

7TH
ANNUAL
REPORT
1998-99

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 **THE ARIHANT GROUP**

ARIHANT
THREADS LIMITED

MANAGEMENT

BOARD OF DIRECTORS Mr. Ramesh Inder Singh Chairman Mr. K. L. Jain Vice-Chairman & Managing Director Mr. R. S. Loona Nominee IDBI Mrs. Kalpna Mittal Baruah Mr. S. K. Duggal Ms. Ruchika Jain	REGISTERED OFFICE / WORKS: 454, Phase-II, Industrial Complex, Goindwal Sahib, (Distt. Amritsar)
PRESIDENT (CORPORATE) Mr. Ravi Bansal	HEAD OFFICE : B-35, Phase V, Focal Point, Ludhiana -141 010
COMPANY SECRETARY Mr. Vivek Sood	DELHI OFFICE : 1105, Antriksh Bhawan, Kasturba Gandhi Marg, New Delhi-110 001
AUDITORS M/s. Dass Khanna & Co., Chartered Accountants, B-XX/711, Pakhowal Road, Gurdev Nagar, Ludhiana-141 001.	MUMBAI OFFICE : 416, Raheja Chambers, 4th Floor, Nariman Point, Mumbai-400 021
BANKERS UCO Bank Civil Lines, Ludhiana	

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ARIHANT THREADS LTD.

454, Phase -II Industrial Complex,
Goindwal Sahib (Distt. Amritsar)

NOTICE

NOTICE is hereby given that 7th Annual General Meeting of the Company will be held on Saturday the 25th September, 1999 at 11.30 A.M. at the Registered Office of the Company at 454, Phase-II, Industrial Complex, Goindwal Sahib (Distt. Amritsar).

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss A/c for the year ended March 31, 1999 and Balance Sheet as on that date alongwith Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramesh Inder Singh, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Ms. Kalpana Mittal Baruah, Director who retires by rotation and being eligible offers herself for re-appointment.
4. **TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS THE FOLLOWING RESOLUTION AS SPECIAL RESOLUTION.**

RESOLVED THAT pursuant to the provisions of Section 224 A of The Companies Act, 1956 M/s. Dass Khanna & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration and out of pocket expenses as may be decided by Mr. K.L. Jain, Vice Chairman & Mg. Director of the Company.

By order of the Board
for **Arihant Threads Limited**
Sd/-

(**VIVEK SOOD**)

Company Secretary

Place : Goindwal Sahib

Date : 14-07-99

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and such proxy need not to be a member of the Company. Proxy in order to be effective must reach at the Head Office of the Company at least 48 hours before the time of the Annual General Meeting.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No. 4 annexed hereto and forms part of this Notice.

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 FOR ITEM NO. 4 OF ORDINARY BUSINESS :

Since more than 25% of the Subscribed Capital of the Company is held by PSIDC, the provisions of Section 224A of the Companies Act, 1956 are applicable and the appointment of M/s. Dass Khanna & Co., Chartered Accountants as Auditors of the Company is required to be made by passing a Special Resolution. Hence the proposed resolution is recommended for your approval.

MEMORANDUM OF INTEREST

None of the Directors is individually interested in this item.

By order of the Board
for **Arihant Threads Limited**
Sd/-

(**VIVEK SOOD**)

Company Secretary

Place : Goindwal Sahib

Date : 14-07-99

DIRECTORS' REPORT

To
The Members,
Arihant Threads Ltd.

Your Directors have pleasure in presenting before you this 7th Report on the affairs of the Company alongwith Audited Accounts for the period March 31, 1999.

FINANCIAL RESULTS

PARTICULARS	Rs in lacs	
	As at 31-03-99	As at 31-03-98
Sales & Other Income	2936.16	1631.67
PBDIT	381.44	196.63
Financial Expenses	180.58	82.53
Depreciation	163.84	105.94
Capital Issue Expenses & Others	3.97	4.50
PBT	33.05	3.66
Share Capital	3620.17	3620.17
Reserve & Surplus	938.04	909.98

During the year the Company has achieved turnover of Rs. 2717.00 lacs out of which export turnover is Rs. 1774.82 lacs and has earned precious foreign exchange for the country. The Company has earned a Cash Profit of Rs. 191.88 lacs. At present 18144 spindles are in operation and the project will be fully operative during the month of October 1999. The company is also exploring the possibilities to double the capacity on the completion of 25000 Spindles.

