

**33rd ANNUAL REPORT**



**2013**

**ADINATH TEXTILES LIMITED**

**BOARD OF DIRECTORS**

Sh. Rajneesh Oswal	Executive Director
Sh. R.P. Gupta	Director
Sh. S.K. Sekhri	Director
Sh. Arun K. Geol	Additional Director

**AUDITORS :**

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

**REGISTERED OFFICE & WORKS**

Village Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana - 141 123

**OFFICES**

1. 4-J & E, Gopala Tower,  
25, Rajendra Place  
New Delhi - 110 008.
2. 302, Raheja Chambers,  
Nariman Point,  
Mumbai - 400 021.

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**Registrar & Transfer Agents**

Skyline Financial Services (p) Limited  
D-153/A, 1st Floor  
Okhla Industrial Area, Phase - 1,  
New Delhi - 110020

## NOTICE

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of the Company will be held on Friday, the 30<sup>th</sup> August, 2013 at 11.30 A.M. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. S. K. Sekhri, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

**4. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:**

“RESOLVED THAT Sh. Arun K. Goel, who was appointed as an Additional Director of the Company w.e.f. November 14, 2012 and who holds office pursuant to Section 260 of the Companies Act, 1956 (hereinafter referred to as “the Act”) up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Directors of the Company, be and are hereby severally authorized to do all such acts, deeds, things as may be necessary, to give effect to the foregoing resolution.”

**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. 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.**
2. The Register of Members and Share Transfer books of the Company shall remain closed from Friday, the 23<sup>rd</sup> day of August, 2013 to , Friday the 30<sup>th</sup> day of August, 2013 (both days inclusive), for the purpose of AGM, for both physical and electronic segments.
3. Members/proxies are requested to bring their copy of Annual Report to the Meeting.
4. 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.

5. Members are requested to :

a) Quote their folio number/Client ID & DP-ID in all correspondence with the company.

b) Notify immediately to the company any change in their address/ mandate, if any.

**c) 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.**

6. 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.

7. Shareholders/ Proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the Meeting Hall.

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

By Order of the Board  
For Adinath Textiles Limited

Sd/-

Rajneesh Oswal  
(Executive Director)

Place : Ludhiana  
Dated : 29.05.2013

**Important communication**

The Ministry of Corporate Affairs, Government of India (MCA) vide its General Circular No. 18/2011 dated 29<sup>th</sup> April, 2011 has clarified that as a measure of “Green initiative in Corporate Governance” it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. A recent amendment to the listing agreement with the Stock Exchanges now permits company to send soft copies of the Annual Report to all those share holders who have registered their e-mail address for the purpose. To support this green initiative, you are requested to register your email id with the Company's Share Transfer Agent viz. Skyline Financial Services (P) Ltd. D-153/A 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110 020 by giving your consent to receive the Annual Report in future in electronic form. To facilitate you in doing so, please write to us or to our Share Transfer Agent as mentioned above and also update the email address as and when there is change.

**ANNEXURE TO THE NOTICE EXPLANATORY  
STATEMENT PURSUANT TO SECTION 173(2) OF  
THE COMPANIES ACT, 1956**

**ITEM NO. 4**

The Board of Directors of your Company had co-opted Sh. Arun K. Goel, as an additional director of the Company w.e.f. November 14, 2012, in terms of Section 260 of the Companies Act, 1956 read with Article 110 of the Article of Associations of the Company.

Sh. Arun K. Goel is a Human Resource Management professional with an experience of more than two decades with various business houses.

Your Directors, believe that with his appointment as a Non-Executive Director, the Company would be immensely benefited by way of strategic guidance, leadership and knowledge of the above said director. Hence, the resolution as set out at item No.4 of the notice is recommended for your approval.

None of the Directors except Sh. Arun K. Goel is concerned or interested in the said resolution.

**DETAILS OF DIRECTOR SEEKING RE-  
APPOINTMENT AT THE ANNUAL GENERAL  
MEETING (PURSUANT TO CLAUSE 49 OF THE  
LISTING AGREEMENT)**

**ITEM NO. 2**

Sh. S. K. Sekhri is Fellow Member of The Institute of Chartered Accountants of India. He has experience of more than three decades to his credit in the field of Finance & Internal Control. Mr. S. K. Sekhri was first appointed as additional director of the company on 29.06.2004 & thereafter was appointed as director liable to retire by rotation. Mr. S. K. Sekhri is the member of Audit Committee of the Board. He is also a director in M/s Noble Share Trading Pvt. Ltd. He holds Nil Shares in the Company.

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

Place : Ludhiana  
Dated : 29.05.2013

Sd/-  
Rajneesh Oswal  
(Executive Director)

## DIRECTORS' REPORT

The Directors of your company are pleased to present the 33<sup>rd</sup> Annual Report together with the Audited Accounts of the company for the year ended 31<sup>st</sup> March, 2013.

<b>FINANCIAL RESULTS</b>	<b>2012-13</b>	<b>(Rs. in lacs) 2011-2012</b>
Income from Operations	<b>950.69</b>	501.98
Other Income	<b>80.48</b>	80.89
Profit/ (Loss) before interest & depreciation	<b>104.51</b>	81.41
Less Interest	<b>0.00</b>	0.00
Gross Profit/ (Loss)	<b>104.51</b>	81.41
Depreciation	<b>9.38</b>	9.77
Net Profit/ (Loss) Before Tax	<b>95.13</b>	71.64
Provision For Taxation (including deferred tax)	<b>19.86</b>	0.08
Net Profit/ (Loss) after Tax	<b>75.27</b>	71.72

During the year under consideration the income from operations of the company is Rs. 950.69 lacs against Rs. 501.98 lacs in the last Financial Year. Other Income of the company is Rs. 80.48 lacs in comparison to Rs. 80.89 lacs in previous year

As reported earlier that the company has been declared as Sick by the BIFR. The management of the company has submitted its Detailed Rehabilitation Scheme (DRS) to the BIFR through the operating agency appointed by the BIFR after incorporating the changes suggested by different agencies. The same is under active consideration of the Hon'ble BIFR for circulation and final approval.

### DIVIDEND

Due to accumulated losses of the previous years, your Directors are unable to recommend any dividend for the year under review.

### DIRECTORS

Sh. S. K. Sekhri, Director of the Company, liable to retire by rotation at the forthcoming Annual General Meeting under clause 113 of Article of Association of the Company and being eligible, offers himself for reappointment.

### DEPOSITS

During the year under review the company has not accepted any deposits within the meaning of section 58A of the Companies Act, 1956 and the rules made there under.

