

**37<sup>TH</sup>**  
**ANNUAL REPORT**



***2016 - 2017***

**ADINATH TEXTILES LIMITED**



## BOARD OF DIRECTORS

Sh. Rajneesh Oswal	Chairman & Managing Director	(DIN : 00002668)
Sh. Vishal Oswal	Vice-Chairman & Managing Director (Additional Director)	(DIN : 00002678)
Sh. S. K. Sekhri	Independent Director	(DIN : 00002601)
Sh. Ramesh Chander Juneja	Additional Director (Independent)	(DIN : 07804729)
Mrs. Priya Begana	Additional Director (Independent)	(DIN : 07706647)

## CHIEF FINANCIAL OFFICER

Mr. Rajesh Kumar

## COMPANY SECRETARY

Mr. Parminder Singh

## STATUTORY AUDITORS :

M/s. Dass Khanna & Co.  
Chartered Accountants  
Ludhiana.

## SECRETARIAL AUDITORS :

M/s. P.S. Bathla & Associates  
Ludhiana.

## REGISTERED OFFICE & WORKS

CIN: L17115PB1979PLC003910  
Village Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana - 141 123  
Tel: +91-161-6574125, 9876100948  
Fax: +91-161-2685270  
Email: atl@shreyansgroup.com  
Website: www.adinathtextiles.com

## OFFICES

- 5 D, Gopala Tower, 25, Rajendra Place, New Delhi- 110 008.  
TEL: +91-11-25818258, 25818259, 25721042  
FAX: +91-11-2575-2271,  
EMAIL: sil.delhi@shreyansgroup.com
- 302, Raheja Chambers, 3rd Floor, Nariman Point, Mumbai- 400 021.  
TEL: +91-22-22851025, 22851708  
FAX: +91-22-2284-2825,  
EMAIL: sil.mumbai@shreyansgroup.com

## Registrar & Transfer Agents

Skyline Financial Services (p) Limited  
D-153/A, 1st Floor  
Okhla Industrial Area, Phase - 1,  
New Delhi - 110020  
Tel.: 011 26812682, 83  
Email: admin@skylinerta.com

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## NOTICE

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the members of the Company will be held on Thursday, the 28<sup>th</sup> day of September, 2017 at 11:00 a.m. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123 to transact the following business:

**AS AN ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Sh. Rajneesh Oswal (DIN: 00002668), who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint new Statutory Auditors in place of retiring Statutory Auditors of the Company.

"Resolved that the consent of the Company be and is hereby accorded to the appointment of M/s. Malhotra Manik & Associates, Chartered Accountants, having firm reg. no. 015848N, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 42nd Annual General Meeting, on remuneration to be fixed by the Board of Directors of the Company, on the recommendation of the Audit Committee."

**AS SPECIAL BUSINESS:****ITEM NO. 4****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the consent of the company be and is hereby accorded to appoint Mrs. Priya Begana (DIN- 07706647) who was appointed as an Additional Director (Independent) on the Board of the Company w.e.f. 12th January, 2017 and whose term expires at this Annual General Meeting of the company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director of the Company, as an Independent Director to hold office from 28th September, 2017 to 27th September, 2022 not liable to retire by rotation."

**ITEM NO. 5****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of sections 149, 152 and 160 read with Schedule IV and

other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the consent of the company be and is hereby accorded to appoint Sh. Ramesh Chander Juneja (DIN-07804729) who was appointed as an Additional Director (Independent) on the Board of the Company w.e.f. 1st May, 2017 and whose term expires at this Annual General Meeting of the company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, as an Independent Director to hold office from 28th September, 2017 to 27th September, 2022 not liable to retire by rotation."

**ITEM NO. 6****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the consent of the company be and is hereby accorded to appoint Sh. Vishal Oswal (DIN- 00002678) who was appointed as an Additional Director on the Board of the Company w.e.f. 1st May, 2017 and whose term expires at this Annual General Meeting of the company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, as Director of the Company."

**ITEM NO. 7****TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 198 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V of the said Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of the Central Government, if required, the consent of the Company be and is hereby accorded to the appointment of Sh. Vishal Oswal (DIN: 00002678), as Vice-Chairman & Managing Director of the Company for a period of three years w.e.f. 1st May, 2017 to 30th April, 2020 on the payment of remuneration of Rs. 50,000/- (Fifty thousand only) per month and other terms and conditions as set out in the agreement, to be entered into between the Company and Sh. Vishal Oswal, as submitted to this meeting which is hereby specifically approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, or increase and vary the terms and conditions of the said appointment and/or agreement in such form and manner or with such modifications as the Board may deem fit, if required, to comply with approval(s) of shareholders and/or Central Government and as may be acceptable to Sh. Vishal Oswal without referring the same to the General Meeting again, subject to consents/ approvals, if any, required in this regard."

"RESOLVED FURTHER THAT where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Sh. Vishal Oswal, the remuneration aforesaid shall be the minimum remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions."

**ITEM NO. 8**

**TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of the Central Government, if required, the consent of the Company be and is hereby accorded to the payment of remuneration of Rs. 50,000/- (Fifty thousand only) per month to Sh. Rajneesh Oswal, Chairman & Managing Director (DIN: 00002668) w.e.f. 1st May, 2017, for his remaining period of appointment i.e. from 1st May, 2017 to 30th June, 2019 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 alter or increase/ vary the terms and conditions of the said remuneration and/or agreement in such form and manner or with such modifications as the Board may deem fit, if required, to comply with approval(s) of shareholders and/or Central Government and as may be acceptable to Sh. Rajneesh Oswal without referring the same to the General Meeting again, subject to consents/ approvals, if any, required in this regard."

"RESOLVED FURTHER THAT where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Sh. Rajneesh Oswal, the remuneration aforesaid shall be paid as the

minimum remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions."

**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.**

A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

**2. 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.**

3. 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.

Corporate members are required to send a certified copy of the Board Resolution to the Company, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.

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

5. The Register of Members and Share Transfer books of the Company shall remain closed from 22nd September, 2017 to 28th September, 2017 (both days inclusive) for the purpose of Annual General Meeting of the Company.

6. 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.

7. Copies of the Annual Report are being sent by electronic mode only to those 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 2017 are being sent by the permitted mode.

8. Members are requested to :

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

9. 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.

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

11. A remote 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 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise the right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**The instructions for shareholders voting electronically are as under:**

- (i) The remote e-voting period begins on 24<sup>th</sup> September, 2017 (09.00 A.M.) and ends on 27<sup>th</sup> September, 2017 (5.00 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 (record date) 21<sup>st</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. 21<sup>st</sup> September, 2017 may obtain the login ID and password by sending a request at [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com).

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period

- (iii) Click on "Shareholders" tab.

- (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in De-mat 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.

- (vii) If you are holding shares in physical form or first time user in case holding shares in De-mat form, follow the steps given below:

	<b>For Members holding shares in Physical Form and Demat Form (First time user)</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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 <b>sequence number*</b> in the PAN field. In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.
DOB	Please enter the DOB or Dividend Bank Details in order to login. 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. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

\* Sequence number shall be as per separate sheet enclosed with the Annual Report.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in De-mat 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 De-mat 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN (170802018)** for the <Adinath Textiles Limited> to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If De-mat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. i-phone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians: Non- Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as

Corporate.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed 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.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) 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.com](http://www.evotingindia.com) help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

12. M/s P.S. Bathla & Associates, Company Secretaries in practice, Ludhiana have been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms). The Scrutinizer shall within a period of two working days from the conclusion of Annual General Meeting, unblock the votes cast in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

13. The Results shall be declared within two working days from the conclusion of the AGM. 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 and shall also be communicated to the Stock Exchange.

**By order of the Board  
For Adinath Textiles Limited**

**Sd/-  
Parminder Singh  
Company Secretary  
ACS 43115**

**Dated : 28th July, 2017**  
**Regd. Office: Village: Bholapur,**  
**P.O. Sahabana, Chandigarh Road,**  
**Ludhiana 141 123**  
**CIN: L17115PB1979PLC003910**  
**Tel.: +91-161-6574125, 98761-00948**  
**Fax: +91 161 2685270**  
**Email: [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)**  
**Website: [www.adinathtextiles.com](http://www.adinathtextiles.com)**

**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. 4**

Mrs. Priya Begana (DIN- 07706647) has been appointed as an Additional Director (Independent) w.e.f. 12th January, 2017 on the Board of the Company, who shall hold office up to the date of 37th Annual General Meeting of the Company.

The company has received a notice under Section 160 of the Act proposing her candidature for the office of the Director of the Company, along with the requisite deposit.

In the opinion of the Board, Mrs. Priya Begana fulfills the conditions for her appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Board also opined that she possess appropriate skills, experience and knowledge as required for occupying the position of an Independent Director.

The Board has also received declaration from Mrs. Priya Begana that she meets the Criteria of Independence as prescribed under Section 149(6) read with Schedule IV of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board recommends the appointment of Mrs. Priya Begana as an Independent Director, to hold office from 28th September, 2017 to 27th September, 2022 not liable to retire by rotation, for approval of members.

**NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mrs. Priya Begana herself, are in any way concerned or interested in the proposed resolution.

**ITEM NO. 5**

Mr. Ramesh Chander Juneja (DIN- 07804729) has been appointed as an Additional Director (Independent) w.e.f. 1st May, 2017 on the Board of the Company, who shall hold office up to the date of 37th Annual General Meeting of the Company.

The company has received a notice under Section 160 of the Act proposing his candidature for the office of the Director of the Company, along with the requisite deposit.

In the opinion of the Board, Mr. Ramesh Chander Juneja fulfills the conditions for his appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Board also opined that he possess appropriate skills, experience and knowledge as required for occupying the position of an Independent Director.

The Board has also received declaration from Mr. Ramesh Chander Juneja that he meets the Criteria of Independence as prescribed under Section 149(6) read with Schedule IV of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board recommends the appointment of Mr. Ramesh Chander Juneja as an Independent Director, to hold

office from 28th September, 2017 to 27th September, 2022 not liable to retire by rotation, for approval of members.

**NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Ramesh Chander Juneja himself, are in any way concerned or interested in the proposed resolution.

**ITEM NO. 6 & 7**

Sh. Vishal Oswal has been appointed as an Additional Director w.e.f. 1st May, 2017 on the Board of the Company, who shall hold office up to the date of 37th Annual General Meeting of the Company. The company has received a notice under Section 160 of the Act proposing his candidature for the office of the Director of the Company, along with the requisite deposit.

Further, the Board of Directors in its meeting held on 28th April, 2017 has also appointed Sh. Vishal Oswal as Vice-Chairman & Managing Director of the Company with effect from 1st May, 2017 to 30th April, 2020 at the remuneration of Rs. 50,000/- (Rupees Fifty thousand only) per month on lump sum basis and approved by the Board and on other terms and conditions as set out in the draft agreement which is open for inspection at Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M. The appointment and payment of remuneration to Sh. Vishal Oswal is subject to the approval of Shareholders and Central Government, if required, in terms of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under including any further amendment, modification or re-enactment thereof.

Sh. Vishal Oswal is a Commerce Graduate and has a good experience of more than two decade in the field of management & administration.

The Board is of the view that Sh. Vishal Oswal's varied experience will be of immense value to the Company and, therefore, recommends his appointment and payment of remuneration to the members in terms of Ordinary Resolution set out in Item No. 6 and Special Resolution set out in Item No. 7 of the Notice.

**NOTICE OF INTEREST**

None of the Directors/Key Managerial Personnel of the Company / their relatives, except Sh. Vishal Oswal, the appointee himself and Sh. Rajneesh Oswal being relative of Sh. Vishal Oswal, are in any way concerned or interested in the proposed resolution.

**ITEM NO. 8**

Sh. Rajneesh Oswal (DIN: 00002668) was re-appointed as an Executive Director of the Company for a period of five years w.e.f. 1st July, 2014 by a resolution passed at Annual General Meeting held on 13th August, 2014 and was re-designated as Managing Director of the Company w.e.f. 30th September, 2014.

The Board had not proposed any remuneration for Sh. Rajneesh Oswal for holding office of Managing Director

of the Company. Accordingly, no remuneration was paid to him.

The Board at its meeting held on 28th April, 2017 has approved the payment of remuneration of Rs. 50,000/- (Fifty thousand only) per month on lump sum basis to Sh. Rajneesh Oswal w.e.f. 1st May, 2017, for his remaining period of re-appointment i.e. from 1st May, 2017 to 30th June, 2019 and on other terms and conditions as set out in the draft agreement which is open for inspection at Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M. The payment of remuneration to Sh. Rajneesh Oswal is subject to the approval of Shareholders and Central Government, if required, in terms of Section 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under including any further amendment, modification or re-enactment thereof.

Sh. Rajneesh Oswal has career spanning of over two and half decades in the field of industry and administration. His vast and rich experience has enabled the company to achieve the good progress.

The Board recommends the resolution at item no. 8 for approval of members by way of Special Resolution.

