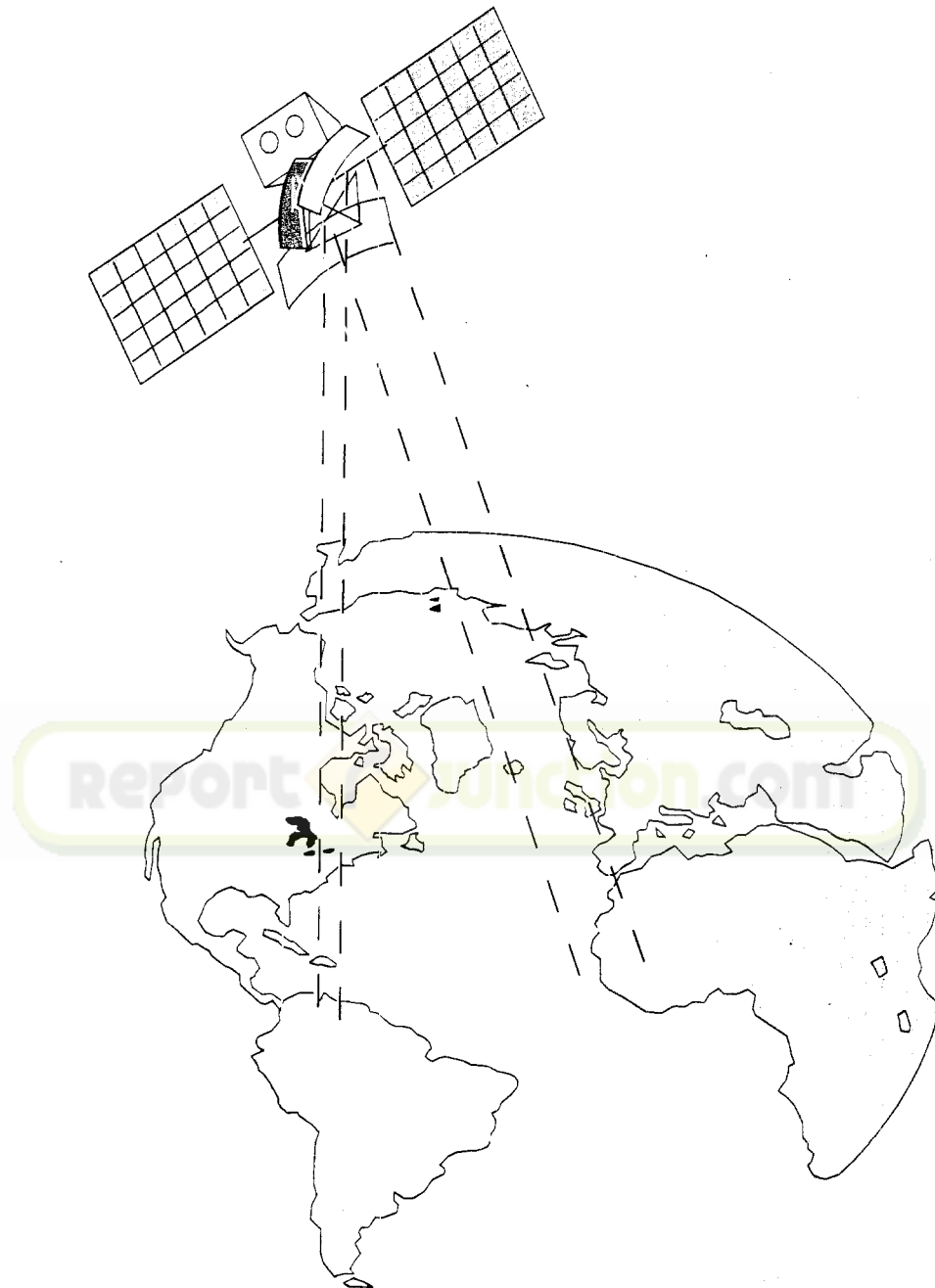


ATLANTIC SPINNING AND WEAVING MILLS LTD. ANNUAL REPORT 1998-99



**ATLANTIC SPINNING AND WEAVING MILLS LTD. XELDEM
COMPANY'S DETAILS**

BOARD OF DIRECTORS

**S.D. JAIN - DIRECTOR
K.B.SINGH - DIRECTOR
R.N.YADAV - DIRECTOR
P.MATHUR - TECHNICAL DIRECTOR
RAJIV AGARWAL - EXECUTIVE DIRECTOR**

BANKERS

**THE UNITED WESTERN BANK LTD. PANJIM
UTI BANK MUMBAI
IFCI LIMITED MUMBAI**



**REGISTERED OFFICE
605 CHENOY TRADE CENTRE
SECENDERABAD, (A.P.)**

**FACTORY
XELDEM, QUEPEM,
GOA**

ATLANTIC SPINNING AND WEAVING MILLS LTD. XELDEM**NOTICE TO MEMBERS**

Notice is hereby given that the 13th Annual General Meeting of Company will be held at 2.30 p.m. on the 24th March 2000 at the Registered Office at 605, Chenoy Trade Centre, Parklane, Secunderabad Andhra Pradesh to transact the following business.

Ordinary Business

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30th September 1999 and Balance sheet as on that date together with Reports of the Directors and the Auditors thereon.
2. To Appoint a Director in place of Smt S.D.Jain who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.
4. To declare dividend on Equity Shares.

