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Annual Report
1999 - 2000

PRIME TEXTILES LIMITED

(Formerly ATL Textiles Limited)

ANNUAL REPORT**1999-2000****BOARD OF DIRECTORS**Shri MADANLAL PATODIA
ChairmanShri PURSHOTAM PATODIA
Vice Chairman & Managing DirectorShri DILIP S. PHATARPHEKAR
(Nominee of ICICI)

Shri CHANDULAL D. THAKKER

Shri RADHEY GOBIND BHURADIA

Shri NANDAN S. DAMANI

Shri N.K. BAFNA

Shri BANWARILAL SINGHAL

Shri MANOJJKUMAR PATODIA
Executive Director (Wholetime Director)**SECRETARY &
GENERAL MANAGER (FINANCE)**

Shri S. RAMANATHAN

AUDITORSMessrs M.S. JAGANNATHAN & VISVANATHAN
Chartered Accountants, Coimbatore**LEGAL ADVISORS**Messrs RAMANI & SHANKAR,
Advocates, Coimbatore**MAIN BANKERS**

CENTRAL BANK OF INDIA

REGISTERED OFFICE110, Avanashi Road,
Tirupur - 641 603.
(South India)

PRIME TEXTILES LIMITED

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PRIME TEXTILES LIMITED
 (Formerly ATL Textiles Limited)
 [A Govt. Recognised Trading House]
 Regd. Office : 110, Avanashi Road, Gandhinagar P.O.,
 Tirupur - 641 603

NOTICE is hereby given that the **SIXTY THIRD** Annual General Meeting of the Members of Prime Textiles Limited will be held at the Registered Office of the Company at 110, Avanashi Road, Tirupur - 641 603, Tamil Nadu, on Friday, the 15th December, 2000 at 4:00 p.m. to transact the following business:-

As Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2000 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and of the Auditors thereon.
2. To declare a dividend on Preference Shares and Equity Shares for the year ended 30th June, 2000.
3. To appoint a Director in place of Shri Madanlal Patodia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri N.K.Bafna, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

As Special Business :

ITEM NO.6 -

To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any Statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions, as may be necessary from the appropriate Authorities and Bodies, the Articles of Association of the Company, be and is hereby altered in the following manner and to the extent, set out below:

Insert the following heading and Article as Article 12(3) after Article 12(2)

"Dematerialisation of Shares:

For the purpose of this Article:-

(1) Definitions

- (a) "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.
- (b) "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
- (c) "Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.
- (d) "Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.
- (e) "Depository" shall mean a Depository as defined under clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
- (f) "Member" means the duly registered holder from time to time of the shares of the company and includes every person whose name is entered as a beneficial owner in the records of the Depository.
- (g) "Issuer" means any person making an issue of Securities.
- (h) "Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.
- (i) "Registered owner" means a depository whose name is entered as such in the Register of the issuer.
- (j) "Record" includes the records maintained in the form or books or stored in computer or in such other form as may be determined by regulation made by SEBI in relation to the Depositories Act.
- (k) "Regulations" means the regulations made by the SEBI.
- (l) "Security" means such security as may be specified by the SEBI.
- (m) Words and expression used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

PRIME TEXTILES LIMITED

(2) Dematerialisation of Securities

Notwithstanding anything to the contrary or inconsistent contained in the Act or these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities, held in the Depositories and/or offer its fresh securities in the dematerialised form pursuant to the provisions of Depositories Act and the Rules framed thereunder, if any.

(3) Company to recognise interest in dematerialised securities under Depositories Act

Either the Company or the investor may exercise an option to issue, deal to hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

(4) Option for Investors

Every person acquiring/subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.

(5) Securities in Depositories to be in Fungible Form

All securities of the Company held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C, 372 and 372A, of the Companies Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(6) Rights of Depositories and Beneficial Owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(7) Beneficial Owner deemed as absolute owner

Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust of equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof, but the Board shall be at their sole discretion to register any share in the Joint names of any two or more persons or the survivor or survivors of them.

(8) Depository to furnish information

Every Depository shall furnish to the company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws and the company in that behalf.