### AUDITORS

Auditors of the Company M/s Dass Khanna & Co., Chartered Accountants, Ludhiana retire at the ensuing Annual General Meeting of the company and are eligible for reappointment.

### COST AUDITORS

As per new cost audit orders, the company has been advised that cost audit is not applicable for the financial year 2012-13 as company is not carrying any manufacturing activity at its own.

### AUDITORS REPORT

The Auditors Report on accounts of the company for the year under review is self explanatory and requires no comments. As for their comments regarding realization of old outstanding, management has taken effective steps, including the filing of legal cases, and is hopeful to recover the old outstanding.

As regards the non compliance of Section 383A of the Companies Act, 1956 management has taken due steps to appoint Company Secretary, but no suitable candidate was available for appointment.

### CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate Chapter on Corporate Governance practices followed by the Company together with a Certificate from the Practicing Company Secretary confirming compliance forms part of this report.

**INDUSTRIAL RELATIONS**

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

**STATEMENT OF PARTICULARS OF EMPLOYEES**

The Company has no employee in the category specified under Section 217 (2A) of the Companies Act, 1956.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts, applicable accounting standards have been followed and there has been no material departures;
2. the selected accounting policies were applied consistently and the directors 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 as at March 31, 2013 and of the profit or loss of the company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. annual accounts have been prepared on a going concern basis.

**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 : 29th May, 2013**

**Sd/-  
RAJNEESH OSWAL  
(Executive Director)**

**ANNEXURE TO DIRECTOR'S REPORT****INFORMATION PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956**

- (i) Conservation of Energy-All efforts are being made to conserve energy.
- (ii) Technology Absorption-- Nil.
- (iii) Foreign Exchange Earnings and Outgo--Nil
- (iv) Activities and initiatives related to Export—Nil

## DRAFT REPORT ON CORPORATE GOVERNANCE

The Company is in compliance with requirements of the guidelines on corporate governance stipulated under clause 49 of the listing Agreement. 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 2012-13.

### Board of Directors

#### Composition :

The Board of Directors of the Company comprises of a One Promoter Executive Director, and three Independent and Non Executive Directors with professional expertise and experience in their respective field.

The Board of Directors met five times during the year 2012-13 on 14th May, 2012, 9th August, 2012, 30th August, 2012, 14th November 2012 and 11th February, 2013. All information laid down in corporate governance code is being placed before the board in regular manner.

The name of Board members, their attendance at Board Meetings and the number of other Directorships and Board Committee memberships held by them as on March 31, 2013 are given in the following table:

Name & Designation of the Director	Category	Board Meetings Attended during the year	Attendance of Last AGM 29.09.2012	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	Executive Director	5	Present	2	2	---
Sh. Raman Marwaha#	Non-Executive Director	3	Present	1	1	-1
Sh. R. P. Gupta	Non-Executive Director	5	Present	1	1	1
Sh. S. K. Sekhri	Non-Executive Director	5	Not Present	2	1	---
Sh. Arun K. Goel##	Non-Executive Director	2	---	1	2	---

\*including Adinath Textiles Ltd. and excluding private limited companies, foreign companies, unlimited liability companies and Companies under section 25 of the Companies Act, 1956.

\*\*Board Committee for this purpose includes Audit Committee and Share Transfer Cum Investors' Grievance Committee (including committees of Adinath Textiles Ltd.)

#Sh. Raman Marwaha ceases to be director w.e.f 29.09.2012.

## Sh. Arun K. Goel was elected as Additional Director w.e.f. 14.11.2012

#### Audit Committee

Company has constituted Audit Committee in compliance with the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The committee's terms and reference, authority and powers are in conformity with the requirements of the Companies Act, 1956 and Clause 49 of the Listing Agreement. All financial statements are reviewed by the Audit Committee before submission to the Board.

There were five meetings of the committee during the year. The details of composition of committee and attendance at its meetings are given in the following table:

Name of Member	Designation	Meetings Held	No. of Meetings Attended
Sh. Raman Marawaha*	Chairman (upto 29.09.2012)	5	3
Sh. R.P. Gupta	Chairman (since 14.11.2012)	5	5
Sh. S.K. Sekhri	Member	5	5
Sh. Arun K. Goel**	Member	5	2

\*Sh. Raman Marwaha ceases to be director w.e.f 29.09.2012.

\*\*Sh. Arun K. Goel was elected as Additional Director w.e.f. 14.11.2012

### Share Transfer-cum-Investor Grievance Committee

The Board has formed an investors' Grievance Committee named as Share Transfer-cum-Investor Grievance 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 De mat account etc. The committee also approves issue of duplicate share certificate(s) and overseas and reviews all matters connected with the share transfer.

The Share Transfer cum Investor Grievance Committee is headed by a Non-Executive Director and met twelve times during the year 2012-13. The detail of members and their attendance are given in the table:

Name of Member	Designation	Meetings Held	No. of Meetings Attended
Sh. R. P. Gupta	Chairman	12	12
Sh. Rajneesh Oswal	Member	12	12
Sh. Raman Marwaha*	Member	12	6
Sh. Arun K. Goel**	Member	12	5

\*Sh. Raman Marwaha ceases to be director w.e.f 29.09.2012.

\*\* Sh. Arun K. Goel was elected as Additional Director w.e.f. 14.11.2012

The company has designated the e-mail id " [cs@shreyansgroup.com](mailto:cs@shreyansgroup.com) " for the purpose of registering complaints by investors electronically. This e-mail id is displayed on the company's website.

The details regarding the investor's complaints are as under

Particulars	No. of Complaints
Pending as on 01.04.2012	0
Received during the year	22
Resolved during the year	22
Pending as on 31.03.2013	0

### REMUNERATION PAID TO DIRECTORS

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

Name of Member	Category	Sitting Fees for Board Meeting
Sh. Raman Marwaha*	Independent Director	---
Sh. R. P. Gupta	Independent Director	3000
Sh. S. K. Sekhri	Independent Director	3000
Sh. Arun K. Goel**	Additional Director	1500

\*Sh. Raman Marwaha ceases to be director w.e.f 29.09.2012.

\*\* Sh. Arun K. Goel was elected as Additional Director w.e.f. 14.11.2012

### General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date of A.G.M	Time	Venue
2011 - 2012	29th Sep, 2012	11.00 A.M.	Regd. Office of the Company at Vill. Bholapur, P.O. Shabana, Chandigarh Road, Ludhiana- 141123
2010 - 2011	30th Sep, 2011	11.00 A.M.	---Do----
2009 - 2010	28th Sep, 2010	11.30 A.M.	---Do----

There was no occasion to pass Special Resolutions through postal ballot on any of the matters as required under the rules for passing of resolution through Postal Ballot. Further no such proposal is proposed to be placed for the shareholders approval in the forthcoming Annual General Meeting.