Special Business

5. To consider and if though fit, to pass, with or without modification, the following as a Ordinary Resolution:

Resolved that Mr. RN Yadav and Shri K.B. Singh be and are hereby appointed Directors of the Company.

6. To consider and if though fit, to pass, with or without modification, the following as a Special Resolutions:

i) "Resolved that pursuant to provisions of Section 81(A) and other applicable provisions, if any, of the Companies Act, 1956 a subject to any other approvals, provisions, sanctions and consent of such other appropriate authorities, institutions, bodies, or persons as may be necessary and subject to the existing agreement entered or to be entered into with the Stock Exchanges, the consent of the members be and is hereby accorded to the Board of Directors of the Company to issue, offer and allot further Equity Shares of Rs. 10/- (Rs.Ten Only) each for cash at par or at such premium to be decided by the Board, in an manner and at any time as the Board may deem fit and such shares may be issued (1) On right basis at proportion to be decided by the Board or (ii) Rights cum Public Issue or (iii) Public Issue alone or (iv) Allot the same to the Promoters without offering to the existing Shareholders as the case may be and such shares shall rank pari-passu in all respects with the existing Equity Shares of the Company except that they shall be entitled to dividend on a prorata basis from the date of such allotment."

"Resolved that the Board of Directors be and is hereby authorised to issue convertible/nonconvertible debentures or any debt instrument or such other securities for a value not exceeding Rs. 150 crores redeemable with such tenor/rate and such other terms and conditions as they deem fit, or accept modification suggested by SEBI / financial institutions/any other statutory bodies and to do all such acts, deeds, matters, or things as the Board may think necessary, expedient or appropriate in relation to any of the above said matters to the benefit and in the interest of the Company."

ATLANTIC SPINNING AND WEAVING MILLS LTD. XELDEM

NOTICE TO MEMBERS (continued)

Notes : A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member.

The Proxy, in order to be effective, the form must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Explanatory Statement under Section 173 of the Companies Act, 1956 in respect of the special business as set out above is annexed.

The Register of Member will remain closed 23rd March 2000 to 24th March 2000. The dividend on the equity shares as recommended by the Directors, if approved at the Annual General Meeting, will be made payable to those shareholders whose names stand on the Register of Members of the Company as on 24th March 2000.

Members are requested to intimate change in their registered address, if any, to M/s. Monkar Computer Private Limited, (Registrar and Share Transfer Agency of Atlantic Spinning and Weaving Mills Ltd.,) No.21, Shakil Niwas, Mahakali Caves Road, Andheri East, Mumbai 400 093 on or before 24th March, 2000.

By order of the Board of Directors
For and on behalf of

R.N.YADAV

Director

Place: Hyderabad

Date: 20th Jan.2000

**EXPLANATORY STATEMENT PURSUANT TO
SECTION 173 OF THE COMPANIES ACT, 1956**

Item Nos. 6

The machines are required to be rectified to suit the current day requirements for which additional funds will be required for this purpose. To partly meet the fund requirements, the Board considered the possibility of raising capital by means of the options mentioned in the resolutions. It is also considering to issue debentures/other securities to the extent of Rs. 150 crores to partly meet the capital expenditure/ working capital requirements. Therefore, it has been though fit to authorise the Board to issue such debentures on private placement basis or otherwise as the board may deem fit.

The Board commends the resolutions for the approval of the Members. None of the Directors of the Company are in any way concerned or interested in the Resolutions except in so far as the firm allotment of shares to Promoters is concerned.

ATLANTIC SPINNING AND WEAVING MILLS LTD. XELDEM**DIRECTOR'S REPORT**

Your Directors take pleasure in presenting the Annual Report together with the audited Balance Sheet as on 30th September 1999 the Profit and Loss Account for the year ended on that date and the Auditor's Report thereon.

FINANCIAL RESULT

	Rupees in Lakhs	
	September 1999	September 1998
Total Income	12522.86	10142.56
Profit before depreciation and interest	1276.15	1130.75
Interest and Financial Charges	336.05	241.97
Profit After Interest and Depreciation	808.27	756.97
Tax	185.44	12.08
Profit after Tax	622.84	744.89

DIVIDEND

The Board is pleased to recommend a dividend of 12%

FUTURE PLANS

The Company is pleased to inform that they have been successful completed first phase of the project. And also placed orders for machines for second phase. In order to part finance the cost of the expansion program, M/s IFCI have sanctioned 10.00 Crores as term loan and bank a working capital limits of 44.50 Crores. The company is also planning to avail further 30.00 Crores from IFCI under Technical Up- gradation Fund at concessional Rate of interest of about 10% .

Considering the vast Business opportunity due to global boom in usage of computers , the Software Industry is doing extremely well. Indicators are that the trend is likely to continue for the next few years. The Company has already invested in Mysore near the Silicon Valley of India (Bangalore) in a big way The directors are of the opinion that the company diversify into software development for which necessary consultation have already begun. And the Company Bankers have shown interest in lending in the same also.

YEAR 2000

The Company has taken appropriate steps to be Y2K compliant. The expenditure to ensure Y2k compliance have not any material financial impact.

AUDITORS

M/s. R.Ramesh Kumar & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from the Auditors certifying that their re-appointment, if made, would be within the specified limits under Section 224 (1B) of the Companies Act, 1956.