#### NOTICE OF INTEREST

None of the Directors/Key Managerial Personnel of the Company / their relatives, except Sh. Rajneesh Oswal, himself and Sh. Vishal Oswal being relative of Sh. Rajneesh Oswal, are in any way concerned or interested in the proposed resolution.

#### Statement of the details as required under Schedule V of the Companies Act, 2013 is as under:

##### (i) General Information

- (1) Nature of Industry:  
The company is engaged in the business of Manufacturing of Blended acrylic Yarn and Trading of Unstitched Suitings, Shirtings & Dress Materials.
- (2) Date of Commencement of Commercial Production:  
Company started its Commercial Production in 1979-80.
- (3) Financial Performance: Financial Performance of the Company for the year ended 31.03.2017 and 31.03.2016 are as under:

	Year ended 31 March 2017	Year ended 31 March 2016
Total Revenues	23774225	25321663
Profit Before Interest and Depreciation	5640292	6349939
Less. Interest	741613	1024343
Less. Depreciation	1867734	1717199
Net Profit before Tax	3030945	3608397
Provision for Taxation	590925	1135061
Net Profit after Tax	2440020	2473336

- (4) Export Performance and Net Foreign Exchange: NIL
- (5) Foreign Investments or Collaboration: The Company has not made any investments in foreign funds / securities and has no foreign collaborations.

#### 2. INFORMATION ABOUT THE DIRECTOR(S)

##### A. NAME: Sh. Rajneesh Oswal

##### i) Back Ground Details, Job Profile and suitability:

Sh. Rajneesh Oswal aged 51 years is the Chairman & Managing Director of the Company. He is a Commerce Graduate and has done Masters in Business Management. He has career spanning of over two and half decades in the field of industry and administration. His vast and rich experience has enabled the company to achieve the good progress.

Sh. Rajneesh Oswal is Director (liable to retire by rotation) of the Company. He is also holding the Office of Chairman & Managing Director in Shreyans Industries Limited and Directorship in the following companies:

1. Adeep Investment Co.
2. Virat Investment & Mercantile Co.
3. Jagvallahb Parasnath Capital Investments (P). Ltd.
4. Oasis Share Trading (P) Ltd.

##### ii) Past Remuneration

Sh. Rajneesh Oswal has not drawn any remuneration from the Company in the preceding three financial years.

##### iii) Remuneration proposed:

The remuneration package in the shape of Salary and Perquisites, if any, has already been stated above in the Explanatory Statement.

##### iv) Pecuniary relationship

Sh. Rajneesh Oswal, except his appointment as Chairman & Managing Director of the company has no pecuniary relation with the company and he is related to Sh. Vishal Oswal, Vice-Chairman & Managing Director.

##### B. NAME: Sh. Vishal Oswal

##### i) Back Ground Details, Job Profile and suitability:

Mr. Vishal Oswal aged about 44 years is a Commerce Graduate and has a good experience of more than two decade in the field of management & administration. He is also holding the office of Vice- Chairman & Managing Director in Shreyans Industries Limited and Director in the following companies:

1. Achin Investment & Mercantile Co.
2. Levina Investment & Mercantile Co.
3. Ojasvi Investment & Mercantile Co.
4. Oasis Share Trading (P) Ltd.

##### ii) Past Remuneration

Not applicable: fresh appointment w.e.f. 1st May, 2017.

**iii) Remuneration proposed:**

The new remuneration package in the shape of Salary and Perquisites, if any has already been stated above in the Explanatory Statement.

**iv) Pecuniary relationship**

Sh. Vishal Oswal, except his appointment as Vice-Chairman & Managing Director of the company has no pecuniary relation with the company and he is related to Sh. Rajneesh Oswal, Chairman & Managing Director.

**3. Comparative Remuneration**

The Remuneration proposed to be paid to the appointee/(s) is in line with the remuneration paid to the Managing / Executive directors of the other companies. Keeping in view the type of industry and the responsibilities and capabilities of the appointee/(s), the proposed remuneration is competitive with remuneration

paid by other companies to such similar positions.

**4. OTHER INFORMATION**

The efforts of the management during last few years have resulted in turnaround of the company. The Company did not incur losses during financial year 2016-17.

**DISCLOSURES**

The remuneration package along with the corresponding details payable to Sh. Rajneesh Oswal, Chairman & Managing Director and Sh. Vishal Oswal, Vice-Chairman & Managing Director have already been mentioned above.

The tenure of Sh. Rajneesh Oswal, Chairman & Managing Director and Sh. Vishal Oswal, Vice-Chairman & Managing Director shall be governed by a service contract. The aforesaid statements form part of this notice calling the Annual General Meeting.

**ANNEXURE TO ITEM NOS. 2 AND 4 TO 8 OF THE NOTICE**

Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting

(in pursuance of Regulation 36 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

Name of the Director	Sh. Rajneesh Oswal	Sh. Vishal Oswal	Mrs. Priya Begana	Mr. Ramesh Chander Juneja
DIN	00002668	00002678	07706647	07804729
Date of Birth	27.06.1966	02.09.1972	15.07.1991	13.01.1953
Date of Appointment on the Board	30.06.1989	01.05.2017	12.01.2017	01.05.2017
Expertise in specific functional areas	Management & Administration	Management & Administration	Educationist	Management, Sales & Administration
Qualification	MBA	Commerce Graduate	Master's in Political Science	Commerce Graduate
Directorship of other public limited companies	Shreyans Industries Ltd.	Shreyans Industries Ltd.	Shreyans Financial & Capital Services Limited	Shreyans Financial & Capital Services Limited
Memberships of Committees of other public limited companies (mandatory committees only)	Stakeholder's Relationship Committee (Shreyans Inds. Ltd.)	NIL	Audit Committee-Member Stakeholder's Relationship Committee- Chairperson (Shreyans Financial & Capital Services Ltd.)	Audit Committee-Chairman Stakeholder's Relationship Committee- Member (Shreyans Financial & Capital Services Ltd.)
Disclosure of relationship between directors inter-se	Sh. Rajneesh Oswal and Sh. Vishal Oswal are real brothers.	Sh. Vishal Oswal and Sh. Rajneesh Oswal are real brothers.	Mrs. Priya Begana does not have any relation with other directors, manager & KMPs.	Mr. Ramesh Chander Juneja does not have any relation with other directors, manager & KMPs.
No. of Shares held in the Company	NIL	4300	NIL	NIL

## DIRECTORS' REPORT

Your Directors are pleased to present the 37th Annual Report on the business and operations of the Company along with audited statements of accounts for the year ended 31st March, 2017.

## FINANCIAL RESULTS

Particulars	2016-17	(Amount in Rs.)
		2015-16
Income from Operations	12628486.00	12968683.00
Other Income	11145739.00	12352979.70
Profit/ (Loss) before interest & depreciation	5640291.83	6349938.36
Less Interest	741612.72	1024343.14
Gross Profit/ (Loss)	4898679.11	5325595.22
Depreciation	1867734.00	1717198.50
Net Profit/ (Loss) Before Tax	3030945.11	3608396.72
Provision For Taxation (including deferred tax)	590925.00	1135061.00
Net Profit/ (Loss) after Tax	2440020.11	2473335.72

## CORPORATE REVIEW

During the year under consideration the income from operations of the company is Rs. 1,26,28,486.00/- against Rs. 1,29,68,683.00/- in the last Financial Year. Other Income of the company is Rs. 1,11,45,739.00/- in comparison to Rs. 1,23,52,979.70/- in previous year.

## SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2017 was Rs. 681.44 Lacs. During the year under review, the Company has neither issued any shares nor granted stock options and nor sweat equity.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## RESERVES &amp; SURPLUS

Profit for the period of Rs. 24.40 Lac has been transferred to reserve and surplus.

## DIVIDEND

Due to absence of adequate profits, your Directors are unable to recommend any dividend for the year under review.

## DEPOSITS

During the year under review the company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

## NUMBER OF MEETINGS HELD

The details of Board and Committee Meetings are given in the Corporate Governance Report.

## DIRECTORS

Sh. Rajneesh Oswal, Chairman & Managing Director of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting under clause 86(1) of Article of Association of the Company and being eligible, offer himself for reappointment.

Sh. Arun Kumar Goel and Sh. R. P. Gupta ceased to be Directors of the company with effect from 1st May, 2017 due to their resignations.

Mrs. Priya Begana has been appointed as Additional Director (Independent) w.e.f. 12th January, 2017 and Sh. Vishal Oswal and Sh. Ramesh Chander Juneja have been appointed as Additional Directors w.e.f. 1st May, 2017 who will hold office up to the date of ensuing 37th Annual General Meeting of the Company.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BOARD EVALUATION**

Pursuant to provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and the performance of the individual Directors as well as the evaluation of the working of its committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance.

**KEY MANAGERIAL PERSONNEL**

There was no change in the Key Managerial Personnel during the year under review.

**REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their Remuneration. The said policy has been uploaded on the website of the Company. The Key provisions of Nomination and Remuneration policy are appended as an **Annexure I** to the Board's report.

**AUDIT COMMITTEE**

The company has duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations. The composition of the Audit Committee is given in Corporate Governance Report.

All the recommendations of the Audit Committee were accepted by the Board.

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has adopted the Whistle blower Policy/Vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. Such mechanism/policy is also uploaded on the website of the Company.

**STATUTORY AUDITORS**

At the Annual General Meeting held on 13th August, 2014 M/s Dass Khanna & Co., Chartered Accountants, Ludhiana were appointed as statutory auditors of the Company to hold office till the conclusion of the 37th Annual General Meeting. Accordingly, the period of appointment of M/s Dass Khanna & Co. Chartered Accountants will come to an end at the conclusion of the ensuing 37th Annual General Meeting.

The auditors' report on the accounts of the Company for the year under review requires no comments.

**COST AUDIT**

Cost audit for the financial year 2016-17 is not applicable to the Company as per Notification issued by the Ministry of Corporate Affairs, hence no cost auditor was appointed for cost audit purposes.

**SECRETARIAL AUDIT**

M/s P. S. Bathla & Associates, Practising Company Secretaries, Ludhiana, were appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and Rules made there under. The secretarial audit report for FY 2016-17 is appended as an **Annexure II** to the Board's report.

The Secretarial auditors' report for the year under review requires no comments.

The Board has re-appointed M/s P. S. Bathla & Associates, Practising Company Secretaries, Ludhiana as secretarial auditor of the Company for the financial year 2017-18.

**RELATED PARTY TRANSACTIONS**

All related party transactions entered during the financial year were on arm's length basis and in the ordinary course of business. There was no material contract or arrangement or transactions with Related Party during the year. Thus, disclosure in form AOC-2 is not required.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the rules there under and the Listing Regulations.

This Policy was considered and approved by the Board has been uploaded on the website of the Company at [http://www.adinathtextiles.com/pdf/Related\\_Party\\_Transaction\\_Policy.pdf](http://www.adinathtextiles.com/pdf/Related_Party_Transaction_Policy.pdf)

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 (12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as an **Annexure III** and forms an integral part of this report.

#### **EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as an **Annexure IV** to the Board's report.

#### **INDUSTRIAL RELATIONS**

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

#### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Company has been addressing various risks through well defined risk management policy/procedures, which in the opinion of the Board may threaten the existence of the Company.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS**

The Company has laid down adequate internal financial controls with reference to financial statements. During the year such controls were tested and no material weakness in their operating effectiveness was observed.

#### **ASSOCIATES AND SUBSIDIARIES**

The Company has no Associates & Subsidiaries as on March 31, 2017.

#### **CORPORATE GOVERNANCE**

As per the provisions of Listing Regulations, a separate Report on Corporate Governance practices followed by the Company together with a Certificate from the Practicing Company Secretary confirming compliance forms part of this report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, technology, absorption and foreign exchange earning and outgo is appended as an **Annexure V** to the Board's Report.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed and there has been no material departures;
- (b) the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit and loss account of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for

- preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
  - (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
  - (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**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 : 27th May, 2017**

**Sd/-  
Rajneesh Oswal  
Chairman & Managing Director  
(DIN : 00002668)**

**Annexure I****NOMINATION AND REMUNERATION POLICY**

The Key provisions of the Nomination and Remuneration policy are given below:

The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

The Nomination and Remuneration policy for executives reflects the remuneration philosophy and principles of the Adinath Textiles Limited. When determining the remuneration policy and arrangements for Executive Directors/KMP's, the Nomination and Remuneration Committee shall consider pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The Nomination and Remuneration Committee while considering a remuneration package must ensure a balanced approach reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The Committee shall consider that a successful remuneration policy must ensure that any increase in the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Nomination and Remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

Remuneration packages are designed to attract high-caliber executives in a competitive market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.

Executive remuneration shall be proposed by the Committee and subsequently approved by the Board of Directors. Executive remuneration is evaluated annually against performance and a benchmark of other companies, which in size and complexity are similar to Adinath Textiles Limited. Benchmark information is obtained from recognized compensation service consultancies/other relevant sources. In determining packages of remuneration, the Committee may consult with the Chairman/ Managing Director as appropriate.

Information on the total remuneration of members of the Company's Board of Directors and KMPs shall be disclosed in the Company's Annual Report.