**Disclosures**

- a) The related party transactions are placed before Audit Committee for the year 2012-13, there were no transactions of material nature with related parties which are not in the normal course of business. The related party transactions are disclosed in the Notes on Account to the Balance Sheet.
- b) There are no pecuniary relationships or transactions of non executive directors vis-à-vis Company that have a potential conflict with the interests of the company.
- c) The company has complied with requirements of the stock exchanges 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 Exchanges or SEBI, any statutory authority on any matter related to capital markets during last three years. Listing fee has been paid to the Bombay Stock Exchange up to the F.Y. 2013-14. Company has also made applications for the voluntary delisting from the stock exchanges at Delhi, Chennai, Kolkata and Ahmedabad, which are pending for decision at end of respective stock exchange. Company has not paid listing fee to these stock exchanges in view of poor financial position.
- d) The company has complied with all mandatory requirements of clause 49 of listing agreement on corporate governance.
- e) As on 31 March, 2013 none of the non executive directors, is holding any equity shares of the company.
- f) 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.
- g) No director of the company is having any relationship with each other.

**Means of Communication**

**Financial Information:** The quarterly, half yearly and Annual Financial results were published in The Economic Times and Deshsevak. The same were sent to the Stock Exchanges and also placed at website of the Company, [www.adinathtextiles.com](http://www.adinathtextiles.com).

**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.

**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.

**General Share Holders Information**

- (i) **Annual General Meeting** Date & Time: Friday, the 30<sup>th</sup> day of August, 2013 at 11.30 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:** From Friday the 23<sup>rd</sup> day of August 2013 to Friday the 30<sup>th</sup> day of August 2013 (both days inclusive).
- (iv) Company has not declared any dividend during the year 2012-13.
- (v) **Listing Details:** The Equity shares of the Company are listed on
- (i) The Stock Exchange, Mumbai, Pheroze Jeejeebhoy Towers, 25<sup>th</sup> floor, Dalal street, Mumbai - 400 001
- (ii) The Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana - 141 001
- (iii) The Delhi Stock Exchange Association Limited, DSE House, Asaf Ali Road, New Delhi - 110 002
- (iv) The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata - 700 001.
- (v) The Madras Stock Exchange Limited, Post Bag No. 183, 11 Second Line Beach, Chennai - 600 001
- (vi) The Ahmedabad Stock Exchange Limited, Kamdhenu complex, Panjara Road, Ahmedabad - 380 015  
Stock Code : BSE Code: 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 are as under
- |                |   |
|----------------|---|
| Name           | : Skyline Financial Services (P) Ltd.   |
| Address        | : D-153/A 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase -1<br>New Delhi - 110 020 |
| Phone No.      | : 011-26812682-83-84  |
| Fax No.        | : 011-26812682  |
| Contact Person | : Mr. Subhash Aggarwal, Director.   |

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

NO OF SHARES		PHYSICAL FORM			D-MAT FORM		
		NO. OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENTAGE OF SHARE CAPITAL HELD*	NO. OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENTAGE OF SHARE CAPITAL HELD *
From	To						
1	500	19675	2408170	35.34%	3078	468594	6.88%
501	1000	310	240480	3.53%	160	128265	1.88%
1001	2000	90	125320	1.84%	63	90276	1.32%
2001	3000	18	43150	0.63%	21	52108	0.76%
3001	4000	6	20050	0.29%	8	28300	0.42%
4001	5000	1	4850	0.07%	5	23298	0.34%
5001	10000	3	19070	0.28%	11	72606	1.07%
10001	Above 10001	3	66660	0.98%	13	3023153	44.36%
<b>TOTAL</b>		<b>20106</b>	<b>2927750</b>	<b>42.96%</b>	<b>3359</b>	<b>3886600</b>	<b>57.04%</b>

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

(ix) Share Transfer System:

The Board has delegated the power of approving re-materialisation of shares, transfer and transmission cases, splitting- consolidation of share certificates and issue of duplicate share certificates etc. to the Share Transfer - cum - Investor's Grievances Committee. A list of valid transfers prepared by Transfer Agent in respect of transfers received by them and objections, if any, are placed before the committee for approval/ confirmation. The shares are accepted for registration of transfer at the Registered Office of the Company in addition to the office of Registrar & Transfer Agent, M/s Skyline Financial Services Private Ltd., New Delhi.

(x.) Market Price data: The monthly high and low stock quotations for the shares of the company at the Stock Exchange, Mumbai, during the last financial year are not available.

(xi) The Company has not issued any GDR's / ADR's and there are no warrants or any convertible warrants.

(xii.) Location of Plant: Adinath Textiles Ltd., Vill. Bholapur, P.O. Shabana, Chandigarh Road, Ludhiana

(xiii.) Address for Correspondence :

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

Ph. (0161) 2685271, 2685272  
Email : atl@shreyansgroup.com

Fax. 91-161-2685270  
Website : www.adinathtextiles.com

**MANAGEMENT DISCUSSIONS AND ANALYSIS****OVERVIEW OF INDUSTRY**

The overall performance of textile industry is badly affected due to lower realization both in export and domestic market. Disturbed power supply and skilled labor shortage in the region has worsened the position.

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, 1956 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.

## DECLARATION

<p>To The Members Adinath Textiles Limited</p> <p style="text-align: center;"><b>DECLARATION BY THE EXECUTIVE DIRECTOR UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT</b></p> <p>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, 2013 in terms of clause 49(1D)(ii) of the Listing Agreement entered with the Stock Exchanges.</p> <p style="text-align: right;"><b>For and on Behalf of the Board of Directors</b></p> <p><b>Place : Ludhiana</b> <b>Date : 29<sup>th</sup> May, 2013</b></p> <p style="text-align: right;"><b>(Rajneesh Oswal)</b> <b>Executive Director</b></p>
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**Certificate on Compliance with the condition of Corporate Governance  
under clause 49 of the Listing Agreement**

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, 2013 as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges.

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, and based on the presentation made to the Directors and Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

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

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

**Place : Ludhiana**  
**Dated : 29<sup>th</sup> May, 2013**

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

## 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 Limited** ('the Company') which comprise the balance sheet as at 31st March 2013, the profit and loss statement and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the profit and loss statement, of the profit for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to note no. 16 to financial statements i.e. trade receivables amounting to RS. 1,51,58,488.89/- (previous year – 1,51,58,488.89) on which provision has been made of Rs. 85,10,000/- (previous year – 22,10,000) which are outstanding for more than three years from the date they are due for payable.