We have pleasure to inform you that the product of the Company has been well accepted in both Domestic and Export Markets. The Company has exported its product to Israel, Malaysia, Russia and Bangladesh. The Company has also developed the market of Hong Kong and has started export to Hong Kong also.

Your Directors feels proud to inform you that on the basis of the export performance the company has achieved the status of RECOGNISED EXPORT HOUSE granted by the Government of India,

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mrs. Kalpana Mittal Baruah and Mr. Ramesh Inder Singh, the retiring Directors, being eligible and offer themselves for re-appointment.

AUDITORS

M/s. Dass Khanna & Co., Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting being eligible seeks re-appointment.

AUDITORS' REPORT

With regard to the Auditors' Report the Directors have to state that the notes on accounts are self explanatory and do not call for further comments.

Y2K COMPLIANCE

All computer systems of the company have already been complied for Y2K. Plant & machinery which required Y2K compliants have been identified and steps have already been taken to make them Y2k compliant. It will be ready by September 99. Total expenditure on Y2K compliance is appromately Rs. 2 lacs.

LISITING COMPLIANCE

The shares of the company are listed on Ludhiana, Delhi, Mumbai, Calcutta, Madras, Ahemdabad and National Stock Exchanges. The listing fee for all the stock exchanges has been paid. The trading of the shares of company were remained suspended on the Mumbai stock exchange for 5 Days starting from 14-09-98 due to delay in giving the notice of Book Closure to the exchange.

PERSONNEL

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 as amended is NIL.

DISCLOSURE OF PARTICULARS UNDER SECTION 217(1)(E)

Disclosure of particulars under Section 217(1)(e) of the Companies Act, 1956 under the Companies (Disclosure of Particulars in respect of Board of Directors) Rule 1998 as given as per Annexure 1 and forms part of this Report.

ACKNOWLEDGEMENT

The Directors place on record their sincere thanks to Industrial Development Bank of India, UCO Bank, The Punjab State Industrial Development Corporation Ltd., Shareholders, Employees of the Company, and all Business Constituents for their valuable co-operation extended to the Company from time to time and hope it will continue in future as well.

By order of the Board
For **Arihant Threads Limited**

Sd/-
Vice-Chairman
(K.L.Jain)

Sd/-
Director
(Ruchika Jain)

Place : Goindwal Sahib

Date : 14.07.99



ANNEXURE TO DIRECTORS' REPORT

Annexure-I

Information as per Section 217(1)(e) read with the Companies Disclosure of Particulars in the Report of Board of Director(s) Rules, 1988 and forming part of the Director's Report for the year ended 31st March, 1999.

(i) **CONSERVATION OF ENERGY**

(ii) The Company has taken the following steps for conservation of energy.

- i. Optimisation of each production unit.
- ii. Reduction in idle run of units.
- iii. Installation of electric motors of optimum capacity, maximum utilisation of natural light in the plant, introduction on nylon belts to replace conventional belts and use of energy saving devices for lighting circuits etc.
- iv. As a result of implementation of energy saving schemes, the Company has been able to save on fuel consumption to a great extent.

FORM 'A'

A. POWER AND FUEL CONSUMPTION

S. No	Particulars	As at 31-03-99	As at 31-03-98
1	Electricity		
	a) Purchased Unit (Kwh)	8176202	4302761
	Total Amount (Rs.)	22428755	10540988
	Rate Per Unit (Rs.)	2.74	2.44
	b) Own Generation		
	Total Amount (Rs.)	NIL	NIL
	Rate Per Unit (Rs.)	NIL	NIL
2	Other Internal Generation	NIL	NIL

B. CONSUMPTION PER UNIT OF PRODUCTION

i)	Cotton Yarn (Rs)	10.75	8.35
	Electricity Unit Consumed	3.92	3.42

ii) **TCEHNOLOGY ABSORPTION**

The company has brought and successfully absorbed the latest Ring Spinning Technology.

1. **RESEARCH & DEVELOPMENT**

a) **Specific areas in which R & D carried out by the Company**

Research and development has continuously been carried out for improvement in quality of existing products development of new and improved products and production processes for better productivity.

b) **Benefits derived as a result of the above R & D**

As a result of R & D and improved quality of yarn, orders are being received from Indian Market as well as from Foreign market.

c) **Future plan of action**

Development of new fancy yarns and improvement in certain production processes are planned.

d) **Expenditure of R & D**

Expenditure of R & D is continuous process and the expenditure incurred thereon has not been segregated and accounted for separately. Hence, it is not possible to give the same in the required format.