The Company may grant any advance salary/loan to employees of the Company at concessional/NIL interest rates as it deems fit subject to tax laws.

The Board may delegate the appointment and remuneration powers in case of Sr. Management Personnel (except KMPs and Directors) to the Managing Director by way of Board Resolution.

The appointment letters of all Sr. Management Personnel, KMPs and Directors shall draw reference to the fact that the appointment and remuneration is in accordance with the Nomination and Remuneration Policy of the Company.

#### Annexure II

#### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Adinath Textiles Limited

Vill. Bholapur P O Sahabana

Chandigarh Road, Ludhiana-141123

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Adinath Textiles Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Adinath Textiles Limited** ("The Company") for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable as the Company has not issued further capital during the financial year under review)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable, as the Company has not made any such scheme during the Audit Period under review)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable, as the Company has not issued Debt Securities during the Audit Period under review)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review).
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back/propose to buy-back any of its any of its securities during the financial year under review.)

(VI) Textiles (Development and Regulation) Order, 2001

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015

I report that during the period under review the company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

**2. I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For P S Bathla & Associates  
Company Secretaries**

(P. S. Bathla)  
FCS No. 4391  
C.P No. 2585

Place : Ludhiana

Date : 27<sup>th</sup> May, 2017

**Note: This Report is to be read with my Letter of even date which is annexed as Annexure A and forms an integral part of this report.**

**'Annexure A'**

To,  
The Members,  
Adinath Textiles Limited  
Vill. Bhoapur P O Sahabana  
Chandigarh Road, Ludhiana-141123

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For PS Bathla & Associates  
Company Secretaries**

**(P. S. Bathla)  
FCS No. 4391  
C.P No. 2585**

**Place : Ludhiana  
Date : 27<sup>th</sup> May, 2017**

**Annexure III**

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 (1) and (2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished hereunder:

1 (i)

Name of the Director/KMP and Designation	Remuneration in Fiscal 2016-17 ₹ in lacs	% Increase in remuneration from previous year	Ratio of Remuneration to MRE#
Sh. Rajneesh Oswal (Chairman & Managing Director)	NIL	NIL	NIL
Sh. Rajesh Kumar (Chief Financial Officer)	4.18	7.73	6.63
Sh. Parminder Singh (Company Secretary)	2.67	24.48	4.24

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

#MRE-Median Remuneration of Employee based on annualized salary.

- (ii) The median remuneration of employees of the Company during the financial year was Rs 0.63 lac p.a;
- (iii) In the financial year, there was a decrease of 45.81 % in the median remuneration of employees;
- (iv) There were 59 permanent employees on the rolls of the Company as on March 31, 2017;
- (v) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e 2016-17 was 21.82 % whereas the percentile increase in the KMPs remuneration for the same financial year was 13.73 %;

**2 Details of top ten employees in terms of remuneration:**

Name of Employee	Designation of the employee	Remuneration received* ₹ in lac	Qualifications	Experience (No. of Years)	Date of Commencement of employment	Age (years)	The last employment held by such employee before joining the Company	%age of equity shares held by the employee in the Company	Whether relative of any Director or Manager of the Company
Sh Ashok Kumar Kundra	Manager (Pers.)	4.75	Graduate & Diploma in Personnel Management	44	01-04-2005	65	Vardhman Group	---	---
Sh Rajesh Kumar	CFO	4.18	B.Com	25	01-04-2008	47	Shreyans Industries Ltd.	---	---
Sh Krishan Kumar	Asstt. Manager (EDP)	3.53	B.Com & PGDCA	27	05-04-2013	51	Surlindera Cycles Ltd.	---	---
Sh Dinesh Kumar	Time Office Incharge	3.02	Graduate	29	01-04-2005	51	Dext Lal India Pvt. Ltd.	---	---
Sh Mithun Lal	Asstt. Electrical Engineer	3.02	Matric	27	01-08-2014	45	---	---	---
Sh Parminder Singh	Company Secretary	2.67	B.Com & CS	7	01-08-2014	28	Goblnd Cycles Pvt. Ltd.	---	---
Sh Gurmail Singh	Security Inspector	1.97	Matric	22	01-04-2005	63	Ex. Service Man (Army)	---	---
Sh Karun Kumar Sood	Asstt. Accountant	1.80	BCA	2	01-06-2016	30	Panorma Chemicals	---	---
Sh Ravi Kant	Senior Asstt.	1.65	Matric	27	01-01-2015	47	---	---	---
Sh Bhuwan Singh	Security Inspector	1.71	Matric	16	25-08-2015	37	Oswal FM Hammerle Textiles Ltd.	---	---

Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs 102,00,000/- per annum: NIL

Employed for a part of the financial year and separated, were in receipt of remuneration at the rate of not less than Rs 8,50,000/- per month: NIL

**Annexure IV  
FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2017**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

1	CIN	L17115PB1979PLC003910
2	Registration Date	16/01/1979
3	Name of the Company	ADINATH TEXTILES LIMITED
4	Category/Sub-category of the Company	Company having share capital
5	Address of the Registered office & contact details	Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123. Tel.: 161-6574125, 98761-00948 Email: atl@shreyansgroup.com Web: www.adinathtextiles.com

6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited, D-153 A, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi-110 020. Tel.: 011 26812682, 83 Email: info@skylinerta.com Web: www.skylinerta.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	JOB WORK		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	The Company has no holding, subsidiary and associate company.				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

A) Category-wise Share Holding	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual / HUF	10800	900	11700	0.17	11700	---	11700	0.17	---
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	2893519	---	2893519	42.46	2893519	---	2893519	42.46	---
e) Banks / FI	---	---	---	---	---	---	---	---	---
<b>Sub Total (A) (1):</b>	<b>2904319</b>	<b>900</b>	<b>2905219</b>	<b>42.63</b>	<b>2905219</b>	<b>---</b>	<b>2905219</b>	<b>42.63</b>	<b>---</b>
(2) <b>Foreign</b>									
a) NRIs- Individuals	---	---	---	---	---	---	---	---	---

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Other- Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corporate	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other....	---	---	---	---	---	---	---	---	---
<b>Sub Total (A) (2)</b>	---	---	---	---	---	---	---	---	---
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(1)</b>	<b>2904319</b>	<b>900</b>	<b>2905219</b>	<b>42.63</b>	<b>2905219</b>	<b>---</b>	<b>2905219</b>	<b>42.63</b>	<b>---</b>
<b>B. Public Shareholding</b>									
1. Institutions	---	---	---	---	---	---	---	---	---
a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks / FI	600	---	600	0.01	600	---	600	0.01	---
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(1) :-</b>	<b>600</b>	<b>---</b>	<b>600</b>	<b>0.01</b>	<b>600</b>	<b>---</b>	<b>600</b>	<b>0.01</b>	<b>---</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.	32204	73590	105794	1.55	33611	73690	107301	1.57	0.02
b) Individuals	---	---	---	---	---	---	---	---	---
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	874958	2698840	3573798	52.45	805763	2682370	3488133	51.19	-1.26
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	100000	---	100000	1.47	190125	---	190125	2.79	1.32
c) Others (specify)	---	---	---	---	---	---	---	---	---
Non Resident Indians	18292	93200	111492	1.64	17350	92600	109950	1.61	-0.03
Trusts	300	---	300	---	300	---	300	---	---
HUF	15547	1600	17147	0.25	10112	1600	11712	0.17	-0.08
Clearing members/house	---	---	---	---	1010	---	1010	0.01	0.01

Sub-total (B)(2) :-	1041301	2867230	3908531	57.36	1058271	2850260	3908531	57.36	---
Total Public Shareholding (B)=(B)(1) + (B)(2)	1041901	2867230	3909131	57.37	1058871	2850260	3909131	57.37	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total(A+B+C)	3946220	2868130	6814350	100.00	3964090	2850260	6814350	100.00	---

**B) Shareholding of Promoters**

SN	Shareholder's Name	No. of Shares held at the beginning of the year [As on 31-March-2016]			No. of Shares held at the end of the year [As on 31-March-2017]			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mrs. Nirmal K. Oswal	2000	0.03	---	2000	0.03	---	---
2	Mr. Kunal Oswal	5400	0.08	---	5400	0.08	---	---
3	Mr. Vishal Oswal	4300	0.06	---	4300	0.06	---	---
4	Shreyans Industries Limited	1280000	18.78	---	1280000	18.78	---	---
5	Ojasvi Investment & Mercantile Company	429920	6.31	---	429920	6.31	---	---
6	Adeep Investment Company	175600	2.58	---	175600	2.58	---	---
7	Achin Investment & Mercantile Company	387710	5.69	---	387710	5.69	---	---
8	Levina Investment & Mercantile Company	411150	6.03	---	411150	6.03	---	---
9	Virat Investment & Mercantile Company	95840	1.41	---	95840	1.41	---	---
10	Shreyans Financial & Capital Services Ltd.	89000	1.31	---	89000	1.31	---	---
11	Jagvallah Parasnath Capital Investment (P) Ltd.	14700	0.22	---	14700	0.22	---	---
12	Noble Share Trading (P) Ltd.	200	---	---	200	---	---	---
13	Limelite Consultants Pvt. Ltd.	9399	0.14	---	9399	0.14	---	---
	<b>TOTAL</b>	<b>2905219</b>	<b>42.63</b>	<b>---</b>	<b>2905219</b>	<b>42.63</b>	<b>---</b>	<b>---</b>

**C) Change in Promoters' Shareholding: There was no change in Promoters' Shareholding during the year.**

SN	Shareholder's Name	No. of Shares held at the beginning of the year [As on 31-March-2016]			No. of Shares held at the end of the year [As on 31-March-2017]			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Nirmal K. Oswal	2000	0.03	---	2000	0.03	---	
2	Mr. Kunal Oswal	5400	0.08	---	5400	0.08	---	
3	Mr. Vishal Oswal	4300	0.06	---	4300	0.06	---	
4	Shreyans Industries Limited	1280000	18.78	---	1280000	18.78	---	
5	Ojasvi Investment & Mercantile Company	429920	6.31	---	429920	6.31	---	
6	Adeep Investment Company	175600	2.58	---	175600	2.58	---	
7	Achin Investment & Mercantile Company	387710	5.69	---	387710	5.69	---	
8	Levina Investment & Mercantile Company	411150	6.03	---	411150	6.03	---	
9	Virat Investment & Mercantile Company	95840	1.41	---	95840	1.41	---	
10	Shreyans Financial & Capital Services Ltd.	89000	1.31	---	89000	1.31	---	
11	Jagvallah Parasnath Capital Investment (P) Ltd.	14700	0.22	---	14700	0.22	---	
12	Noble Share Trading (P) Ltd.	200	---	---	200	---	---	
13	Limelite Consultants Pvt. Ltd.	9399	0.14	---	9399	0.14	---	
	<b>TOTAL</b>	<b>2905219</b>	<b>42.63</b>	<b>---</b>	<b>2905219</b>	<b>42.63</b>	<b>---</b>	

There was no change in Promoters Shareholding during the year

**D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]		No. of Shares held at the end of the year [As on 31-March-2017]		% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	Mahendra GirdhariLal	62100	0.91	96638	1.42	0.51
2	Vinod Chandra MansukhLal Parekh	38100	0.56	38100	0.56	---
3	Dugar Securities Limited	29250	0.43	29250	0.43	---
4	Aema Investments Pvt. Ltd.	22710	0.33	22710	0.33	---
5	Neeta Jain	15103	0.22	16000	0.23	0.01
6	Monica Khosla	---	---	14700	0.22	0.22

7	SBI Capital Markets Limited	14700	0.22	14700	0.22	---
8	Uma Sharma	13487	0.20	13487	0.20	---
9	Chirag Kirtilal Shah	---	---	11200	0.16	0.16
10	Harish Kumar Singhvi	9688	0.14	9688	0.14	---

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	<b>Directors</b>				
1	<b>Sh. Rajneesh Oswal</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	---	---	---	---
	At the end of the year	NIL	NIL	NIL	NIL
2	<b>Sh. Rajendra Prasad Gupta</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	---	---	---	---
	At the end of the year	NIL	NIL	NIL	NIL
3	<b>Sh. Arun Kumar Goel</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	---	---	---	---
	At the end of the year	NIL	NIL	NIL	NIL
4	<b>Sh. Surinder Kumar Sekhri</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	---	---	---	---
	At the end of the year	NIL	NIL	NIL	NIL
5	<b>Mrs. Priya Begana</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	---	---	---	---
	At the end of the year	NIL	NIL	NIL	NIL



Key Managerial Personnel					
1	<b>Mr. Parminder Singh (Company Secretary)</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	---	---	---	---
	At the end of the year	NIL	NIL	NIL	NIL
2	<b>Mr. Rajesh Kumar (CFO)</b>				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	---	---	---	---
	At the end of the year	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹ in lac)