The company didn't appoints a Whole time Company Secretary as required by section 383A of companies act, 1956.

our opinion is not qualified in respect to this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that: We further report :

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**FOR DASS KHANNA & CO.**  
**CHARTERED ACCOUNTANTS**  
 Firm's Reg. No. 000402N

**PLACE : LUDHIANA**  
**DATED : 29-05-2013**

**(RAKESH SONI)**  
**PARTNER**  
**MEMBERSHIP NO. 83142**

### Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Adinath Textiles Limited ('the Company') for the year ended 31st March 2013. We report that:

(i) (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 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 the nature of its assets.

(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) (a) The inventory has been physically verified during the year, by the management. In our opinion the frequency of verification is reasonable.

(b) The procedure of physical verification of inventories, followed by the management, are reasonable & adequate in relation to the size of the company & the nature of business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks & the book records, were not material.

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(b) The Company has taken unsecured loans from companies, firms or parties covered in the register maintained under section 301 of the Act. There is only one party covered in the register maintained under section 301 of the Act. The maximum amount involved during the year & year end balance of loan is Rs. 3,05,620/-

(c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the company are not prima facie prejudicial to the interest of

company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

(v)(a) In our opinion and according to the information and explanations given to us, we are of the opinion that particulars of the contracts or arrangements referred to in section 301 of the Act have been entered in to the register maintained under section 301 of the Companies Act.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceed five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arise.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposit with the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

(viii) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

(ix) (a) According to the information and explanations given to us, following are the undisputed amounts payable in respect of Provident Fund, Sales-tax, are in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

Nature of Dues	Amount in (Rs.)
Sales Tax	2277956
Entry Tax	237798
Intt. On PF/ESI/ Sale Tax	1342158

(b) According to the information and explanations given to us, the disputed statutory dues aggregating to RS 1695001/- 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	15,00,000

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

(x) The Company has accumulated losses at the end of the financial year which is not more than company's Net Worth and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) The Company has not raised any funds on short-term basis.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

**Place : Ludhiana**  
**Date : 29-05-2013**

**(RAKESH SONI)**  
**Partner**  
**Membership No. : 083142**

## BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31/03/2013 Rs.	As at 31/03/2012 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Capital	3	70,143,500.00	70,143,500.00
(b) Reserves & Surplus	4	(6,42,63,159.13)	(7,17,90,659.31)
		<u>58,80,340.87</u>	<u>(16,47,159.31)</u>
<b>2 Share application money pending allotment</b>		<b>0.00</b>	<b>0.00</b>
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	1,71,50,000.00	1,71,50,000.00
(b) Long-term provisions	6	4,73,256.00	4,39,731.00
(c) Deferred Tax Liabilities	7	19,86,000.00	0.00
		<u>1,96,09,256.00</u>	<u>1,75,89,731.00</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	8	3,05,620.56	3,05,620.56
(b) Trade Payables	9	29,80,579.80	3,37,19,138.97
(c) Other current liabilities	10	83,70,392.30	96,98,777.84
(d) Short-term provisions	11	9,29,242.10	8,93,306.10
		<u>1,25,85,834.76</u>	<u>4,46,16,843.47</u>
	<b>TOTAL</b>	<b><u>3,80,75,431.63</u></b>	<b><u>6,05,59,415.16</u></b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets	12		
(i) Tangible assets		2,03,41,929.82	2,11,85,737.82
(b) Non-current investments	13	1,71,250.00	1,71,250.00
(c) Other non-current assets	14	6,92,581.00	6,92,581.00
		<u>2,12,05,760.82</u>	<u>2,20,49,568.82</u>
<b>2 Current Assets</b>			
(a) Inventories	15	11,43,399.00	15,32,569.00
(b) Trade receivables	16	99,03,286.03	2,97,28,629.03
(c) Cash and cash equivalents	17	21,86,928.24	30,34,901.17
(d) Short-term loans and advances	18	33,61,926.54	38,90,549.54
(e) Others current assets	19	2,74,131.00	3,23,197.60
		<u>1,68,69,670.81</u>	<u>3,85,09,846.34</u>
	<b>TOTAL</b>	<b><u>3,80,75,431.63</u></b>	<b><u>6,05,59,415.16</u></b>

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)  
Mgr. (A/c)

(R.P. GUPTA)  
Director

(RAJNEESH OSWAL)  
Executive Director

PLACE : LUDHIANA  
DATED : 29.05.2013



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013**

PARTICULARS	Note No.	Current Year Rs.	Previous Year Rs.
I. Revenue from operations	20	95069158.00	50197734.00
II. Other income	21	8047903.50	8089120.39
III. <b>Total Revenue (I+II)</b>		<b>103117061.50</b>	<b>58286854.39</b>
IV. <b>EXPENSES</b>			
Cost of Materials consumed	22	---	592340.00
Changes in inventories of finished goods, work in progress & stock in trade	23	1,13,500.00	---
Purchases of stock-in-trade		7,49,67,900.00	3,50,25,000.00
Employee Benefits Expenses	24	46,95,728.00	41,10,447.00
Financial Expenses	25	1,425.96	1,268.18
Depreciation and amortization		9,37,975.00	9,76,702.00
Other expenses	26	1,28,87,032.36	10,417,183.90
		<b>9,36,03,561.32</b>	<b>5,11,22,941.08</b>
V. <b>Profit before exceptional and extraordinary items and tax(III-IV)</b>		<b>95,13,500.18</b>	<b>71,63,913.31</b>
VI. Add: Exceptional items		---	---
VII. <b>Profit before extraordinary (V-VI)</b>		<b>95,13,500.18</b>	<b>71,63,913.31</b>
VIII. Extraordinary items		---	---
IX. <b>Profit before Tax (VII-VIII)</b>		<b>95,13,500.18</b>	<b>71,63,913.31</b>
X. Tax expenses:			
i) Current tax		---	---
ii) Deferred tax liabilities		19,86,000.00	---
iii) Tax expense relating to earlier years		---	8,000.00
XI. <b>Profit(Loss)for the period from continuing operations (IX-X-XIV)</b>		<b>75,27,500.18</b>	<b>71,71,913.31</b>
XII. Profit for the period(XI-XIV)		<b>75,27,500.18</b>	<b>71,71,913.31</b>
XIII. <b>Earing per equity share (Nominal Value per share :Rs.10/-(2011:Rs.10/-)</b>			
Basic (including extraordinary items)		1.10	1.05
Diluted (including extraordinary items)		1.10	1.05
Basic (excluding extraordinary items, net of tax expense)		1.10	1.05
Diluted (excluding extraordinary items, net of tax expense)		1.10	1.05
Significant Accounting Policies	2		

