

MD	✓	REC	✓
CS	✓	DEF	✓
RO	✓	DEF	✓
TRA	✓	ME	✓
AGM	✓	SEE	✓
YE	✓		✓

**AMETHI  
TEXTILES  
LIMITED**



## AMETHI TEXTILES LIMITED

### 11TH ANNUAL REPORT 1996-97

<b>BOARD OF DIRECTORS</b>	Mr. R.R. Kumar	Chairman
	Mr. Pradeep Jain	Managing Director
	Mr. N.K. Tandon	Whole-Time Director
	Mr. Mahendera S. Bhate	Director
	Mr. D.N. Dikshit	Director
	Mr. Usha Jain	Director
	Mr. R.C. Sehgal	Nominee (IDBI)
	Mr. S.J.S. Ahluwalia	Nominee (ICICI)
	Mr. Pratap Lodha	Nominee (IFCI)

**AUDITORS** : M/s. Saxena & Saxena  
Chartered Accountants  
301-303, C.A. Chambers,  
18/12, W.E.A. Karol Bagh  
New Delhi-110 005

**BANKERS** : INDIAN OVERSEAS BANK

**REGISTERED OFFICE** : 4, King Acress, Saraswati Road,  
Santa Cruz (W) Mumbai-400 054

**CORPORATE OFFICE** : D-961, New Friends Colony,  
New Delhi-110 065

**FACTORY** : A-3, Sector-22, Jagdishpur Industrial Area,  
District Sultanpur, U.P.

## AMETHI TEXTILES LIMITED

### NOTICE

Notice is hereby given that the 11th Annual General Meeting of Amethi Textiles Limited will be held on Tuesday, 30th December, 1997 at 11.30 A.M. at Apex Hall, IMA Building, J.R. Mhate Marg, J.V.P.D. Scheme, Juhu, Mumbai-400 049 to transact the following business.

#### ORDINARY BUSINESS

1. To consider approve and adopt the Audited Accounts for the year ended 31st March, 1997 and its reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. D.N. Dixit who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Smt. Usha Jain who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of section 94 of the Companies act, 1956 and article 8 of the Articles of Association of the Company, the Authorised capital of the Company be and is hereby increased from Rs. 15,00,00,000 divided into 1,50,00,000 Equity Shares of Rs. 10.00 each to Rs. 20,00,00,000.00 (Rupees Twenty crores only) divided into 2,00,00,000 (Rupees Two crores only) Equity shares of Rs. 10.00 (Rupees Ten only) each and consequently the respective capital clauses in the Memorandum of association and the Articles of Association of the Company do stand altered accordingly and as also more particularly provided in the succeeding resolutions to be proposed at this meeting.

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

Place : Mumbai  
Dated : 4th December, 1997

**"RESOLVED THAT** on the above Resolution at Item No. 1 having been duly passed and become effective, the Memorandum of Association of the Company be and the same is hereby altered as follows :

- In clause V of the Memorandum of association, the words and figures :
- "The Authorised share capital of the Company is Rs. 15,00,00,000.00 (Rupees Fifteen Crores only) divided into 1,50,00,000.00 (One Crore Fifty Lacs only) Equity Shares of Rs. 10.00 (Rupees Ten only) each"
- be and the same are hereby deleted and the same be and are hereby substituted by the following words and figures, namely :
- "The Authorised Share Capital of the Company is rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two crores only) Equity Shares of rs. 10.00 (Rupees Ten only) each"

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a **SPECIAL RESOLUTION** :

**"RESOLVED THAT** pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of association of the Company be and the same are hereby altered as follows :

- In article 4 of the Articles of association the words and figures :
- "The Authorised share capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen cores only) divided into 1,50,00,00,000 (One crore fifty lacs only) Equity Shares of Rs. 10/- (Rupees Ten obnly) each"
- be and the same are hereby deletd and the same be and are hereby substituted by the following words and figures, namely :
- "The Authorised share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores only divided into 2,00,00,000 (Two crores only) Equity shares of Rs. 10/- (rupees Ten only) each".