	Secured Loans excluding deposits Term Loans	Secured Loans Workin Capital	Un-secured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount			90.00		90.00
ii) Interest due but not paid			---		---
iii) Interest accrued but not due			---		---
<b>Total (i+ii+iii)</b>	---	---	90.00	---	90.00
<b>Change in Indebtedness during the financial year*</b>					
* Addition			---		---
* Reduction			10.00		10.00
<b>Net Change</b>	---	---	10.00	---	10.00
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount			80.00		80.00
ii) Interest due but not paid			---		---
iii) Interest accrued but not due			---		---
<b>Total (i+ii+iii)</b>	---	---	80.00	---	80.00

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lac)

SN.	Particulars of Remuneration	Name of MD/WTD / Manager		Total Amount
		Sh Rajneesh Oswal		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL		NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---		---
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	---		---
2	Stock Option	---		---
3	Sweat Equity	---		---
4	Commission - as % of profit - others, specify...	---		---
5	Others, please specify	---		---
	Total (A)	NIL		NIL
	Ceiling as per the Act	Rs. 1.52 lac being 5% of the net profits of the company calculated as per Section 198 of the Companies Act, 2013		

**B. Remuneration to other directors**

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Sh. R. P. Gupta	Sh. S. K. Sekhri	Sh. Arun K. Goel	Mrs. Priya Begana	
1	Independent Directors					
	Fee for attending board committee meetings	3000	3000	3000	7500	16500
	Commission	NII	NII	NII	---	NII
	Others, please specify	NII	NII	NII	---	NII
	Total (1)	---	---	---	---	---
	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
2	Others, please specify					
	Total (2)					
	Total (B)=(1+2)	3000	3000	3000	7500	16500
	Total Managerial Remuneration (A + B)					16500
	Overall Ceiling as per the Act	Overall ceiling Rs. 1.82 lac being 6% of the net profits of the company calculated as per Section 198 of the Companies Act, 2013				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD** (₹ in lac)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		CFO: Mr. Rajesh Kumar	CS: Mr. Parminder Singh	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.18	2.67	6.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	---
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---
	Stock Option	---	---	---
2	Sweat Equity	---	---	---
3	Commission	---	---	---
4	- as % of profit	---	---	---
	others, specify...	---	---	---
5	Others, please specify	---	---	---
	Total	4.18	2.67	6.85

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS</b>					
<b>IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## Annexure V

**INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS CONSERVATION OF ENERGY**

**A) Energy Conservation** is an ongoing process in the Company. The Company continued its efforts to improve energy usage efficiencies and increase the share of renewable energy. Various key performance indicators like specific energy (energy consumed per unit of production), specific energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall sustainability approach.

**(i) Steps taken or impact on conservation of energy:**

- a) Improvement in energy usage efficiency in lighting systems by installation of more efficient lighting solutions such as Light Emitting Diodes.
- b) Installation of Capacitors to maintain power factor for efficient use of power.

**(ii) Steps taken for utilizing alternate sources of energy:**

The Company is exploring potential of using alternate source of energy, which may be considered implementation in future.

**(iii) Capital investment on energy conservation equipment during the year: NIL****B) TECHNOLOGY ABSORPTION**

Your company is keeping a close eye on the new product development and upgradation of technology in existing products. Upgradation in various areas of plant and machinery is continuously carried out.

**(i) Efforts made towards technology absorption: NIL****ii) Benefits derived: NIL****iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N.A.**

- a. Details of Technology: N.A.
- b. Year of Import: N.A.
- c. whether the technology has been fully absorbed: N.A.
- d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

**iv) Expenditure incurred on Research and Development: NIL****C) FOREIGN EXCHANGE EARNING AND OUTGO: NIL**

#### MANAGEMENT DISCUSSIONS AND ANALYSIS OVERVIEW OF INDUSTRY

The company primarily operates in spinning of worsted and spun yarn. The company has manufacturing set up base in Ludhiana in the state of Punjab and Corporate Office is located in Ludhiana in Punjab. Presently the company has devoted major part of its production capacity to Job works. In addition company has taken up the trading activities to avail of the available opportunities.

#### OPPORTUNITY, RISK AND CONCERN

The company is dependent upon the orders for the job work for its manufacturing facilities. Ludhiana being a hosiery cluster, company does not foresee any problem for its activities. Further management feels that the opportunity for the company lies in increasing the income in trading activities of textile goods. Your company is actively working for these opportunities.

#### SEGMENTWISE-PRODUCTWISE PERFORMANCE

The company has only one segment i.e. manufacturing and sale/trading of Acrylic and worsted yarn.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a proper and adequate internal control system to safeguard and protect against loss from unauthorized use or disposition and to ensure that all transactions are authorized, recorded correctly and adequately. Internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets.

The internal audit report, plans, significant audit findings and compliance with accounting standards is in turn reviewed by the Company's Audit Committee to ensure proper audit coverage and adequate consideration along with execution of the auditors' recommendations.

#### FINANCIAL STATEMENT

Financial statements of the company have been prepared in compliance with the requirements of the Companies Act, 2013 and generally accepted accounting principles in India. There are no material departures from the prescribed accounting standards in the adoption of accounting standards. The management of the Company accepts responsibility for the integrity and objectivity of these financial statements, as well as various estimates and judgments used therein.

However, any unforeseen and uncontrollable external

factors may alter these judgments.

#### HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

The human resources development function of the Company is guided by a strong set of values and policies. Your company maintains a work environment that is free from any harassment.

## REPORT ON CORPORATE GOVERNANCE

**1. Company's philosophy of Corporate Governance**

The Company is in compliance with requirements of the guidelines on corporate governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The status with regard to the various aspects of the corporate governance is given below.

The company has laid down a code of conduct for all its Board Members and senior management personnel for avoidance of conflicts of interests. Company has received the necessary declaration affirming compliance with the code of conduct for the year 2016-17.

**2. Board of Directors****(a) Composition:**

The Board of Directors of the Company comprises of a One Promoter Managing Director, four Independent Directors with professional expertise and experience in their respective field. None of the Directors are related to each other.

(b) Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM):

Name of the Director	DIN	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Sh. Rajneesh Oswal Chairman & Managing Director	00002668	Promoter & Executive Director	5	Yes
Sh. R.P. Gupta	00958239	Non Executive (Independent)	4	Yes
Sh. S. K. Sekhri	00002601	Non Executive (Independent)	4	Yes
Sh. Arun K. Goel	06450046	Non Executive (Independent)	4	Yes
Mrs. Priya Begana*	07706647	Additional Director (Independent)	1	---
Dr. Shalini Gupta**	07128078	Non Executive (Independent)	---	---

\*Appointed as an Additional Director (Independent) w.e.f. 12th January, 2017

\*\*Ceased to be Director w.e.f. 25th May, 2016

(c) Number of other Companies or Committees the Director of the Company is a Director/Member/Chairman: -

Name of the Director	No. of Directorships in all public companies#	Membership of the Board Committees in all Public Companies##	Chairmanship of the Board Committees in all Public Companies**
Sh. Rajneesh Oswal	2	2	---
Sh. R. P. Gupta	1	---	2
Sh. S. K. Sekhri	1	1	---
Sh. Arun K. Goel	1	2	---
Mrs. Priya Begana*	2	---	---
Dr. Shalini Gupta**	---	---	---

\*Appointed as an Additional Director (Independent) w.e.f. 12th January, 2017

\*\*Ceased to be Director w.e.f. 25th May, 2016

#including Adinath Textiles Ltd. and excluding private limited companies, foreign companies, unlimited liability companies and Companies under Section 8 of the Companies Act, 2013.

##Board committee for this purpose includes Audit Committee and Stakeholder's Relationship Committee (including committees of Adinath Textiles Limited).

(d) Five Board Meetings were held during the financial year 2016-17 on 25th May, 2016, 11th August, 2016, 11th November, 2016, 12th January, 2017 and 14th February, 2017.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, a system has been put in place to carry out performance evaluation of the Board, its Committees and individual directors. An appraisal format has been devised covering various aspects of the Board's functioning such as adequacy of composition of the board and its Committees, board process, culture and accountability etc. Similarly, a separate format is also formulated for carrying out evaluation of the performance of individual Directors including the Chairman of the Board, which inter-alia include parameters such as level of engagement and contribution, understanding of industry and global trends, and independence of judgment etc.

**Board Familiarization Programme**

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the compliance required from him / her under the Companies Act, 2013, Listing Regulations and other relevant regulations.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as Director of the Company. The details of familiarization programmes have been posted on the website of the Company at [www.adinathtextiles.com](http://www.adinathtextiles.com).

**3. Audit Committee****i. Terms of Reference:**

Company has constituted Audit Committee in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. The committee's terms and reference, authority and powers are in conformity with the requirements of the Companies Act, 2013 and Listing Regulations. All financial statements are reviewed by the Audit Committee before submission to the Board.

**ii. Composition, Name of Members and Chairperson**

Name of Member	Designation	Meetings Attended
Sh. R. P. Gupta	Chairman	4
Sh. S. K. Sekhri	Member	3
Sh. Arun K. Goel	Member	3

iii. Four Audit Committee Meetings were held during the financial year 2016-17 on 25th May, 2016, 11th August, 2016, 11th November, 2016 and 14th February, 2017.

**4. Nomination and Remuneration Committee****i. Terms of Reference:**

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Regulations and the Companies Act, 2013.

**ii. Composition, Name of Members and Chairperson**

One Meeting of the Nomination and Remuneration Committee was held during the Financial Year 2016-17 on 12th January, 2017.

Name of Member	Designation	Meetings Held	Meetings Attended
Sh. S.K. Sekhri	Chairman	1	1
Sh. R.P. Gupta	Member	1	---
Sh. Arun K. Goel	Member	1	1

**iii. Nomination and Remuneration Policy**

The Nomination and Remuneration policy of the Company is designed to attract, motivate and retain manpower in competitive market. The Key provisions of such policy are given in Board's Report.

**iv. Remuneration of Directors**

Company has not paid any remuneration to its Managing Director. Sitting fee was paid to the Non Executive Directors during the year under consideration as per detail given below:

**Non- Executive Directors**

The Non Executive Directors are paid the sitting fee and/or reimbursement of out of pocket expenses incurred by them for attending the meeting of Board. The sitting fee amount is within the limits prescribed under the Companies Act, 2013 and rules made there under. No other payment is made to any of the Non executive Director. No stock option has been given to any of the Directors, including Executive Directors.

(Amount in Rs.)

Name of Member	Category	Sitting Fees for Board Meeting
Sh. R.P. Gupta	Independent Director	3000
Sh. S.K. Sekhri	Independent Director	3000
Sh. Arun K. Goel	Independent Director	3000
Mrs. Priya Begana*	Additional Director (Independent)	7500
Dr. Shalini Gupta**	Independent Director	---

\*Appointed as an Additional Director (Independent) w.e.f. 12th January, 2017

\*\* Ceased to be Director w.e.f. 25th May, 2016

**5. Stakeholders Relationship Committee**

The Board has formed an investors' Grievance Committee named as Stakeholder's Relationship Committee to specifically look into the redressal of investors' complaint like transfer of shares, non receipt of balance sheet or non receipt of credit of shares into the Demat account etc. The committee also approves issue of duplicate share certificate(s) and oversees and reviews all matters connected with the share transfer.

**i. Composition**

Name of Member	Designation	Meetings Held	Meetings Attended
Sh. R.P. Gupta	Chairman	1	1
Sh. Rajneesh Oswal	Member	1	1
Sh. Arun K. Goel	Member	1	1

ii. Mr. Parminder Singh, Company Secretary is the Compliance Officer of the Company. The company has designated the email id [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com) for the purpose of registering complaints by investors electronically. The email id is displayed on the company's website.

iii. The details regarding the investor's complaints are as under:

Particulars	No. of Complaints	Particulars	No. of Complaints
Pending as on 01-04-2016	0	Resolved during the year	13
Received during the year	13	Pending as on 31-03-2017	0

**6. Independent Directors Meeting**

During the year, the Independent Directors met on 14th February, 2017 to:

- Review the performance of Non-Independent Directors and the Board as a whole.



- ♦ Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- ♦ Evaluate the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### 7. General Body Meetings

(i) Location and time where last three Annual General Meetings were held and details of special resolution(s) passed:

Financial Year	Date of A.G.M	Time	Venue	No. of Special Resolutions Passed
2015 - 2016	29th Sep, 2016	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Shabana, Chandigarh Road, Ludhiana- 141123	1
2014 - 2015	12th Aug, 2015	3.30 P.M.	----Do----	1
2013 - 2014	13th Aug, 2014	11.30 A.M.	----Do----	1

#### (ii) Postal Ballot

During the year under review, no resolution was passed through Postal Ballot. Further, no resolution is proposed to be passed through postal ballot.

#### 8. Disclosures

- The details of related party transactions, if any, are placed before Audit Committee and these are disclosed in the Notes on Account to the Balance Sheet. For the year 2016-17, there was no transaction of material nature with related parties, which are not in the normal course of business.
- There are no pecuniary relationships (except sitting fees) or transactions of non executive directors vis-à-vis Company that have a potential conflict with the interests of the company.
- The company has complied with requirements of the stock exchange as well as the Regulations and Guidelines prescribed by the Securities & Exchange Board of India. There were no penalties or strictures imposed on the company by Stock Exchange or SEBI, any statutory authority on any matter related to capital markets during last three years.  
Company has paid up to date Listing Fees to the Bombay Stock Exchange.
- The company has complied with all mandatory requirements of listing regulations on corporate governance.
- As on 31st March, 2017 none of the non-executive directors, is holding any equity shares of the company.
- The company has a Whistle Blower Policy in place and it has not denied access to any personnel to approach the Management or the Audit Committee on any issue.
- No director of the company is having any relationship with each other.

