Director in Shreyans Industries Limited and Director in the Following companies:

Adeep Investment Company

Virat Investment and Mercantile Company

Jagvallah Parasnath Capital Investment (P) Ltd.

Oasis Share Trading (P) Ltd.

The provisions of Schedule V of the Companies Act, 2013 require the approval of Shareholders for the appointment by an ordinary resolution. Accordingly, Directors recommends the resolution at item no.3 for approval of shareholders.

A copy of the draft agreement for re-appointment of Sh.

Rajneesh Oswal as an Executive Director, setting out the terms and conditions is available for inspection by members at registered office of the company during working hours.

#### **NOTICE OF INTEREST**

None of the directors and key managerial personnel/their relatives, except Sh. Rajneesh Oswal, the appointee himself, is interested in the proposed resolution.

#### **ITEM NO. 4, 5, 6**

In terms of Section 149 (10), (11), (13) and Section 152 (6), (7) of Companies Act, 2013 read with schedule IV of the said Act, an Independent Director shall holds office for not more than two consecutive terms of five years and the tenure of an independent director on the date of commencement of this act shall not be counted as a term under above mentioned sub sections. Furthermore the provisions relating to retirement by rotation shall not applicable to Independent Directors.

So to comply with relevant provisions of Companies Act, 2013, all Independent Directors needs to be re-appointed on non rotational basis and up to five year at a time. In the opinion of the Board, all Independent Directors of the Company fulfills the conditions for their appointment as an Independent Director as specified in the Act and the Listing Agreement. The Board also opined that they all possess appropriate skill, experience and knowledge as required to occupy the position of an Independent Director.

The Board has also received declaration from all the Independent Directors that they meet the Criteria of Independence as prescribed under section 149(6) read with Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board recommends the re-appointment of all independent directors from 13<sup>th</sup> August, 2014 to 12<sup>th</sup> August, 2019.

#### **NOTICE OF INTEREST**

None of the Executive Directors/Key Managerial Personnel of the Company / their relatives are in any way concerned or interested in the said resolution. All independent directors are interested in their respective resolution(s).

#### **ITEM NO.7**

Company needs to adopt new Articles of Association in accordance with the provisions of Companies Act, 2013. The larger part of New Companies Act, 2013 (Act) has been made effective by the Ministry of Corporate Affairs. With the coming into force of the Act, several regulations of the existing Articles of Association of the company

require alteration/deletion. So it is considered and proposed to replace the whole Articles of Association of the Company by new set of Articles. The new Articles of Association shall be based on Table F of the Act for company limited by shares.

Necessary resolutions are proposed at item no.7 of the aforesaid agenda as special resolution.

A draft of the said Articles of Association has been uploaded on the website of the company and also available for inspection by members at the registered office of the Company during the working hours. Director of your company recommend the above resolution for your consideration and approval.

## NOTICE OF INTEREST

None of the Directors/Key Managerial Personnel of the Company / their relatives are in any way concerned or interested in the said resolution.

## ANNEXURE TO THE NOTICE

### Details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Sh. R.P. Gupta	Sh. S.K. Sekhri	Sh. Arun K. Goel
Age	67 years	68 years	53 years
Date of Appointment	31.01.2001	29.06.2004	14.11.2012
Expertise in Specific	Accounts & Finance	Finance & Internal Control	Human Resource Management
Qualification	Graduate	CA	PGDBM (PM & IR) M.A. Economics
Directorship of other Public Limited Companies	NIL	Adinath Yarns Limited	NIL
Membership of Committees of Other Public Limited Companies (Mandatory Committees only)	NIL	NIL	NIL
Nos. of shares held in the Company	NIL	NIL	NIL

By order of the Board  
For Adinath Textiles Limited

Rajneesh Oswal  
Executive Director

Dated : 26.05.2014

Regd. Office: Village: Bholapur,  
P.O. Sahabana, Chandigarh Road,  
Ludhiana 141 123

CIN: L17115PB1979PLC003910

Email: [atl@shreyangroup.com](mailto:atl@shreyangroup.com)

Website: [www.adinathtextiles.com](http://www.adinathtextiles.com)

Tel. No. 0161-2685271-72, Fax 0161-2685270

## DIRECTORS' REPORT

The Directors of your company are pleased to present the 34<sup>th</sup> Annual Report together with the Audited Accounts of the company for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS

Particulars	(Rs. In Lacs)	
	2013-14	2012-13
Income from Operations	9244196.16	95069158.00
Other Income	8846524.87	8047903.50
Profit/ (Loss) before interest & depreciation	3483498.77	10452901.14
Less Interest	1628.97	1425.96
Gross Profit/ (Loss)	3481869.80	10451475.18
Depreciation	934133.00	937975.00
Net Profit/ (Loss) Before Tax	2547736.80	9513500.18
Provision For Taxation (including deferred tax)	391240.00	1986000.00
Net Profit/ (Loss) after Tax	2156496.80	7527500.18

During the year under consideration the income from operations of the company is Rs. 9244196.16 against Rs. 95069158.00 in the last Financial Year. Other Income of the company is Rs. 8846524.87 in comparison to Rs. 8047903.50 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. R. P. Gupta, Sh. S. K. Sekhri and Sh. Arun K. Goel are being re-appointed as Independent Directors of the Company for a period of five years.

### 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 2013-14 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, 2014 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 : 26.05.2014**

**Sd/-**  
**RANJEESH 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