By ORDER OF THE BOARD

Sd/-

**DEVANG S. THAKAR**  
(Practising Company Secretary)

# AMETHI TEXTILES LIMITED

## 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 AND A PROXY NEED NOT BE A MEMBER.
2. Proxies, if any, in order to be effective must be deposited at the Registered office of the company not less than 48 hours before the time of the meeting.
3. The members are requested to kindly intimate the change, if any, in their registered address to the company's Registered office.
4. The Register of members and share transfer books of the Company will remain closed from 23.12.97 to 30.12.97. (both days inclusive)

## EXPLANATORY STATEMENT

(Pursuant to the provisions of Section 173 (2) of the Companies Act, 1956)

### ITEM NOS. 1, 2, AND 3

One of the conditions stipulated by the Industrial Development Bank of India and the Financial Institutions for granting the package of reliefs and concessions to the Company is that they have the right to convert the entire amount of funded interest into equity at par.

In the event of their exercising the right the Company will be required to allot to them Equity Shares of about Rs. 400.00 lacs. As on date the Authorised Share Capital of the Company is Rs. 15.00 crores divided into 1.50 crores Equity Shares of Rs. 10.00 each. As against this, the Company has already issued 1,43,17,570 Equity Shares leaving a balance of only 6,82,430 Equity Shares of Rs. 10.00 each (i.e. Rs. 68,24,300) which can now be issued out of the present Authorised Share Capital of the Company.

In order to meet the above contingency it is proposed to increase the Authorised Share Capital of the Company to Rs. 20.00 crores, divided into 2.0 crores equity shares of Rs. 10.00 each. The same resolution

was also put to share holders in the last Annual General Meeting but was deferred.

The resolutions at Item No. 1 is for the purpose of increasing the Authorised Share Capital of the Company to Rs. 20.00 crores.

The resolutions at Item No. 2 and 3 are for altering the capital clauses, respectively, in the Memorandum of Association and the Articles of Association of the Company in consequence of the proposed increase in the Authorised Capital per item No. 1 of the accompanying notice.

Your Directors recommend the resolutions set out at items 1, 2 & 3 of the notice for your approval.

None of the Directors of the Company is, in any way, concerned or interested in these items of business.

A copy of the Memorandum of Association and the Articles of Association of the Company is available for inspection at the Registered Office of the Company between 11.00 A.M. and 1.30 P.M. on any working day upto 29th December, 1997.

By ORDER OF THE BOARD

Sd/-

**DEVANG S. THAKAR**  
(Practising Company Secretary)

Place : Mumbai  
Dated : 4th December, 1997

**AMETHI TEXTILES LIMITED****DIRECTORS' REPORT**

Your Directors present hereunder their 11th Annual Report together with Audited Statement of Accounts for the financial year ended 31st March, 1997.

**FINANCIAL RESULTS :**

The financial results as declared for the year under review are as under :

<b>Financial Results</b>	<b>Rupees in Lacs</b>
— Loss before Depreciation	162.37
— Depreciation	24.15
— Net Loss after Depreciation	186.52

Since there is no available surplus, the directors do not recommend any dividend for the year.

**FUTURE PROSPECTUS :**

The company is flooded with orders and it is because of the handicap of adequate working capital that the company is not in a position to commit and accept the firm L/Cs which are being received because of its highly technically sophisticated equipment.

The company is trying hard to avail the working capital funds at the earliest so as to exploit the present favourable Industrial climate.

**FIXED DEPOSITS :**

The company has not accepted any fixed deposits during the year.

**INDUSTRIAL RELATIONS :**

The industrial relations during the year continued to be cordial.

**DIRECTORS :**

Shri D.N. Dixit & Smt. Usha Jain are the directors due to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

The Board recommends their re-appointment.

**AUDITORS' COMMENTS**

- i) As regard to remark at para 4(i) (iii) and (iv) of their Report at 4th Dec., 1997 regarding Capitalisation of Interest and Depreciation and non verification of Stocks at Mumbai, note no. 13 and 14 of the notes forming part of accounts are self explanatory.
- ii) As regards comment at para 4(ii), it may be stated that the package of reliefs and concessions is in the process of implementation and its completion has to be in accordance with various stipulations and time schedules presented for the purpose.

**PARTICULARS OF EMPLOYEES**

None of the employees of the company was paid remuneration in excess of the limits prescribed. Hence, the particulars of employees within the meaning of section 217 (2A) of the companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 as amended upto date and not given.

**CONSERVATION OF ENERGY AND OTHER INFORMATION**

The information required pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in enclosed Annexure A to this report.