**9. Means of Communication**

i	Quarterly Results	Published in the newspapers every quarter
ii	Newspapers wherein results normally published	The Financial Express and Desh Sewak
iii	Any website, where results are displayed	<a href="http://www.adinathtextiles.com">www.adinathtextiles.com</a>
iv	Whether it also displays official news releases	No
v	The presentations made to Institutional Investors or to the Analysts	No

**SCORES (Sebi Complaints Redressal System):** The Investor Complaints are processed in a centralized web based complaints redressal system on [www.scores.gov.in](http://www.scores.gov.in), a website maintained by SEBI (Securities and Exchange Board of India). The main feature of this system is central database of all complaints, online upload of action taken reports (ATR's) by the concerned companies and online view by investors of action taken on complaints and its current status. The Company had dispose of all the pending complaints filed through scores.

**Online Filing:** Periodical compliance filings like shareholding pattern, corporate governance report, announcements, corporate actions etc. have been filed electronically on BSE –Corporate Compliance & Listing Centre.

**10. General Share Holders Information****(i) Annual General Meeting:**

Date & Time: Thursday, the 28th day of September, 2017 at 11.00 A.M.

Place: Regd. office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana -141 123.

**(ii) Financial Year:** The company's Financial Year starts from 1<sup>st</sup> April every year and conclude on 31<sup>st</sup> March, next year.**(iii) Book Closure:** Friday, the 22nd day of September, 2017 to Thursday, the 28th day of September 2017 (both days inclusive).**(iv)** Company has not declared any dividend during the year 2016-17.**(v) Listing Details:** The Equity shares of the Company are listed on Bombay Stock Exchange, Phirozee Jeejeebhoy Towers, 25th floor, Dalal street, Mumbai-400001 Stock Code (BSE): 514113**(vi) Depositories for Equity Shares:** National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

ISIN No. for the Companies Equity Shares: INE207C01019

**(vii) Registrar and Share Transfer Agent.**

The details of Registrar & Transfer Agents areas under

Name : Skyline Financial Services (P) Ltd.

Address : D-153/A 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1 New Delhi-11 0020

Phone No. : 011-26812682-83-84

Fax No. : 011-26812682

Contact Person : Mr. Subhash Aggarwal, Director / Mr. Virender Rana, Vice-President.

(viii) The distribution of Company's shareholding is as follows:

SHARE HOLDING NOMINAL VALUE (in Rs.)		NO. OF SHARE HOLDERS	PERCENTAGE OF TOTAL NUMBES	SHARE HOLDING AMOUNT (in Rs.)	PERCENTAGE OF TOTAL AMOUNT
From	To				
Up To 5,000		22263	96.99	28110410	41.25
5,001	10,000	440	1.93	3465800	5.09
10,001	20,000	158	0.69	2239740	3.29
20,001	30,000	35	0.15	860730	1.26
30,001	40,000	13	0.06	450500	0.66
40,001	50,000	10	0.04	464000	0.68
50,001	1,00,000	17	0.07	1145270	1.68
1,00,000 and Above		17	0.07	31407050	46.09
<b>TOTAL</b>		<b>22953</b>	<b>100</b>	<b>68143500</b>	<b>100</b>

\* The above percentage is after excluding the shares forfeited but not re- allotted.

(ix) As on 31.03.2017, 58.17% of the total paid up capital of the company is held with depositories in dematerialized form.

(x) Share Transfer System:

The company's shares are in compulsory dematerialized list and are transferable through depository system. Shares in physical form are processed and approved by M/s Skyline Financial Services Pvt. Ltd., the Registrar and Transfer Agents and approved/taken note of by the Stakeholder's Relationship Committee. The physical share transfers are generally processed within a period of 15 days from the date of receipt of transfer documents by M/s Skyline Financial Services Pvt. Ltd.

**Shareholders who hold shares in the physical form and wish to make Change/ nomination in respect of their shares in the company, as permitted under Companies Act, 2013 may submit the same to Registrars & Transfer Agents of the company in the prescribed Form.**

(xi) Market Price data: The monthly high and low stock quotations for the shares of the company during the last financial year are not available.

(xii) The Company has not issued any GDR's IADR's and there are no warrants or any convertible warrants.

(xiii) Location of Plant:

Adinath Textiles Ltd., Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana (Punjab) 141 123

(xiv) Address for Correspondence:

Adinath Textiles Limited, Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana (India) -141 123

Ph. (0161) 6574125, 9876100948

Fax. 91-161-2685270

Email: atl@shreyansgroup.com

Website: www.adinathtextiles.com

## 12. OTHER DISCLOSURES

- The company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities is not applicable.
- There is no Non- Compliance of any requirement of Corporate Governance Report of Sub para (2) to (10) of Part C of Schedule V of the Listing Regulations.

The Company has complied with all the applicable corporate governance requirements specified in regulation 17 to 27 with schedule II and V of the Listing Regulations.

**DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATIONS 26(3) OF THE LISTING REGULATIONS**

To,  
The Members,  
Adinath textiles Ltd.  
Ludhiana.

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the Directors and Senior Management Personnel as approved by the Board, for the Financial Year ended 31st March, 2017 in terms of regulations 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Ludhiana  
Date : 27<sup>th</sup> May, 2017

Sd/-  
Rajneesh Oswal  
Chairman & Managing Director  
(DIN : 00002668)

**Practicing Company Secretary Certificate on Compliance  
with the condition of Corporate Governance**

To  
The Members  
Adinath Textiles Ltd

We have examined the compliance of conditions of corporate governance by Adinath Textiles Limited (the company) for the year ended 31st March, 2017 as stipulated under the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For P. S. Bathla & Associates  
Company Secretaries**

(P.S. Bathla)  
C. P. No. 2585  
M. No. 4391

Place : Ludhiana  
Dated : 27<sup>th</sup> May, 2017

**CMD & CFO CERTIFICATION**

To  
The Members,  
Adinath Textiles Ltd,  
Ludhiana.

- a) We have reviewed financial statements and the cash flow statements for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee
- i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Sd/-**  
**Rajneesh Oswal**  
**Chairman & Managing Director**  
**(DIN : 00002668)**  
**Place : Ludhiana**  
**Date : 27th May, 2017**

**Sd/-**  
**Rajesh Kumar**  
**Chief Financial Officer**

## INDEPENDENT AUDITOR'S REPORT

To,

**The Members**

**ADINATH TEXTILES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of ADINATH TEXTILES LTD. ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profits and cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) On the basis of the written representations received from the Directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164(2) of the Act;
- f) In our opinion, there are no matters or financial transactions which may have any adverse effect on the functioning of the company.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure "B" and;
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has no pending litigations on its financial position in its financial statements as on March 31, 2017.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in SBN during the period from 8th November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company (Refer Note No. 40 of financial statements).
- fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information & explanation given to us and on the basis of our examination of the records the company, the title deeds of immovable property are held in the name of the company.
- (ii) According to information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. As explained to us, the discrepancies noted on verification between the physical stocks and the book records were not material and have been dealt with.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently the provisions of clause iii (a), iii (b) and iii(c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) As per information & explanation given by the management, maintenance of cost records is not required to be maintained as required as per Rule 3 of Companies (Cost Records and Audit) Amendment Rules, 2014.
- (vii) According to the information and explanations given to us, in respect of statutory dues
- According to the information and explanations given to us, following are the undisputed amounts payable in respect of Statutory dues including Provident Fund, Sales-tax, are in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

**For DASS KHANNA & Co.**  
Chartered Accountants  
Firm's Reg. No. 000402N

Place : Ludhiana

CA RAKESH SONI

Date : 27th May, 2017

Partner

Membership No. 083142

**ANNEXURE- A TO THE INDEPENDENT AUDITORS-REPORT**

(Referred to in paragraph 1 of Our Independent Report of even date to the Members of ADINATH TEXTILES Ltd. on the accounts of the company for the year ended 31st March, 2017).

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which

Nature of Dues	Amount in (Rs.)
Sales Tax	2277956
Entry Tax	237798
Interest on PF/ESI/ Sales Tax	965207

(b) According to the information and explanations given to us, the disputed statutory dues aggregating to Rs. 1000000/- that have not been deposited on account of matters pending before the appellate authorities in respect of custom duty and excise duty are as follows.

Sr. No.	Forum where dispute is pending	Nature of Dues	Disputed Amount (Rs.)
1.	Commissioner Central Excise & Customs, Chandigarh	Penalty	10,00,000**

\*\* Note: However Rs. 500000/- has been deposited under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to financial institutions or debenture holders.
- (ix) The company has not raised money by way of initial public offer or further public offer or term loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company. Accordingly the paragraph 3(xiii) of Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in Compliance with Section 188

and 177 of Companies Act, 2013 where applicable and details have been disclosed in the financial Statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to him. Accordingly the paragraph 3(xv) of Order is not applicable.
- (xvi) To the best of our knowledge and as explained, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DASS KHANNA & Co.  
Chartered Accountants  
Firm's Reg. No. 000402N**

**Place : Ludhiana  
Date : 27th May, 2017**

**CARAKESH SONI  
Partner  
Membership No. 083142**

**Annexure B to the Independent Auditors' Report  
Report on the Internal Financial Controls under  
Clause (i) of sub section 3 of Section 143 of the  
Companies Act, 2013 ('the Act')**

We have audited the Internal Financial Controls over financial reporting of Adinath Textiles Ltd. ('the Company') as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management Responsibility for Internal Financial Controls**

The Company's management is responsible of establishing and maintaining internal financial controls based on the internal control over financial reporting criterion established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Chartered Accountants of India ('ICAI'). These responsibilities



include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing specified under Section 143(10) of the Company Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparations of financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of control, material misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk, that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

**For DASS KHANNA & Co.**  
**Chartered Accountants**  
**Firm's Reg. No. 000402N**

**Place : Ludhiana**  
**Date : 27th May, 2017**

**CARAKESH SONI**  
**Partner**  
**Membership No. 083142**

**BALANCE SHEET AS AT 31ST MARCH 2017**

PARTICULARS	Note No.	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	3	7,01,43,500.00	7,01,43,500.00
(b) Reserves & Surplus	4	(5,41,21,884.20)	(5,65,61,998.31)
		<u>1,60,21,615.80</u>	<u>1,35,81,501.69</u>
<b>2 Share application money pending allotment</b>		---	---
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	---	---
(b) Long-term provisions	6	7,84,754.00	5,82,298.00
(c) Deferred Tax Liabilities	7	10,03,992.00	18,01,716.00
		<u>17,88,746.00</u>	<u>23,84,014.00</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	8	---	5,620.56
(b) Trade Payables	9	4,37,812.53	3,52,351.44
(c) Other current liabilities	10	1,99,16,977.79	2,02,67,432.81
(d) Short-term provisions	11	40,33,395.00	24,87,542.00
		<u>2,43,88,185.32</u>	<u>2,31,12,946.81</u>
<b>TOTAL</b>		<u>4,21,98,547.12</u>	<u>3,90,78,462.50</u>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	12	1,65,58,399.32	1,59,95,205.32
(b) Non-current investments	13	1,71,250.00	1,71,250.00
(c) Other non-current assets	14	8,15,353.00	8,15,353.00
		<u>1,75,45,002.32</u>	<u>1,69,81,808.32</u>
<b>2 Current Assets</b>			
(a) Inventories	15	1,56,654.00	1,56,654.00
(b) Trade receivables	16	69,62,174.95	68,16,157.95
(c) Cash and cash equivalents	17	1,27,09,595.96	1,19,23,306.34
(d) Short-term loans and advances	18	46,78,227.89	31,42,238.89
(e) Others current assets	19	1,46,892.00	58,297.00
		<u>2,46,53,544.80</u>	<u>2,20,96,654.18</u>
<b>TOTAL</b>		<u>4,21,98,547.12</u>	<u>3,90,78,462.50</u>

The accompanying notes are an integral part of these financial statements.

Significant Accounting Policies

2

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For Dass Khanna & Co.