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

**For And on Behalf of The Board**

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

**(RAKESH SONI)**  
Partner  
M. No. 83142

**(RAJESH KUMAR)**  
Mgr. A/c

**(R.P. GUPTA)**  
Director

**(RAJNEESH OSWAL)**  
Executive Director

**PLACE : LUDHIANA  
DATED : 29.05.2013**

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	DETAIL	2012-13	DETAIL	2011-12
<b>A CASH FLOW FROM OPERATIONS</b>		<b>9513500.00</b>		<b>7171913.00</b>
<b>Net Profit/(Loss) Before Tax And Extraordinary Items</b>				
<b>Adjustment For Non Cash &amp; Non Operating Items:-</b>				
Depreciation	937975.00		976702.00	
Interest Received	---		(12831.00)	
Financial (Bank charges) Expenses	1426.00		1268.00	
Loss on Sale of Fixed Assets Sold	36737.00		183012.00	
Gain on Sale of Machinery Scrap	---		(147526.00)	
Rental Income	(7970864.00)		(7180973.00)	
	<b>(6994726.00)</b>	<b>(6994726.00)</b>	<b>(6180348.00)</b>	<b>(6180348.00)</b>
<b>Operating Profit Before Working Capital Changes</b>		<b>2518774.00</b>		<b>991566.00</b>
<b>Adjustment For Working Capital</b>				
Decrease in Trade Receivable	19825343.00		5178093.00	
Decrease in Inventory	389170.00		818982.00	
Decrease in Trade Payables	(30738559.00)		(11618257.00)	
Increase/(Decrease) in short term loans & advances	577690.00		(1576524.00)	
Repayment of Short term Borrowings	---		(1000000.00)	
Decrease in other Current Liabilities	(1328386.00)		553114.00	
Increase/(Decrease) In Provision for Employee Benefits	69461.00		(120712.00)	
	<b>(11205281.00)</b>	<b>(11205281.00)</b>	<b>(7765303.00)</b>	<b>(7765303.00)</b>
<b>Cash Flow From Operating Activities Before Tax &amp; Extraordinary Items</b>		<b>(8686507.00)</b>		<b>(6773737.00)</b>
Interest received on Income Tax Refund	---		12831.00	
Taxes Paid	---		---	
	---	---	12831.00	12831.00
<b>Net Cash Used in Operating Activities</b>		<b>(8686507.00)</b>		<b>(6760906.00)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(130905.00)		(546369.00)	
Purchase of Equity Shares	---		---	
Sale of Fixed Assets	1.00		245832.00	
Rental Receipt	7970864.00		7180973.00	
Gain on Sale of Fixed Assets Sold	---		147526.00	
<b>Net Cash Generated in Investing Activities</b>	<b>7839960.00</b>	<b>7839960.00</b>	<b>7027962.00</b>	<b>7027962.00</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of Long Term Borrowings	---		(1200000.00)	
Financial (Bank charges) Expenses	(1426.00)		(1268.00)	
<b>Net Cash Generated/(used) in Financing Activities</b>	<b>(1426.00)</b>	<b>(1426.00)</b>	<b>(1201268.00)</b>	<b>(1201268.00)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		<b>(847973.00)</b>		<b>(934212.00)</b>
Opening Cash and Cash Equivalents		<b>3034901.00</b>		<b>3969113.00</b>
Closing Cash and cash Equivalents		<b>2186928.00</b>		<b>3034901.00</b>

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

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

**(RAKESH SONI)**

Partner  
M. No. 83142

PLACE : LUDHIANA  
DATED : 29.05.2013

**(RAJESH KUMAR)**

Mgr. A/c

**For And on Behalf of The Board**

**(R.P. GUPTA)**

Director

**(RAJNEESH OSWAL)**

Executive Director

**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, mandatory accounting standards prescribed in the Companies (Accounting Standards) Rules 2006 issued by Central Government in consultation with the provisions of Companies Act, 1956 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 Revised Schedule IV of Companies Act, 1956. 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. 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 & incidentals 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**

Depreciation has been provided on Straight Line basis in term of Schedule XIV to the Companies Act 1956. Assets costing Rs. 5000/- or less acquired during the year are depreciated at 100%.

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

The Company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the financial statements. Provisions for current income tax is not required as the company's assessable income is NIL due to unabsorbed depreciation, carry forward of losses and non applicability of MAT.

**(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 the close 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 so 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) Segnemt 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 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>(a) AUTHORISED</b>		
9900000 Equity Shares of Rs. 10/-each	<b>99000000.00</b>	99000000.00
10000, 11% Redeemable Non-cumulative preference shares of RS 100/- each	<b>1000000.00</b>	1000000.00
	<u><b>100000000.00</b></u>	<u>100000000.00</u>
<b>(b) ISSUED AND SUBSCRIBED</b>		
8616800 Equity Shares of Rs.10/- each.	<b>86168000.00</b>	86168000.00
2000, 11% Redeemable Non-cumulative preference shares of RS 100/- each	<b>200000.00</b>	200000.00
	<u><b>86368000.00</b></u>	<u>86368000.00</u>
<b>(c) PAID UP CAPITAL</b>		
6814350 Equity Shares of Rs.10/- each.	<b>68143500.00</b>	68143500.00
2000, 11% Redeemable Non-cumulative preference shares of RS 100/- each*.	<b>200000.00</b>	200000.00
Add : Shares Forfeited (Amount originally paid up)	<b>1800000.00</b>	1800000.00
<b>TOTAL</b>	<u><b>70143500.00</b></u>	<u>70143500.00</u>

\*Note :- 11% Non-cumulative Preference Shares will be redeemed with in the period specified under section 80 of the Company Act, 1956 as amended 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	6814350.00	68143500.00	6814350.00	68143500.00
Addition during the year.	---	---	---	---
<b>Closing Equity Shares</b>	<u><b>6814350.00</b></u>	<u><b>68143500.00</b></u>	<u><b>6814350.00</b></u>	<u><b>68143500.00</b></u>
Opening Preference Shares	2000.00	200000.00	2000.00	200000.00
Addition during the year.	---	---	---	---
<b>Closing Preference Shares</b>	<u><b>2000.00</b></u>	<u><b>200000.00</b></u>	<u><b>2000.00</b></u>	<u><b>200000.00</b></u>

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

Name of Shareholder/ Class of Equity shares	No. of Shares	% of Holding	No. of Shares	% of Holding
	EQUITY SHARES		EQUITY SHARES	
(i) Shreyans Industries Ltd.	1980000.00	29.06	1980000.00	29.06