**AUDITORS :**

M/s. Saxena & Saxena, Chartered accountants, the existing Auditors, being eligible, are proposed to be re-appointed Auditors of the company from the conclusion of the ensuing Annual General Meeting until the conclusion of the Next Annual General Meeting.

**ACKNOWLEDGEMENTS :**

Your Directors wish to place on record their sincere thanks to Central and State Governments, Industrial Development Bank of India, Industrial Credit and Investment Corporation of India, Industrial Finance Corporation of India and Indian Overseas Bank for their valuable support and guidance. Your Directors also express their gratefulness to the staff at all levels for their dedicated support and co-operation.

For & on behalf of the Board

Sd/-

**R.R. KUMAR**  
Chairman

Place : New Delhi

Dated : 4th December, 1997

**AMETHI TEXTILES LIMITED****ANNEXURE-'A' TO DIRECTOR'S REPORT**

Information pursuant to the Section 217(1)(e) of the Companies Act, 1956, read with Disclosure of particulars in the report of Board of Directors Rules, 1988.

**1. CONSERVATION OF ENERGY :**

- a) Energy Conservation measures taken NIL
- b) Additional investment and Proposals, if any, being implemented for reduction of consumption of energy NIL
- c) Impact of measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- d) Total energy consumption per unit of production as per form A.

**FORM 'A'**

PARTICULARS	Current Year Rs.	Previous Year Rs.
<b>A. Power and Fuel Consumption</b>		
<b>1. ELECTRICITY</b>		
<b>a) Purchased</b>		
Unit (Kwh lacs)	13,16,570.00	18,31,832.00
Total Amount (Rs.)	84,99,806.00	1,04,93,647.25
Average Rate/Unit (Rs.)	645	5.72
<b>b) Own Generation</b>		
(i) Through Diesel Generator		
Unit (Kwh lacs)		
Units per litre of diesel oil	Nil	Nil
(ii) Through Steam Turbine Generator Units		
Units per ton of Coal/		
Avg. cost/Unit	Nil	Nil
<b>2. Coal (Specified quantity and were used) Quantity</b>		
Total		
Average Rate	Nil	Nil
<b>3. Furnace oil Quantity (K. Ltr.)</b>	17450	15,733
Total Amount (Rs.)	145308	122089
Average Rate (Rs./Ltr.)	8.33	7.76
<b>4. Others/Internal generation</b>	Nil	Nil
(Please give details)		
Quantity		
Total Cost		
Average rate per unit		

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Particulars	Current Year	Previous Year
Products Unit		
Electricity	4.29	4.29
Furnace Oil	NIL	NIL
Coal	NIL	NIL
Others	NIL	NIL

**C. TECHNOLOGY ABSORPTION :**

Efforts made in technology absorption as per form B

**AMETHI TEXTILES LIMITED****FORM 'B'**

Form for disclosure of particulars with respect to absorption Research and Development

- |   |     |
|---|-----|
| 1. Specific areas in which R & D carried out by the company   | NIL |
| 2. Benefits derived as a result of the above R & D            | NIL |
| 3. Future plan of action                                      | NIL |
| 4. Expenditure on R & D                                       |     |
| (a) Capital   |     |
| (b) Recurring   |     |
| (c) Total   |     |
| (d) Total R & D expenditure as a percentage of total turnover | NIL |

**Technology absorption, adaptation and innovation**

- |  |        |
|--|--------|
| 1. Efforts in brief, made towards technology   | NIL    |
| 2. Benefits derived as a result of the above efforts e.g. Product improvement, Cost reduction, product development, import substitution etc.                       |        |
| 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished : | NIL    |
| (a) Technology imported  |        |
| (b) Year of Import   |        |
| (c) Has technology been fully absorbed ?   |        |
| (d) If not fully absorbed, areas where this has been taken place, reasons therefore and future plans of action.  |        |
| C. Foreign Exchange Earnings and outgo   |        |
| e) Activities relating to exports; initiatives taken to increase exports; developments of new export market for products and services; and export plans            |        |
| f) Total foreign exchange used   | NIL    |
| Total foreign exchange earned  | 152.33 |

For &amp; on behalf of the Board of Directors

Place : New Delhi  
Dated : 4th December, 1997

Sd/-  
**R.R. KUMAR**  
Chairman