Chartered Accountants

(Rakesh Soni)  
Partner

(Rajesh Kumar)  
CFO

(Parminder Singh)  
Company Secretary

(Vishal Oswal)  
Vice-Chairman and  
Managing Director  
(Additional Director)

(Rajneesh Oswal)  
Chairman and  
Managing Director

PLACE : LUDHIANA  
DATED : 27.05.2017

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDING 31ST MARCH 2017**

PARTICULARS	Note No.	Current Year Rs.	Previous Year Rs.
I. Revenue from operations	20	1,26,28,486.00	1,29,68,683.00
II. Other income	21	1,11,45,739.00	1,23,52,979.70
III. <b>Total Revenue (I+II)</b>		<b>2,37,74,225.00</b>	<b>2,53,21,662.70</b>
IV. <b>EXPENSES</b>			
Cost of Materials consumed	22	---	---
Changes in inventories of finished goods, work in progress & stock in trade	23	---	---
Purchases of stock-in-trade		---	---
Employee Benefits Expenses	24	76,15,395.00	63,56,151.00
Financial Expenses	25	7,41,612.72	10,24,343.14
Depreciation and amortization		18,67,734.00	17,17,198.50
Other expenses	26	1,05,18,538.17	1,13,78,567.34
		<b>2,07,43,279.89</b>	<b>2,04,76,259.98</b>
V. <b>Profit before exceptional and extraordinary items and tax(III-IV)</b>		<b>30,30,945.11</b>	48,45,402.72
VI. Add: Exceptional items		---	---
VII. <b>Profit before extraordinary (V-VI)</b>		<b>30,30,945.11</b>	48,45,402.72
VIII. Extraordinary items / Prior period items:			
Interest expense relating to earlier year		---	(12,74,777.00)
Interest Income relating to earlier year		---	37,771.00
IX. <b>Profit before Tax (VII-VIII)</b>		<b>30,30,945.11</b>	36,08,396.72
X. Tax expenses:			
i) Current tax		13,88,649.00	18,63,182.00
ii) Deferred tax (Assets)/liabilities		(7,97,724.00)	(3,98,204.00)
iii) MAT Credit Entitlement		---	---
iv) Tax expense relating to earlier years		---	(3,29,917.00)
XI. <b>Profit(Loss)for the period from continuing operations (IX-X-XIV)</b>		<b>24,40,020.11</b>	24,73,335.72
XII. Profit for the period(XI-XIV)		24,40,020.11	24,73,335.72
XIII. <b>Earing per equity share (Nominal Value per share :Rs.10/- (2016:Rs.10/-)</b>			
Basic (including extraordinary items)		0.36	0.36
Diluted (including extraordinary items)		0.36	0.36
Basic (excluding extraordinary items, net of tax expense)		0.36	0.17
Diluted (excluding extraordinary items, net of tax expense)		0.36	0.17

Significant Accounting Policies 2

The accompanying notes are an integral part of these financial statements.

This is the Profit & Loss Statement referred to in our report of even date.

**For Dass Khanna & Co.**  
Chartered Accountants

**(Rakesh Soni)** (Partner)  
**(Rajesh Kumar)** (CFO)

PLACE : LUDHIANA  
DATED : 27.05.2017

**For and on behalf of the Board**

**(Parminder Singh)**  
Company Secretary

**(Vishal Oswal)**  
Vice-Chairman and  
Managing Director  
(Additional Director)

**(Rajneesh Oswal)**  
Chairman and  
Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

PARTICULARS	DETAIL	2016-17	DETAIL	2015-16
<b>A CASH FLOW FROM OPERATIONS</b>				
Net Profit/(Loss) Before Tax And Extraordinary		3030945.11		3608396.72
<b>Adjustment For Non Cash &amp; Non Operating Items:-</b>				
Depreciation	1867734		1717198.50	
Interest Received	(37608.00)		(54311.00)	
Financial (Bank charges) Expenses	741612.72		1024343.14	
Loss on Sale of Fixed Assets Sold	72751.00		---	
Earlier years adjustment	94.00		---	
Rental Income	(11103856.00)		(11849007.00)	
	(8459272.28)	(8459272.28)	(9161776.36)	(9161776.36)
<b>Operating Profit Before Working Capital Changes</b>		<b>(5428327.17)</b>		<b>(5553379.64)</b>
<b>Adjustment For Working Capital</b>				
(Increase)/Decrease in Trade Receivable	(146017.00)		561272.00	
(Increase)/Decrease in Inventory	---		197410.00	
Increase/(Decrease) in Trade Payables	85461.09		(307371.01)	
(Increase)/Decrease in short term loans & advances	(163555.00)		1181715.79	
Repayment of Short term Borrowings	(5620.56)		(300000.00)	
Increase/(Decrease) in other Current Liabilities	(350455.02)		10995916.90	
Increase/(Decrease) In Provision for Employee Benefits	359660.00		223996.00	
Increase in Other Current Assets	(88595.00)		(22733.00)	
	(309121.49)	(309121.49)	12530206.68	12530206.68
Cash Flow From Operating Activities Before Tax & Extraordinary Items		(5737448.66)		6976827.04
Interest received on Income Tax Refund	---		---	
Taxes Paid	(1372434.00)		(606751.00)	
	(1372434.00)	(1372434.00)	(606751.00)	(606751.00)
<b>Net Cash Used in Operating Activities</b>		<b>(7109882.66)</b>		<b>6370076.04</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(2653679.00)		(92508.00)	
Purchase of Equity Shares	---		---	
Sale of Fixed Assets	150000.00		---	
Rental Receipt	11103856.00		11849007.00	
Interest received on FDR	37608.00		54311.00	
Refund on Telephone Security	---		---	
<b>Net Cash Generated in Investing Activities</b>	<b>8637785.00</b>	<b>8637785.00</b>	<b>11810810.00</b>	<b>11810810.00</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	---		(13450000.00)	
Financial (Bank charges) Expenses	(741612.72)		(1024343.14)	
<b>Net Cash Generated/(used) in Financing Activities</b>	<b>(741612.72)</b>	<b>(741612.72)</b>	<b>(14474343.14)</b>	<b>(14474343.14)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		786289.62		3706542.90
Opening Cash and Cash Equivalents		11923306.34		8216763.44
Closing Cash and cash Equivalents		12709595.96		11923306.34

The is the cash flow statement referred to in our report of even date.

**For Dass Khanna & Co.**  
Chartered Accountants

(Rakesh Soni)  
Partner

(Rajesh Kumar)  
CFO

(Parminder Singh)  
Company Secretary

**For and on behalf of the Board**

(Vishal Oswal)  
Vice-Chairman and  
Managing Director  
(Additional Director)

(Rajneesh Oswal)  
Chairman and  
Managing Director

PLACE : LUDHIANA  
DATED : 27.05.2017

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

**1. GENERAL INFORMATION**

ADINATH TEXTILES LIMITED is a public limited company incorporate in India under the provisions of the Companies Act, 1956. The company is engaged in the business of Manufacturing of Blended acrylic Yarn and Trading of Unstitched Suitings, Shirtings & Dress Materials.

**2. SIGNIFICANT ACCOUNTING POLICIES****(A) Accounting Conventions:**

The company's financial statements have been prepared in accordance with the historical cost convention on accrual basis of accounting, as applicable to going concern in accordance with generally accepted accounting principle in India (Indian GAAP), mandatory accounting standards prescribed in the Companies (Accounting Standards) Rules 2006 issued by Central Government in consultation with the provisions of Companies Act, 2013 to the extent applicable. The financial statements are presented in Indian rupees.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Schedule-III of Companies Act, 2013. Based on the nature of business, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of Assets and liabilities.

**(B) Use of Estimates**

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Difference between the actual results and estimates are recognised in the year in which the results are known/materialised. Example of such estimates include provision for doubtful debts, employee benefits, provision for income tax, the useful lives of depreciable fixed assets and provision for impairment.

**(C) Revenue Recognition**

1. Sales are recognized at the time of delivery of goods from the factory, net of trade discount & sales tax.
2. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

**(D) Fixed Assets:**

Fixed assets are stated at cost of acquisition and inclusive of inward freight, duties & taxes & incidental expenses related to acquisition net of capital subsidy relating to specific fixed assets.

**(E) Inventory Valuation**

Inventories are valued at cost or net realizable price whichever is lower except scrap at net realisable value. The cost formula used for valuation of inventories are:-

1. Cost of stores & spares is calculated at weighted average of cost plus direct expenses.
2. Wastes are valued at net realisable value.

**(F) Depreciation**

- i) Depreciation for the year has been provided on Straight Line Method on the basis of useful lives specified in the Schedule-II of Companies Act, 2013.
- ii) Assets costing Rs. 5000/- or less acquired during the year are depreciated at 100%.

**(G) Accounting for Taxes on Income**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**(H) Employee Benefits**

- (i) Short - term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss statement of the year in which the related service is rendered.
- (ii) Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the Profit and Loss statement.
- (iii) The liability for Gratuity is provided on the basis of actuarial valuation at the end of financial year.
- (iv) Provision for leave encashment is made on the basis of actuarial valuation at the end of the year.

**(I) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be outflow of resources. Contingent liability, which are considered significant and material by the company, are disclosed in the Notes to Accounts. Contingent Assets are neither recognised nor disclosed in financial statements.

**(J) Investments**

Long term investments are carried "at cost" Less Provision, if any, for diminution in value, which is other than temporary.

**(K) Segment Reporting**

The Company is a single segment company engaged in manufacturing of blended acrylic yarn. Accordingly the disclosure requirement as prescribed in the Accounting Standard (AS) -17 on Segment Reporting issued by the institution of Chartered Accountants of India is not applicable.

**(L) Earning Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earning considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preferences dividends and any attributable tax thereto for the period.

**(M) Leases**

Rental Income from factory building given on operating lease, which can be renewed by the mutual consent of the parties after the expiry date, is recognised as income in the profit & loss statement .

**3. SHARE CAPITAL**

PARTICULARS	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
<b>(a) AUTHORISED</b>		
9900000 Equity Shares of Rs. 10/-each	99000000.00	99000000.00
10000, 11% Redeemable Non-cumulative preference shares of RS 100/- each	1000000.00	1000000.00
	<u>100000000.00</u>	<u>100000000.00</u>
<b>(b) ISSUED AND SUBSCRIBED</b>		
8616800 Equity Shares of Rs.10/- each.	86168000.00	86168000.00
2000, 11% Redeemable Non-cumulative preference shares of RS 100/- each	200000.00	200000.00
	<u>86368000.00</u>	<u>86368000.00</u>
<b>(c) PAID UP CAPITAL</b>		
6814350 Equity Shares of Rs.10/- each.	68143500.00	68143500.00
2000, 11% Redeemable Non-cumulative preference shares of RS 100/- each*.	200000.00	200000.00
Add : Shares Forfeited (Amount originally paid up)	1800000.00	1800000.00
<b>TOTAL</b>	<u>70143500.00</u>	<u>70143500.00</u>

\*Note:- 11% Non-cumulative Redeemable Preference Shares will be redeemed with in the period specified under section 55 of the Companies Act, 2013 from the date of allotment i.e.29.11.1998 or earlier at the discretion of Board of Directors.

**(d) Reconciliation of shares outstanding at the beginning and at the end of the reporting period.**

PARTICULARS	No. of Shares	Amounts Rs.	No. of Shares	Amounts Rs.
Opening Equity Shares	6814350	68143500.00	6814350	68143500.00
Addition during the year.	---	---	---	---
<b>Closing Equity Shares</b>	<u>6814350</u>	<u>68143500.00</u>	<u>6814350</u>	<u>68143500.00</u>
Opening Preference Shares	2000	200000.00	2000	200000.00
Addition during the year.	---	---	---	---
<b>Closing Preference Shares</b>	<u>2000</u>	<u>200000.00</u>	<u>2000</u>	<u>200000.00</u>

**(e) Shareholders holding more than 5% of share capital.**

Name of Shareholder/ Class of Equity shares	No. of Shares	% of Holding EQUITY SHARES	No. of Shares	% of Holding EQUITY SHARES
(i) Shreyans Industries Ltd.	1280000	18.78	1280000	18.78

**(f) Rights, preferences and restrictions attached to equity shares**

The company has one class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(g) Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding or ultimate holding company of the company.