**4. RESERVES & SURPLUS**

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 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	(141309909.31)	(148481822.62)
Add: Profit for the period transferred from profit & loss statement.	7527500.18	7171913.31
	<u>(133782409.13)</u>	<u>(141309909.31)</u>
<b>TOTAL</b>	<u>(64263159.13)</u>	<u>(71790659.31)</u>

**5. LONG-TERM BORROWINGS**

PARTICULARS	NON CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>(A) UNSECURED LOANS</b>				
<b>(i) From Others</b>	17150000.00	17150000.00	---	---
(Interest free loan is Repayable on or after 2013.)				
<b>TOTAL</b>	<u>17150000.00</u>	<u>17150000.00</u>	<u>---</u>	<u>---</u>

**6. LONG-TERM PROVISIONS**

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
Provision for employee benefits - Gratuity	473256.00	439731.00
	<u>473256.00</u>	<u>439731.00</u>

**7. DEFERRED TAX LIABILITIES**
**Deferred Tax assets:**

On account of unabsorbed depreciation & b/f losses	1150000.00	6349000.00
Less DTL : On account of timing Difference of depreciation	3136000.00	3206000.00
<b>Deferred Tax (Assets) Liability (Net)</b>	<u>1986000.00</u>	<u>(3143000.00)</u>

The deferred tax asset has not been recognized in the books of accounts in year 2011-12 as there was no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized (As per AS -22 "Accounting for Taxes on Income").

**8. SHORT TERM BORROWINGS**

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>UNSECURED LOANS</b>		
<b>Loans &amp; Advances from related parties</b>		
From Director (Interest free)	305620.56	305620.56
<b>TOTAL</b>	<b>305620.56</b>	<b>305620.56</b>

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

Total Outstanding to Small, Medium &amp; Micro enterprises

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Total Outstanding to other than Small, Medium &amp; Micro enterprises

2980579.80

33719138.97

**TOTAL**
**2980579.80**
**33719138.97**

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 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
(a) Current maturities of long-term debt	---	---
(b) Income received in advance	14960.00	95550.00
(c) Other Payables		
i) Statutory Duties & Taxes	2532688.91	2624513.91
ii) Employee Benefits	1721183.21	2187961.11
iv) Advance from Customer	212875.00	208226.00
v) For Expenses	2715685.18	3249526.82
vi) Securities Payables	1173000.00	1333000.00
<b>TOTAL</b>	<b>8370392.30</b>	<b>9698777.84</b>

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

- Leave encashment

424440.70

429028.70

- Gratuity

504801.40

464277.40

**TOTAL**
**929242.10**
**893306.10**

## 12. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01/04/2012	Addition during the year	Sale/Adjust- -ment during the year	As at 31/03/2013	As at 01/04/2012	Adjustment during the year	Provided for the year	As at 31/03/2013	As at 31/03/2013	As at 31/03/2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	8,68,977.00	0.00	0.00	868,977.00	0.00	0.00	0.00	0.00	8,68,977.00	8,68,977.00
Building	3,30,97,152.00	0.00	0.00	3,30,97,152.00	1,63,78,235.00	0.00	8,33,818.00	1,72,12,053.00	1,58,85,099.00	1,67,18,917.00
Plant & Machinery	5,31,19,849.00	0.00	0.00	5,31,19,849.00	5,03,39,828.00	0.00	18,633.00	5,03,58,461.00	27,61,388.00	27,80,021.00
Furniture, Fixture & Other Equipment	22,99,724.00	1,30,905.00	85,550.00	23,45,079.00	20,11,947.00	48,812.00	33,810.00	19,96,945.00	3,48,134.00	2,87,777.00
Vehicles	5,44,356.00	0.00	0.00	5,44,356.00	14,310.00	0.00	51,714.00	66,024.00	4,78,332.00	5,30,046.00
<b>Total</b>	<b>89,930,058.00</b>	<b>1,30,905.00</b>	<b>85,550.00</b>	<b>8,99,75,413.00</b>	<b>6,87,44,320.00</b>	<b>48,812.00</b>	<b>9,37,975.00</b>	<b>6,96,33,483.00</b>	<b>2,03,41,930.00</b>	<b>2,11,85,738.00</b>
Previous Year	9,03,07,692.00	5,46,369.00	9,24,004.00	8,99,30,057.00	6,82,62,777.00	4,95,160.00	9,76,702.00	6,87,44,319.00	2,11,85,738.00	-----

## 13. NON-CURRENT INVESTMENTS

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 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>	<b>171250.00</b>

## 14. OTHER NON-CURRENT ASSETS

### Unsecured, Considered Goods

#### Others

Securty Deposits

	<b>692581.00</b>	692581.00
<b>TOTAL</b>	<b>692581.00</b>	<b>692581.00</b>

## 15. INVENTORIES

### STOCK & STORES

(Taken as valued and certified by the Management)

Acrylic waste	---	113500.00
Work In Process	---	---
Stores & Spares	<b>1091542.00</b>	1367212.00
Others(scrap of machinery)	<b>51857.00</b>	51857.00
<b>TOTAL</b>	<b>1143399.00</b>	<b>1532569.00</b>



**16. TRADE RECEIVABLES**

PARTICULARS	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
<b>Outstanding for a period exceeding six months from the date they become due.</b>		
- Unsecured, consider good	482031.00	1991105.89
- Doubtful	15158488.89	15158489.00
Less: Provision For Doubtful Debts	8510000.00	2210000.00
	<u>7130519.89</u>	<u>14939594.89</u>
ii) Other Debts	2772766.14	14789034.14
<b>TOTAL</b>	<b>9903286.03</b>	<b>29728629.03</b>
<b>17. CASH AND CASH EQUIVALENTS</b>		
(A) Balance With Banks in Current Accounts	541756.92	582417.75
(B) Cheques in hand	600000.00	600000.00
(C) Cash in Hand Including Imprest	1045171.32	1852483.42
<b>TOTAL</b>	<b>2186928.24</b>	<b>3034901.17</b>
<b>18. SHORT TERM LOAN AND ADVANCES</b>		
<b>UNSECURED, CONSIDERED GOODS</b>		
<b>Others</b>		
i) Advance to Suppliers	---	824890.00
ii) Advance to Employees	52327.15	67796.15
iii) Advance tax	890137.00	575605.00
iv) Prepaid Expenses	25719.00	9006.00
v) Excise duty receivable	470651.89	470651.89
vi) Sales Tax Receivable	1255732.00	1255732.00
vii) Vat input	138229.50	113966.50
viii) Service Tax input	6592.00	70402.00
ix) Custom duty receivable	500000.00	500000.00
x) Expenses Receivable	22538.00	2500.00
<b>TOTAL</b>	<b>3361926.54</b>	<b>3890549.54</b>
<b>19. OTHER CURRENT ASSETS</b>		
<b>Others</b>		
i) Rent receivable	274131.00	323197.60
<b>TOTAL</b>	<b>274131.00</b>	<b>323197.60</b>
<b>20. REVENUE FROM OPERATIONS</b>		
<b>(A) Sale of products</b>		
(a) Finished Goods		
Yarn	---	829224.00
(b) Traded Goods		
Unstitched Suitings, Shirtings & Dress Materials	85176284.00	41723750.00
(c) Sale of Acrylic Waste	113500.00	---
<b>(B) Sale of services</b>		
Job Charges Received (Yarn manufacturing)	9779374.00	7644760.00
<b>TOTAL</b>	<b>95069158.00</b>	<b>50197734.00</b>