(9) Cancellation of Certificates upon Surrender by a person

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

(10) Option to opt out in respect of any security

If a beneficial owner seek to opt out of a Depository in respect of any security and beneficial owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(11) Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(12) Provisions of Articles to apply to Securities held in Depository

Except as specifically provided in these Articles, the provisions relating to joint holders of securities, calls, lien on securities, forfeiture, transfer and transmission of securities shall be applicable to securities held in Depository so far as they apply to securities held in physical form subject to the provisions of the Depository Act.

(13) Allotment of Securities dealt within a Depository

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(14) Distinctive number of Securities held in a Depository

The Securities in the Capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the securities of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form, except in the manner hereinbefore mentioned. No securities shall be sub-divided. Every forfeited or surrendered securities held in material form shall continue to bear the number by which the same was originally distinguished.

(15) Register and Index of Beneficial Owners

The Company shall cause to be kept a Register and index of Members and a Register and Index of Debenture holders in accordance with Section 151 and 152 of the Act respectively, and the Depositories Act, with details of Shares and debentures held in material and dematerialised forms in media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be for the purpose of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Members resident in that State or Country.

(16) Register of Transfers

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every Transfer or Transmission of any Securities held in material form.

(17) Overriding effect of this Article

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Article of these presents.

Place : Tirupur
Date : August 31, 2000

By Order of the Board of Directors,
S. RAMANATHAN
Secretary

NOTES FOR THE MEMBERS' ATTENTION

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 such Proxy need not be a member of the Company. The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items 6 to 15 of the notice set out above, is annexed thereto.
3. The Register of Members of the Company will remain closed from Monday the 11th December, 2000 to Friday the 15th December, 2000 (both days inclusive) for the purpose of payment of Dividend.
4. Pursuant to the provisions of Section 205-A of the Companies Act, 1956, unpaid dividend 1995 has been transferred to the General Revenue Account of the Central Government. Members who have not encashed their Dividend warrants relating to year ended 30-06-1995 may claim the same from the Registrar of Companies, Tamilnadu, 683-686, Stock Exchange Building, Trichy Road, Coimbatore - 641 005, in the prescribed format which will be supplied by the Company, on request.

As a result of the amendments introduced through Sections 205A to 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called "Investor Education and Protection Fund" to be set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the year ended

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30-6-1996 onwards will become transferable at the end of seven years respectively, to the said Investor Education and Protection Fund and no claims shall lie against the fund or the Company in respect of individual amounts thereafter. Shareholders are, therefore requested to send their claims, if any, for the relevant years from 1996 onwards to the Company, before the respective amounts become due for transfer to the fund.

5. Members are requested to notify change of address, if any, with Pin Code quoting reference to their folio number immediately to the Company at its Registered Office, Tirupur.

Explanatory Statement under Section 173(2) of the Companies Act, 1956**RESOLUTION AT ITEM NO. 6**

With enactment of the Depositories Act, 1996 and amendments to certain provisions of the Companies Act, 1956, now the Company is able to introduce the Company's securities into the Depository System. To enable the Company to introduce its shares into the Depository System certain clauses of the Articles of Association of the Company requires to be amended or new clauses are to be inserted.

In view of this, consequent changes are required to be incorporated in the Articles of Association of the Company by inserting a new Article, so as to be in line with the amended provisions of the Companies Act, 1956, read with the provisions of the Depositories Act, 1996. The Board of Directors of the Company are authorised to introduce the Company's securities into Depository at the appropriate time, subject to approvals / permissions, if any, required from the appropriate authorities. A Special Resolution is therefore proposed for your approval.

None of the Directors is in any way concerned or interested in the Resolution.

Place : Tirupur
Date : August 31, 2000

By Order of the Board of Directors,
S.RAMANATHAN
Secretary

SHAREHOLDER INFORMATION**Stock Exchanges on which the Company's Securities are listed.**

The Company's securities are listed at the following Stock Exchanges;

- | | |
|---|--|
| <p>(1) The Secretary,
Coimbatore Stock Exchange Ltd.,
CSX Towers,
683-686, Trichy Road,
Singanallur,
COIMBATORE - 641 005.</p> | <p>(2) The Secretary,
Madras Stock Exchange Ltd.,
11, Second Line Beach,
CHENNAI - 600 001.</p> |
| <p>(3) The Secretary,
The Calcutta Stock Exchange
Association Ltd.,
7, Lyons Range,
CALCUTTA - 700 001.</p> | <p>(4) The Secretary,
The Stock Exchange,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001.</p> |
| <p>(5) The Secretary,
The Stock Exchange,
Kamadhenu Complex,
Opp.Sahajanand College,
Panjara Pole, Ambawadi,
AHMEDABAD - 380 015.</p> | |

The Company has paid Annual Listing Fees to each of the above Stock Exchanges for the Financial Year 2000-2001.