**4. RESERVES & SURPLUS**

PARTICULARS	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
<b>(A) Securities Premium Reserve</b>		
Opening Balance	69507250.00	69507250.00
Add: Addition During the year	---	---
	<u>69507250.00</u>	<u>69507250.00</u>
<b>(B) Capital Reserve</b>		
Opening Balance	12000.00	12000.00
Add: Addition During the year	---	---
	<u>12000.00</u>	<u>12000.00</u>
<b>(C) Surplus</b>		
Opening Balance	(126081248.31)	(128554584.03)
Add: Earlier Year Adjustment of Depreciation	94.00	---
Add: Profit for the period transferred from profit & loss statement.	2440020.11	2473335.72
	<u>(123641134.20)</u>	<u>(126081248.31)</u>
<b>TOTAL</b>	<u>(54121884.20)</u>	<u>(56561998.31)</u>

**5. LONG-TERM BORROWINGS**

PARTICULARS	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.2017 Rs.	AS AT 31.03.2016 Rs.	AS AT 31.03.2017 Rs.	AS AT 31.03.2016 Rs.
<b>(A) UNSECURED LOANS</b>				
(i) From Others	---	---	8000000.00	9000000.00
<b>TOTAL</b>	<u>---</u>	<u>---</u>	<u>8000000.00</u>	<u>9000000.00</u>

**6. LONG-TERM PROVISIONS**

PARTICULARS	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
Provision for employee benefits - Gratuity	784754.00	582298.00
	<u>784754.00</u>	<u>582298.00</u>
<b>7. DEFFERED TAX ASSETS/LIABILITIES</b>		
<b>Timing Differences</b>		
On account of unabsorbed depreciation & b/f losses	---	---
On account of Provision for Gratuity & Leave Encashments payable	483993.00	347565.00
Less DTL : On account of timing Difference of depreciation	1487985.00	2149281.00
<b>Deffered Tax (Assets) Liability</b>	<u>1003992.00</u>	<u>1801716.00</u>



**8. SHORT TERM BORROWINGS**

PARTICULARS	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
<b>UNSECURED LOANS</b>		
<b>Loans &amp; Advances from related parties</b>		
From Director (Interest free) Repayable on demand	---	5620.56
<b>TOTAL</b>	<u>---</u>	<u>5620.56</u>

**9. TRADE PAYABLES**
**Sundry Creditors**

Total Outstanding to Small, Medium & Micro enterprises	---	---
Total Outstanding to other than Small, Medium & Micro enterprises	<b>437812.53</b>	352351.44
<b>TOTAL</b>	<u><b>437812.53</b></u>	<u>352351.44</u>

The Micro, Small and Medium Enterprises Development Act, 2006 has come into force with effect from October 2, 2006. As per the Act, the company is required to identify the Micro and Small Vendors/Service providers and pay interest to them on overdue beyond the specified period irrespective of the terms agreed upon. The company has not received any confirmation from its Vendors/Service Providers regarding their status of registration under the said Act, which has been relied upon by the auditors, hence prescribed disclosures under Section 22 of the said Act has been provided.

**10. OTHER CURRENT LIABILITIES**

PARTICULARS	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
(a) Current maturities of long-term debt	<b>8000000.00</b>	9000000.00
(b) Income received in advance	---	---
(c) Other Payables		
i) Statutory Duties & Taxes	<b>2653604.91</b>	2632749.91
ii) Employee Benefits	<b>1254441.39</b>	1010435.90
iii) Advance from Customer	<b>208172.00</b>	208172.00
iv) For Expenses	<b>5549759.49</b>	5241075.00
v) Advance Rent Received	---	---
vi) Securities Payables	<b>2251000.00</b>	2175000.00
<b>TOTAL</b>	<u><b>19916977.79</b></u>	<u>20267432.81</u>

**11. SHORT-TERM PROVISIONS**
**Provision for Employee benefits.**

- Leave encashment	<b>509664.00</b>	391610.00
- Gratuity	<b>271900.00</b>	232750.00
- Provision for Income Tax	<b>3251831.00</b>	1863182.00
<b>TOTAL</b>	<u><b>4033395.00</b></u>	<u>2487542.00</u>

**12. FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01/04/2016 Rs.	Addition during the year Rs.	Sale/Adjust- -ment during the year Rs.	As at 31/03/2017 Rs.	As at 01/04/2016 Rs.	Adjustment during the year Rs.	Provided for the year Rs.	As at 31/03/2017 Rs.	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
Land	8,68,977	0	0	8,68,977	0	0	0	0	8,68,977	8,68,977
Building	3,31,10,352	2,46,690	0	3,33,57,042	2,12,49,234	0	15,73,262	2,28,22,496	1,05,34,546	1,18,61,118
Plant & Machinery Furniture, Fixture & Other Equipment	5,31,38,175	2,470	0	5,31,40,645	5,04,53,626	0	19,107	5,04,72,733	26,67,912	26,84,549
Vehicles	24,41,461	15,19,347	0	39,60,808	21,94,610	0	1,95,784	23,90,394	15,70,413	2,46,850
	6,04,056	8,85,172	5,44,356	9,44,872	2,70,345	3,21,605	79,581	28,321	9,16,551	3,33,711
<b>Total</b>	<b>9,01,63,021</b>	<b>26,53,679</b>	<b>5,44,356</b>	<b>9,22,72,343.67</b>	<b>7,41,67,815.35</b>	<b>3,21,605</b>	<b>18,67,734</b>	<b>7,57,13,944.35</b>	<b>1,65,58,399.32</b>	<b>1,59,95,205.32</b>
Previous Year	9,00,57,313	92,508	0	9,01,63,021	7,24,50,617	0	1,717,199	7,41,67,815	1,59,95,205	-----

**13. NON-CURRENT INVESTMENTS**

PARTICULARS	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
<b>Other Investment (At Cost)</b>		
21500 equity shares of Rs. 10/- Each fully paid up of Fountain Tie-Up Pvt. Ltd	<b>171250.00</b>	171250.00
<b>Aggregate amount of unquoted investment</b>	<b>171250.00</b>	171250.00

**14. OTHER NON-CURRENT ASSETS**

**Unsecured, Considered Goods**

**Others**

Security Deposits

	<b>815353.00</b>	815353.00
<b>TOTAL</b>	<b>815353.00</b>	815353.00

**15. INVENTORIES**

**STOCK & STORES**

Stores & Spares

Others (scrap of machinery)

	<b>104797.00</b>	104797.00
	<b>51857.00</b>	51857.00
<b>TOTAL</b>	<b>156654.00</b>	156654.00

**16. TRADE RECEIVABLES**

PARTICULARS	As at 31/03/2017 Rs.	As at 31/03/2016 Rs.
<b>Outstanding for a period exceeding six months from the date they become due.</b>		
- Unsecured, consider good	---	---
- Doubtful	<b>11063493.95</b>	10914993.81
Less: Provision For Doubtful Debts	<b>5500000.00</b>	5500000.00
	<b>5563493.95</b>	5414993.81
ii) Other Debts	<b>1398681.00</b>	1401164.14
<b>TOTAL</b>	<b>6962174.95</b>	6816157.95
<b>17. CASH AND CASH EQUIVALENTS</b>		
(A) Balance With Banks in Current Accounts	<b>2159086.72</b>	2844573.99
(B) Cheques in hand	---	1000000.00
(C) Cash in Hand Including Imprest	<b>10550509.24</b>	8078732.35
<b>TOTAL</b>	<b>12709595.96</b>	11923306.34
<b>18. SHORT TERM LOAN AND ADVANCES UNSECURED, CONSIDERED GOODS</b>		
<b>Others</b>		
i) Advance to Suppliers	<b>10800.00</b>	---
ii) Advance to Employees	<b>175500.00</b>	61902.00
iii) Advance tax	<b>3188845.00</b>	1816411.00
iv) Prepaid Expenses	<b>23190.00</b>	26698.00
v) Excise duty receivable	<b>470651.89</b>	470651.89
vi) Sales Tax Receivable	---	---
vii) Vat input	<b>272070.00</b>	230765.00
viii) Service Tax input	<b>2815.00</b>	1910.00
ix) Custom duty receivable	<b>500000.00</b>	500000.00
x) Amount Receivable	<b>34356.00</b>	33901.00
<b>TOTAL</b>	<b>4678227.89</b>	3142238.89
<b>19. OTHER CURRENT ASSETS</b>		
<b>Others</b>		
i) Rent receivable	<b>146892.00</b>	58297.00
ii) MAT Credit Entitlement Receivable	---	---
<b>TOTAL</b>	<b>146892.00</b>	58297.00

PARTICULARS	Current Year	Previous Year
<b>20. REVENUE FROM OPERATIONS</b>		
<b>(A) Sale of products</b>		
(a) Finished Goods		
Yarn	---	---
(b) Traded Goods		
Unstitched Suitings, Shirtings & Dress Materials	---	---
(c) Sale of Acrylic Waste	---	---
<b>(B) Sale of services</b>		
Job Charges Received (Yarn manufacturing)	<b>12628486.00</b>	12968683.00
<b>TOTAL</b>	<b>12628486.00</b>	12968683.00

**21. OTHER INCOME**

PARTICULARS	Current Year Rs.	Previous Year Rs.
Interest received	37608.00	85376.00
Rent	11103856.00	11849007.00
Sundry Balances written back	3.00	362775.70
Provision on Doubtfull Debts W/back	---	---
Interest Income on FDR's	---	54311.00
Misc. Income	4272.00	1510.00
<b>TOTAL</b>	<b>11145739.00</b>	<b>12352979.70</b>

**22. COST OF MATERIALS CONSUMED**

Opening Stock of Raw Material		
Yarn	---	---
Add : Purchases of Yarn	---	---
	---	---
Less : Closing Stock of Raw Material		
Yarn	---	---
<b>TOTAL</b>	<b>---</b>	<b>---</b>

**23. CHANGE IN INVENTORIES**

<b>(A) OPENING STOCK</b>		
<b>(i) FINISHED GOODS</b>		
-Acrylic Waste	---	---
<b>TOTAL (A)</b>	<b>---</b>	<b>---</b>
<b>(B) CLOSING STOCK</b>		
<b>(i) FINISHED GOODS</b>		
-Acrylic Waste	---	---
<b>TOTAL (B)</b>	<b>---</b>	<b>---</b>
<b>TOTAL (A-B)</b>	<b>---</b>	<b>---</b>

**24. EMPLOYEES BENEFITS EXPENSE**

Salaries, Wages & Other Allowances	7535990.00	6302239.00
Staff & Labour Welfare	79405.00	53912.00
<b>TOTAL</b>	<b>7615395.00</b>	<b>6356151.00</b>

**25. FINANCE COST**

Bank Charges & Commission	2872.72	2253.14
Interest Expense	738740.00	1022090.00
<b>TOTAL</b>	<b>741612.72</b>	<b>1024343.14</b>

## 26. OTHER EXPENSES

PARTICULARS	Current Year Rs.	Previous Year Rs.
<b>(A) MANUFACTURING EXPENSES</b>		
Stores & Spares	294239.00	398475.00
Packing Expenses	278815.00	301050.00
Power and Fuel	3919822.00	5251140.00
Repairs to Machinery	193175.00	295713.00
<b>SUB TOTAL</b>	<b>4686051.00</b>	<b>6246378.00</b>
<b>(B) ADMINISTRATIVE EXPENSES</b>		
Insurance	70783.00	69700.00
Listing Fees	200000.00	200000.00
Legal & Professional Expenses	3074062.00	597692.00
Demat Charges	125187.00	105559.00
E-Voting Charges	13854.00	15100.00
Directors Sitting Fees	16500.00	9750.00
Canteen Expenses	141043.00	142555.00
Fees & Taxes	582423.00	599489.00
Travelling Expenses	61061.00	58295.00
<u>Auditors Remuneration</u>		
- Audit Fee	25000.00	25000.00
- Tax Audit	5000.00	5000.00
Vehicle Expenses	92693.87	104787.88
Interest Paid on Provident fund (Demand)	---	---
Bad debts W/off	---	943613.00
Sundry Balances Written off	5744.00	1255732.00
Other Expenses	1060082.30	660980.46
<b>SUB TOTAL</b>	<b>5473433.17</b>	<b>4793253.34</b>
<b>(C) SELLING EXPENSES</b>		
Advertisement	53574.00	82815.00
Commission	250240.00	203271.00
Freight & Cartage Outward	55240.00	52850.00
<b>SUB TOTAL</b>	<b>359054.00</b>	<b>338936.00</b>
<b>GRAND TOTAL</b>	<b>10518538.17</b>	<b>11378567.34</b>

## 27 CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) Outstanding Excise Duty (Penalty) of Rs. 10,00,000/-\*\*.  
\*\* Note: The amount includes Rs.5,00,000/- has been deposited under protest.
- 28 In the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.
- 29 Since the company has become sick and has been registered with the Board for Industrial and Financial Reconstruction.
- 30 Confirmation of balances, whether in debit or credit from parties have not been obtained. As such their effect on Profit & Loss Account cannot be reflected.
- 31 As per Accounting Standard (AS)-28 on "Impairment of Assets" At each Balance Sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.
- 32 Earning Per Share- The numerators and denominators used to calculate Basic and Diluted Earning per Share.

PARTICULARS	Current Year	Previous Year
1 Profit Attributable to the Equity Shareholders (A)	24,40,020.11	24,73,335.72
2 Basic/Weighted average no. of Equity Shares o/s during the Year (B)	6814350	6814350
3 Nominal Value of Share Rs.	10.00	10.00
4 Basic/Diluted E.P.S. Rs. (A)/(B)	0.36	0.36

- 33 Previous year figures have been regrouped/recasted wherever necessary to make them comparable.
- 34 Sundry Debtors exceeding six month amount to Rs.10914993.81 ,against which provision of Rs 5500000 /- has been made. However the company has filed suits against some of the debtors whose outstanding amount as on 31.03.2017 is Rs.4176132/-
- 35 Detail of transactions entered into with the related parties during the year as required by Accounting Standard (AS)-18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as under:

### (A) Transactions with the related parties

(In Rs.)