**21. OTHER INCOME**

PARTICULARS	Current Year Rs.	Previous Year Rs.
Interest received	21709.00	12831.00
Rent	7970864.00	7180973.00
Excess provision written back	---	3528.00
Sundry Balances written back	5330.50	684227.39
Sale of machinery scrap	---	147526.00
Miscellaneous income	50000.00	60035.00
<b>TOTAL</b>	<b>8047903.50</b>	<b>8089120.39</b>
<b>22. COST OF MATERIALS CONSUMED</b>		
Opening Stock of Raw Material		
Yarn	---	592340.00
Add : Purchases of Yarn	---	---
	---	592340.00
Less : Closing Stock of Raw Material		
Yarn	---	---
<b>TOTAL</b>	<b>---</b>	<b>592340.00</b>
<b>23. CHANGE IN INVENTORIES</b>		
<b>(A) OPENING STOCK</b>		
<b>(i) FINISHED GOODS</b>		
-Acrylic Waste	113500.00	113500.00
<b>TOTAL (A)</b>	<b>113500.00</b>	<b>---</b>
<b>(B) CLOSING STOCK</b>		
<b>(i) FINISHED GOODS</b>		
-Acrylic Waste	---	113500.00
<b>TOTAL (B)</b>	<b>---</b>	<b>---</b>
<b>TOTAL (A-B)</b>	<b>113500.00</b>	<b>---</b>
<b>24. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries, Wages & Other Allowances	4662413.00	4048941.00
Staff & Labour Welfare	33315.00	61506.00
<b>TOTAL</b>	<b>4695728.00</b>	<b>4110447.00</b>
<b>25. FINANCE COST</b>		
Bank Charges & Commission	1425.96	1268.18
<b>TOTAL</b>	<b>1425.96</b>	<b>1268.18</b>

## 26. OTHER EXPENSES

PARTICULARS	Current Year Rs.	Previous Year Rs.
<b>(A) MANUFACTURING EXPENSES</b>		
Stores & Spares	597295.00	393905.00
Packing Expenses	221548.00	218910.00
Power and Fuel	3311999.00	3761720.00
Repairs to Machinery	146311.00	124348.00
<b>SUB TOTAL</b>	<b>4277153.00</b>	<b>4498883.00</b>
<b>(B) ADMINISTRATIVE EXPENSES</b>		
Rent	12000.00	12000.00
Insurance	58057.00	50269.00
Listing Fees	85750.00	1085750.00
Legal & Professional Expenses	503027.00	717000.00
Deemat Charges	88320.00	86032.00
Directors Sitting Fees	7500.00	9000.00
Canteen Expenses	103455.00	93022.00
Fees & Taxes	294155.44	252996.00
Loss on sale of fixed asset	36737.00	183012.20
<u>Travelling Expenses</u>		
- Directors	---	---
- Others	99777.00	114490.00
<u>Auditors Remuneration</u>		
- Audit Fee	20000.00	20000.00
- Tax Audit	5000.00	5000.00
- Service Tax	---	---
Cost Audit Fees	---	2500.00
Vehicle Expenses	66433.47	105339.18
Other Expenses	728076.45	315728.04
<b>SUB TOTAL</b>	<b>2108288.36</b>	<b>3052138.42</b>
<b>(C) SELLING EXPENSES</b>		
Advertisement	72262.00	36793.00
Commission	120310.00	85036.00
Provision For Doubtful debts	6300000.00	2210000.00
Sundry Balances Written off	609.00	532153.48
Freight & Cartage Outward	8410.00	2180.00
<b>SUB TOTAL</b>	<b>6501591.00</b>	<b>2866162.48</b>
<b>GRAND TOTAL</b>	<b>12887032.36</b>	<b>10417183.90</b>

## 27. CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) Outstanding Excise Duty (Penalty) of Rs. 1500000/-\*\*  
 \*\* Note: The amount includes Rs.500000/- 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	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
1 Profit Attributable to the Equity Shareholders (A)	<b>7527500.18</b>	7171913.31
2 Basic/Weighted average no. of Equity Shares o/s during the Year (B)	<b>6814350.00</b>	6814350.0
3 Nominal Value of Share Rs.	<b>10.00</b>	10.00
4 Basic/Diluted E.P.S. Rs. (A)/(B)	<b>1.10</b>	1.05

33. Previous year figures have been regrouped/recasted wherever necessary to make them comparable.
34. As the allotment money on 480 Fully convertible Debentures, out of 3,80,880 Fully convertible Debentures issued during 1989-91 has not been received as on 31.3.2012, the same have not been converted into equity shares.
35. Sundry Debtors exceeding six month includes Rs. 15158488.89/- which are outstanding for more than three years, against which provision of Rs 8510000 /- has been made. however the company has filed suits against some of the debtors whose outstanding amount as on 31.03.2013 is Rs. 5076837
36. 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 related parties:-

(In Rs.)

Name of Transactions during the year	Associate	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	NIL	NIL	NIL
Salary	NIL	NIL	NIL
Interest paid	NIL	NIL	NIL
Rent Paid	NIL	NIL	NIL
Loan Taken	NIL	NIL	NIL
Loan Repaid	NIL	NIL	NIL
	NIL	(1000000)	NIL
Opening Balance	372094.17 Cr. (372094.17 Cr.)	305620.56 Cr. (1305620.56 Cr.)	NIL
Closing Balance	NIL (372094.17 Cr.)	305620.56 Cr. (305620.56 Cr.)	NIL

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

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

i) Rajneesh Oswal (Executive Director)

**2. Relatives of Key Management Personnel**

i) Mr. Vishal Oswal (Brother)

ii) Mr. Kunal Oswal (Brother)

iii) Mrs. Priti Oswal (Wife)

iv) Mrs. Nirmal Oswal (Mother)

**B. Associates:**

i) Shreyans Industries Limited.