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the **Sixty-third Annual Report** of the Company and the Audited Statements of Accounts for the year ended 30th June 2000.

FINANCIAL RESULTS

(Rupees in lacs)

	1999-2000	1998-99
Profit before interest & depreciation	1,163.90	668.48
Less : Interest	675.42	615.27
Profit before depreciation	488.48	53.21
Less : Depreciation	258.88	221.72
Profit before taxation	229.60	(168.51)
Less : Taxation	4.00	0.00
Profit after taxation	225.60	(168.51)
Add : Previous balance brought forward	142.50	347.30
Available for appropriation	368.10	178.79

APPROPRIATIONS

Proposed Dividends :

On Equity Shares	27.29	0.00
On Preference Shares	70.00	32.99
Tax on proposed dividends	13.70	3.30
Balance carried to Balance Sheet	257.11	142.50
Total of appropriations	368.10	178.79

DIVIDEND

Your Directors are pleased to recommend a Dividend of 6% on 45,48,720 Equity Shares of Rs.10 each absorbing Rs.27.29 lacs and corporate tax thereon absorbing additionally Rs.6.00 lacs.

Your Directors declared and disbursed an interim dividend of 14% on 500,000 14% Preference shares of Rs.100 each absorbing Rs.70.00 lacs and corporate tax thereon absorbing additionally Rs.7.70 lacs. The same is recommended to be treated as the final dividend in respect of the said shares for the financial year ended 30th June 2000.

CHANGE IN NAME OF THE COMPANY

The name of the Company has been changed as **PRIME TEXTILES LIMITED** from erstwhile ATL Textiles Limited with effect from 28th June 2000. Your Directors are optimistic of the new name bringing in a better resonance on the corporate image, being reflective of the prime place the company has carved itself in both the domestic and the international markets.

PRIME TEXTILES LIMITED

REVIEW OF PERFORMANCE

The year under report has witnessed an all round improved performance of the company. The turnover of the Company was all-time high at Rs.11,471 lacs, higher by 17% compared to that in the last year. Although severe competition in the international markets continued to rule and lowered the margins, the company's efforts at reduction of operational costs have started yielding favourable results. The 3.24 MW Power Generator was set up and commissioned for captive usage in the Spinning Plant during the year under report and has contributed towards optimum plant capacity utilisation. In the year under report, the company has embarked on a modernisation program for upgradation of the plant and thrust towards value-addition processes in order to enhance its competitive edge through product innovation and quality upgradation. The Garments Division of the company established in the year is gaining sound footing both in domestic and international markets.

The emphasis on increased automation and absorption of state-of-the-art technologies has resulted in the company to start a dialogue with the trade unions for review of the working methods and towards rationalisation of workloads. Your Directors are confident of a fruitful settlement in the long term interest of the company.

Y2K COMPLIANCE

Your Directors are pleased to report that no software or hardware problems relating to the Y2K were reported in the course of transition into the new millennium.

FIXED DEPOSITS

There are no unpaid deposits except deposits of Rs.0.63 lacs (previous year Rs.0.85 lacs) in respect of 7 depositors which have not been claimed.

DIRECTORS

Shri Madanlal Patodia and Shri N.K.Bafna shall retire on rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS

Messrs M.S.Jagannathan & Visvanathan, Chartered Accountants, Coimbatore, the statutory auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible, have given their consent for reappointment.

PERSONNEL

Industrial Relations were by and large satisfactory. The present scenario calls for a greater understanding towards a high performance culture and improved productivity effectively enhancing the contributions from employees. The information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is given in the Annexure and forms part of the report.

CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNINGS AND OUTGO, ETC.

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as annexure to this report.

ACKNOWLEDGEMENT

The Directors record with a deep sense of gratitude the excellent cooperation and assistance rendered by Financial Institutions, Bankers, State and Central Government Offices, Stock Exchanges, Customers, Suppliers, the Members and the Employees of the Company.

Place : Calcutta
Date : September 20, 2000

For and on behalf of the Board,
Madanlal Patodia
Chairman