Name of Transactions during the year	Associate	Key Management Personnel	Relatives of Key Management Personnel	Entities Over Which Key Management Personnel & Relatives of Such Personnels are able to Exercise Significant Influence
Remuneration	NIL	NIL	NIL	NIL
Salary	NIL	NIL	NIL	NIL
Interest paid	NIL	NIL	NIL	738740.00 (2295517.00)
Rent Paid	NIL	NIL	NIL	NIL
Loan Taken	NIL	NIL	NIL	NIL
Loan Repaid	NIL	5,620.56 (300,000.00)	NIL	1000000.00 (4450000.00)
Opening Balance	NIL	5620.56 Cr (305620.56 Cr)	NIL	9000000.00 Cr. (13450000.00 Cr.)
Closing Balance	NIL	NIL (5620.56 Cr)	NIL	8000000.00 Cr. (9000000.00 Cr.)

\* Note : Amounts shown in bracket relates to previous year figures.

**A. Key Managerial Personnel and relatives of Key Managerial Personnel:****1. Key Management Personnel:**

- i) Mr. Rajneesh Oswal (Chairman & Managing Director)
- ii) Mr. Rajesh Kumar, CFO
- iii) Mr. Parminder Singh, Company Secretary

**2. Relatives of Key Managerial Personnel**

- i) Mr. Vishal Oswal (Brother)
- ii) Mr. Kunal Oswal (Brother)
- iii) Mrs. Priti Oswal (Wife)
- iv) Mrs. Nirmal Oswal (Mother)

**B. Entities Over Which Key Managerial Personnel and Relatives of Such Personnels are able to Exercise Significant Influence**

- i) Punctual Dealers Private Limited
- ii) Fountain Tie-up Private Limited

**36 Employee Benefits (Defined Benefit Plan)**

The Company has a defined benefit plan for gratuity and leave encashments . The present value of obligation is determined based on the actuarial valuation using the Project unit Credit Method, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The Accounting Standard (AS-15 Revised) prescribed by Companies Accounting Standard Rules 2006 is being followed and the following table summarize the components of net benefit/expenses recognised in the statement of Profit and loss and the amount recognised in the balance sheet for the gratuity and Leaves with wages plan.

**1 Changes in the present value of obligation:-**

PARTICULARS	AS ON 31.03.2017		AS ON 31.03.2016	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Present value of obligation at the beginning of the period	815048.00	391610.00	672904.00	309758.00
Interest cost	58272.00	25591.00	50766.00	21097.00
Current service cost	202814.00	265687.00	162061.00	229732.00
Benefits paid	(55164.00)	(91578.00)	(60588.00)	(85415.00)
Actuarial (Gain)/Loss on obligation	35684.00	(81646.00)	(10095.00)	(83562.00)
Present Value of obligation at the end of period	1056654.00	509664.00	815048.00	391610.00

**2 fair value of plan asset:-**

PARTICULARS	AS ON 31.03.2017		AS ON 31.03.2016	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Fair value of plan assets at the beginning of the period	---	---	---	---
Actual return on plan assets	---	---	---	---
Contribution	---	---	---	---
Withdrawals/ Benefits Paid	---	(91578.00)	---	(85415.00)
Fair value of plan assets at the end of the period	---	---	---	---
Present Value of obligation at the end of period	1056654.00	509664.00	815048.00	391610.00
Funded status	(1056654.00)	(509664.00)	(815048.00)	(391610.00)

**3 Actuarial gain/(loss) recognised:-**

PARTICULARS	AS ON 31.03.2017		AS ON 31.03.2016	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Actuarial gain/(loss) on obligation	<b>(35684.00)</b>	<b>81646.00</b>	10095.00	83562.00
Actuarial gain/(loss) on plan assets	---	---	---	---
Total (gain)/loss	<b>35684.00</b>	<b>(81646.00)</b>	(10095.00)	(83562.00)
Actuarial (gain)/loss recognized in the period	<b>35684.00</b>	<b>(81646.00)</b>	(10095.00)	(83562.00)
Unrecognized actuarial (gain)/loss at the end of the period	---	---	---	---

**4 Amount to be recognised in the balance sheet:-**

PARTICULARS	AS ON 31.03.2017		AS ON 31.03.2016	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Unrecognized actuarial (gain)/loss at the end of the period	<b>1056654.00</b>	<b>509664.00</b>	815048.00	391610.00
Unrecognized actuarial (gain)/loss at the end of the period	----	----	----	----
Funded status	<b>(1056654.00)</b>	<b>(509664.00)</b>	(815048.00)	(391610.00)
Unrecognized actuarial (gain)/loss at the end of the period	----	----	----	----
Net assets/(liability) recognized in the balance sheet	<b>1056654.00</b>	<b>509664.00</b>	815048.00	391610.00

**5 Expenses recognised in the profit and loss statement:-**

PARTICULARS	AS ON 31.03.2017		AS ON 31.03.2016	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Current service cost	<b>202814.00</b>	<b>265687.00</b>	162061.00	229732.00
Interest cost	<b>58272.00</b>	<b>25591.00</b>	50766.00	21097.00
Expected return on plan assets	---	---	---	---
Actuarial (gain)/loss recognized on the period	<b>35684.00</b>	<b>(81646.00)</b>	(10095.00)	(83562.00)
Expenses recognized in the statement of profit and loss	<b>296770.00</b>	<b>209632.00</b>	202732.00	167267.00

**6 Principal actuarial assumptions at the balance sheet date:-**

PARTICULARS	AS ON 31.03.2017		AS ON 31.03.2016	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Imputed rate of interest	<b>7.40% p.a.</b>	<b>7.40% p.a.</b>	<b>7.90% p.a.</b>	<b>7.90% p.a.</b>
Future salary rise	<b>8.00% p.a.</b>	<b>8.00% p.a.</b>	<b>8.00% p.a.</b>	<b>8.00% p.a.</b>
Remaining working life	<b>16.86 years</b>	<b>16.86 years</b>	<b>16.10 years</b>	<b>16.10 years</b>
Method of Valuation	<b>Projected Unit Credit</b>	<b>Projected Unit Credit</b>	<b>Projected Unit Credit</b>	<b>Projected Unit Credit</b>

**37 Disclosure requirement as per AS - 19 on 'Leases':-**

factory building is given on Lease to different parties for the period varies between 1 to 7 years.

General description of the Lease agreement :

- i) lease agreement can be terminated by either party by giving advance notice either by lessee or lessor.



- ii) Leases can not sublet the building further.  
iii) lease rent is subject to yearly increase by 10%.

PARTICULARS	2016-17		2015-16	
	Rs.	P.	Rs.	P.
Future minimum lease payments under non cancellable operating leases	31214599.00		28376899.00	
Not later than one year	5112869		4648061	
Later than one year & not later than five years	26101730		23728838	
Later than five years	---		---	
Lease income recognised in the profit & loss statement	11103856.00		11849007.00	

**38. (i) Value Of Raw Material, Stores And Spares Consumed**

PARTICULARS	Indigenous		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Raw materials	---	---	---	---
Stores & Spares	---	89015.00	---	45.09%

PARTICULARS	Imported		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Raw materials	---	---	---	---
Stores & Spares	---	108395.00	---	54.91%

**(ii) Purchase of Traded Goods**

PARTICULARS	Amounts in Rs.	
	Current Year	Previous Year
Suiting ,Shirtings fabrics & Dress materials	---	---
<b>TOTAL</b>	---	---

**39. C.I.F. value of Imports - NIL**

40. As required vide Notification No. G.S.R 308 (E) dated 30th March 2017 issued by Ministry of Corporate Affairs, the details of SBNs held & transacted during the period from 8th November,2016 to 30th December,2016 is provided in the Table below :-

PARTICULARS	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	150000.00	10074500.09	10224500.09
(+) Permitted receipts	0.00	1501.57	1501.57
(+) Withdrawn from Bank	0.00	620000.00	620000.00
(-) Permitted Payments	0.00	111017.00	111017.00
(-)Amount deposited in Banks	150000.00	0.00	150000.00
Closing cash in hand as on 30.12.2016	0.00	10584984.66	10584984.66

These are the notes to financial statements referred to in our report of even date.

**For and on behalf of the Board**

**For Dass Khanna & Co.**  
**Chartered Accountants**

**(Rakesh Soni)**  
Partner

**(Rajesh Kumar)**  
CFO

**(Parminder Singh)**  
Company Secretary

**(Vishal Oswal)**  
Vice-Chairman and  
Managing Director  
(Additional Director)

**(Rajneesh Oswal)**  
Chairman and  
Managing Director

**PLACE : LUDHIANA**  
**DATED : 27.05.2017**

**ADINATH TEXTILES LIMITED**

Regd. Office: Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123  
 Tel. No. 0161-6574125, 9876100948 Fax - 0161-2685270, CIN- L17115PB1979PLC003910  
 Website : [www.adinathtextiles.com](http://www.adinathtextiles.com), Email : [atl@shreyansgroup.com](mailto:atl@shreyansgroup.com)

**Form No. MGT-11**

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

I/We, being the member(s) of ..... Shares of Adinath Textiles Limited, hereby appoint:

1. Name : .....
2. Address : .....
3. E-mail Id : .....
4. Signature : ....., or failing him /her

1. Name : .....
2. Address : .....
3. E-mail Id : .....
4. Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37<sup>th</sup> Annual general meeting of the company, to be held on Thursday, the 28th day of September, 2017 At 11.00 a.m. at the registered office of the company at Village: Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana 141 123 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution(s):**

- 1..... 2..... 3..... 4.....
- 5..... 6..... 7..... 8.....

Signed this..... day of ..... 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp here
--------------------------------

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**ADINATH TEXTILES LIMITED  
ATTENDANCE SLIP**

I here by record my presence at the 37<sup>th</sup> ANNUAL GENERAL MEETING of the Company being held on Thursday, the 28th day of September, 2017 at 11.00 a.m. at the Registered Office of the Company Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana - 141 123

.....  
Full Name of the Shareholder  
(IN BLOCK LETTERS)

Signature

Folio No .....

Client ID. ....

Full Name of Proxy .....  
(IN BLOCK LETTERS)

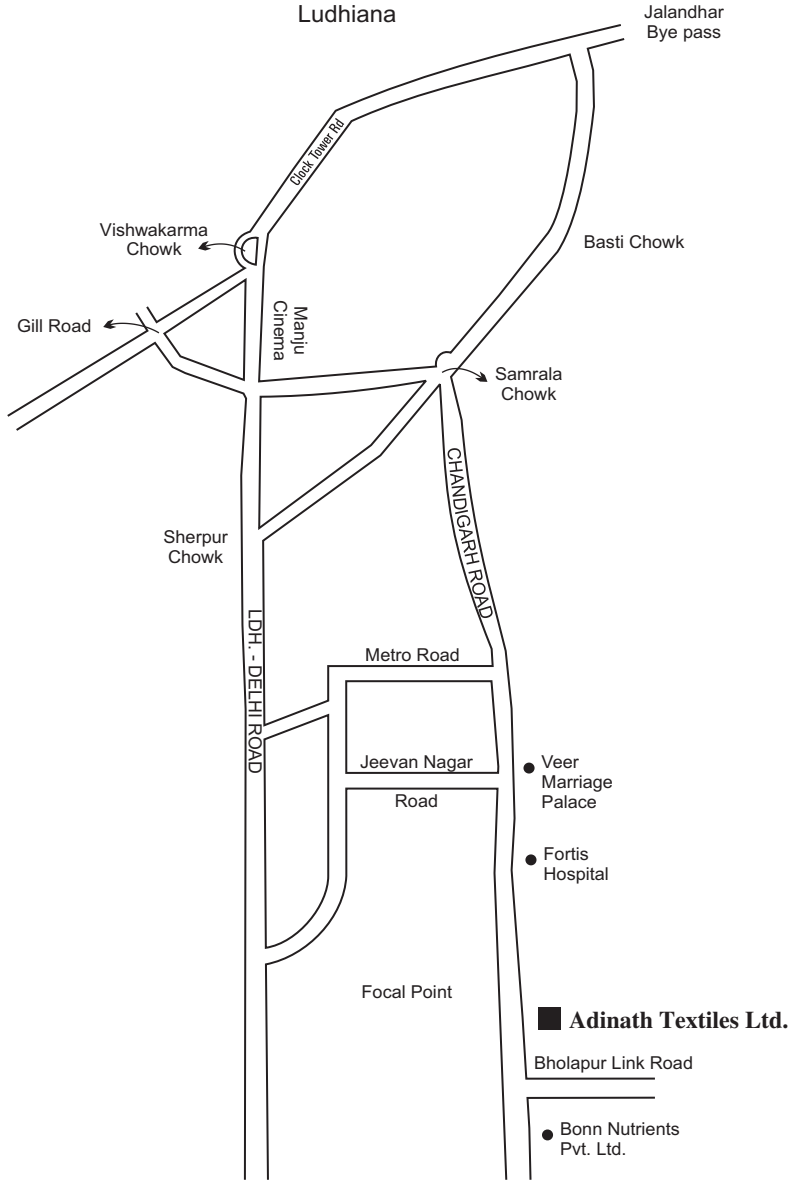
D. P. ID. ....

- NOTE :**
1. The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
  2. A proxy need not be a member.



Route map to the venue of the AGM

Venue : **Adinath Textiles Limited**  
Village Bholapur, P.O. Sahabana, Chandigarh Road,  
Ludhiana



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