**C. Entities Over Which Key Management Personnel and Relatives of Such Personnel are able to Exercise Significant Influence**

i) Punctual Dealers Private Limited

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

The employee's gratuity fund scheme managed by the Trust is a defined benefits plan. 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.

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

PARTICULARS	AS ON 31.03.2013		AS ON 31.03.2012	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Present value of obligation at the beginning of the period	543455.00	357864.00	565533.00	447109.00
Interest cost	35452.00	19725.00	44662.00	34671.00
Current service cost	115053.00	147651.00	101121.00	128476.00
Benefits paid	(227463.00)	(237544.00)	(104360.00)	(97182.00)
Actuarial (Gain)/Loss on obligation	151007.00	65580.00	(63501.00)	(155210.00)
Present Value of obligation at the end of period	617504.00	353276.00	543455.00	357864.00

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

PARTICULARS	AS ON 31.03.2013		AS ON 31.03.2012	
	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	----	(237544.00)	----	(97182.00)
Fair value of plan assets at the end of the period	----	----	----	----
Present Calue of obligation at the end of period	543455.00	353276.00	565533.00	357864.00
Funded status	(543455.00)	(353276.00)	(565533.00)	(357864.00)

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

PARTICULARS	AS ON 31.03.2013		AS ON 31.03.2012	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Actuarial gain/(loss) on obligation	<b>(151007.00)</b>	<b>(65580.00)</b>	63501.00	155210.00
Actuarial gain/(loss) on plan assets	---	---	---	---
Total (gain)/loss	<b>151007.00</b>	<b>65580.00</b>	(63501.00)	(155210.00)
Actuarial (gain)/loss recognized in the period	<b>151007.00</b>	<b>65580.00</b>	(63501.00)	155210.00
Unrecognized actuarial (gain)/loss at the end of the period	---	---	---	---

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

PARTICULARS	AS ON 31.03.2013		AS ON 31.03.2012	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Unrecognized actuarial (gain)/loss at the end of the period	<b>617504.00</b>	<b>353276.00</b>	543455.00	357864.00
Unrecognized actuarial (gain)/loss at the end of the period	----	----	----	----
Funded status	<b>(617504.00)</b>	<b>(353276.00)</b>	(543455.00)	(357864.00)
Unrecognized actuarial (gain)/loss at the end of the period	----	----	----	----
Net assets/(liability) recognized in the balance sheet	<b>617504.00</b>	<b>353276.00</b>	543455.00	357864.00

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

PARTICULARS	AS ON 31.03.2013		AS ON 31.03.2012	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Current service cost	<b>115053.00</b>	<b>147651.00</b>	101121.00	128476.00
Interest cost	<b>35452.00</b>	<b>19725.00</b>	44662.00	34671.00
Expected return on plan assets	----	----	----	----
Actuarial (gain)/loss recognized on the period	<b>151007.00</b>	<b>65580.00</b>	(63501.00)	(155210.00)
Expenses recognized in the statement of profit and loss	<b>301512.00</b>	<b>232956.00</b>	82282.00	7937.00

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

PARTICULARS	AS ON 31.03.2013		AS ON 31.03.2012	
	Gratuity (Unfunded)	Leave (Unfunded)	Gratuity (Unfunded)	Leave (Unfunded)
Imputed rate of interest	<b>8.25% p.a.</b>	<b>8.25% p.a.</b>	8.70% p.a.	8.70% p.a.
Future salary rise	<b>8.00% p.a.</b>	<b>8.00% p.a.</b>	8.00% p.a.	8.00% p.a.
Remaining working life	<b>18.07 years</b>	<b>18.07 years</b>	17.83 years	17.83 years
Method of Valuation	<b>Projected Unit Credit</b>	<b>Projected Unit Credit</b>	Projected Unit Credit	Projected Unit Credit

**38. 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 :

lease agreement can be terminated by either party by giving advance notice either by lesse or lessor.

Lessees can not sublet the building further.

lease rent is subject to yearly increase by 10%.

PARTICULARS	2012-13 (In Rs.)	2011-12 (In Rs.)
Future minimum lease payments under non cancellable operating leases	<b>21319962.00</b>	28588944.00
Not later than one year	<b>3492155.00</b>	4682795.00
Later than one year & not later than five years	<b>17827807.00</b>	23906149.00
Later than five years	---	---
Lease income recognised in the profit & loss statement	<b>7970864.00</b>	7180973.00

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

PARTICULARS	Indigenous		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Raw materials	---	592340.00	---	100.00%
Stores & Spares	<b>435055.00</b>	330455.00	<b>72.84%</b>	83.99%

PARTICULARS	Imported		Percentage	
	Current Year	Previous Year	Current Year	Previous Year
Raw materials	---	---	---	---
Stores & Spares	<b>162240.00</b>	63450.00	<b>27.16%</b>	16.10%

**(ii) Purchase of Traded Goods**

PARTICULARS	Amounts in Rs.	
	Current Year	Previous Year
Suiting ,Shirtings fabrics & Dress materials	<b>74967900.00</b>	35025000.00
<b>TOTAL</b>	<b>74967900.00</b>	35025000.00

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

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  
M. No. 83142

**(RAJESH KUMAR)**  
Mgr. A/c

**(R.P. GUPTA)**  
Director

**(RAJNEESH OSWAL)**  
Executive Director

**PLACE : LUDHIANA**  
**DATED : 29.05.2013**

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**ADINATH TEXTILES LIMITED**

Regd. Office : Village Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana - 141 123.

**PROXY FORM**

FOLIO NO/Client ID.....

I/We.....  
Of.....being a member /members  
Of.....or failing.  
him/her.....  
of.....  
as my/our proxy to vote for me/us on my/our behalf at the 33RD ANNUAL GENERAL MEETING  
of the Company to be held on Friday, the 30th day of August, 2013 at 11.30 A.M. at Registered  
Office of the Company and at any adjournment thereof.  
Signed this.....day of.....2013.

AFFIX  
RS. 1/-  
Revenue  
Stamp

Signature.....

**NOTE :**

The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before  
the time for holding the meeting. The proxy need not be a member of the Company.

CUT HERE

**ADINATH TEXTILES LIMITED**

Regd. Office : Village Bholapur, P.O. Sahabana  
Chandigarh Road, Ludhiana - 141 123.

**ATTENDANCE SLIP**

I here by record my presence at the **33RD ANNUAL GENERAL MEETING** of the Company held  
on Friday, the 30th August, 2013 at 11.30 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.

# BOOK POST

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