

29TH

ANNUAL REPORT

2009



ADINATH TEXTILES LIMITED

BOARD OF DIRECTORS

Sh. Rajneesh Oswal	Executive Director
Sh. Raman Marwaha	Director
Sh. R.P. Gupta	Director
Sh. S.K. Sekhri	Director

AUDITORS :

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

REGISTERED OFFICE & WORKS

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

BRANCHES / 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
246, 1st Floor, Sant Nagar,
Main Iscon Temple Road,
East Of Kailash,
New Delhi - 1100065.

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of the Company will be held on Wednesday, the 30th day of September 2009 at 11.30 A.M. at the Registered Office of the Company at Vill. Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana to transact the following business.

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 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. Raman Marwaha, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

4. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATIONS, IF ANY, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Rules made there under, including any statutory modification or re-enactment thereof, consent of the Company be and is hereby accorded to the re-appointment of Sh. Rajneesh Oswal, as the Executive Director of the Company for a further period of five years with effect from 1st July, 2009 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 authorised 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 resolution."

By order of the Board
For Adinath Textiles Limited

Sd/-

Place : Ludhiana
Dated : 21st August, 2009

R.P. Gupta
(Director)

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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special

Business as set out above, is annexed hereto and forms part of this notice.

3. The Register of Members and Share Transfer books of the Company shall remain closed from Tuesday the 15th day of September 2009 to Monday the 21st day of September, 2009 (both days inclusive), for the purpose of AGM for physical and Electronic, both segments.

4. Members/proxies are requested to bring their copy of Annual Report to the Meeting.

5. 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.

6. 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.

7. Shares of the Company are available for De-Materialisation under ISIN - INE207C01019. Members who have not opted for De-Materialisation are requested to do so in their own interest.

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

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/-

Place : Ludhiana
Dated : 21st August, 2009

R.P. Gupta
(Director)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4 OF SPECIAL BUSINESS. FOR ITEM NO. 4

Section 269 of the companies Act 1956 require for the appointment of a whole time director. Sh. Rajneesh Oswal is a whole time director, designated as Executive Director of the company since 1989.

The previous term of appointment of Sh. Rajneesh Oswal is expired on 30.06.2009. Board of Directors at its meeting held on 30.04.2009 has re- appointed Sh. Rajneesh Oswal as whole time director, designated as Executive Director of the Company for another term of 5 years w.e.f. 01.07.2009 to 30th June 2014, to meet out the requirement of Section 269 of the Companies Act, 1956. Sh. Rajneesh Oswal is also holding the office of Chairman & Managing Director of M/s Shreyans Industries Ltd. Board of Directors of the company had not proposed any remuneration for Sh. Rajneesh Oswal for holding the office of Executive Director of the company. Accordingly no remuneration shall be paid to Sh. Rajneesh Oswal for holding the office of Executive Director of the company. Sh. Rajneesh Oswal is a Management Graduate and has experience of two decades in the field of administration & management to his credit. He is also holding office of Chairman & Managing in Shreyans Industries Ltd and Director in the following companies.

Adeep Investment Co.

Virat Investment & Mercantile Co.

Jagvallah Parasnath Capital Investment (P). Ltd.

Oasis Share Trading (P) Ltd.

The Provisions of Schedule XIII of the companies Act, 1956 require the approval of Shareholders for the appointment by an ordinary resolution. Accordingly directors recommends the resolution at Item No. 4 for approval of Shareholders.

NOTICE OF INTEREST

None of the directors, in any way, is interested in the proposed resolution except Sh. Rajneesh Oswal.

DETAILS OF DIRECTOR RETIRING BY ROTATION AND SEEKING REAPPOINTMENT(AS PER CLAUSE 49 OF THE COMPANIES ACT, 1956)

Sh. Raman Marawaha is a Fellow Member of the Institute of Chartered Accountants of India. He has an experience of more than two decades to his credit in the field of Accounts and Finance. Mr. Raman Marawaha was first appointed as additional director of the company on 31.01.2001 and thereafter was appointed as director liable to retire by rotation. Mr. Raman Marwaha is the Chairman of Audit Committee and member of share transfer cum Investor Grievances Committee of the Board.

Mr. Raman Marawaha does not have any share in the company.

Details of Sh. Rajneesh Oswal , Executive Director of the company has already been provided in the Explanatory statement given above.

DIRECTORS' REPORT

The Directors of your company are pleased to present the 29th Annual Report together with the Audited Accounts of the company for the year ended 31.03.2009.

FINANCIAL RESULTS

	2008-09	(Rs. in lacs) 2007-2008
Income from Operations	1276.28	64.72
Other Income	51.60	968.86
Profit/(Loss) before interest and depreciation	220.17	942.89
Less interest	0.24	12.09
Gross Profit/(Loss)	219.93	930.80
Depreciation	14.83	16.71
Net Profit/(Loss) Before Tax	205.10	914.09
Provision for Taxation	0.33	(0.45)
Net Profit/(Loss) after Tax	204.77	914.54

During the year under consideration the turnover of the company is Rs. 1221.63 Lacs. In addition company had also carried the job work to the extent of Rs. 54.65 Lacs in comparison to Rs. 64.72 Lacs in previous year.

As reported earlier that the company has been declared as Sick by the BIFR. Now the management has submitted its Detailed Rehabilitation Scheme (DRS) to the operating agency appointed by the BIFR. The operating agency appointed by the BIFR has submitted its 1st report to BIFR. The management is hopeful to get the approval of revival scheme submitted.

DIVIDEND

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

DIRECTORS

Sh. Raman Marwaha is retiring by rotation and is eligible for re-appointment as director of the company. The Board has re-appointed Sh. Rajneesh Oswal as Executive Director of the company for a term of five years w.e.f. 01.07.2009.

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

Mr. Vipin Maini, Practicing Cost Accountant, New Delhi, have been appointed as Cost Auditors for the year 2008-09. They will submit their report in due course.

AUDITORS REPORT

The Auditors Report on accounts of the company for the year under review is self explanatory and require 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.

Company had appointed Ms. Manpreet Kaur as its secretary to meet out the requirement of Section 383A of the Companies Act, 1956. However, Ms. Manpreet Kaur did not stay with the company for long time.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

(A) Subsection (1)(e)

(i) Conservation of Energy - All efforts are being made to conserve energy.

(ii) Technology Absorption-- Nil.

(iii) Foreign Exchange Earnings and Outgo

Earnings: Nil

outgo : Rs. Nil/-

(B) Subsection 2A

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

(C) Subsection 2AA

Your Directors state:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed by the Company along with proper explanation relating to material departures;

2. That 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 or loss of the company for that period ;

3 That the directors had taken proper and sufficient care 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 That the directors had prepared the annual accounts 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, Bankers and Customers for their valuable support

ON BEHALF OF THE BOARD
for ADINATH TEXTILES LIMITED

Sd/-

RAJNEESH OSWAL
(Chairman)

Place : Ludhiana

Date : 21st August, 2008

PARTICULARS	Unit	
(A) POWER CONSUMPTION		
1. ELECTRICITY		
(a) Purchased	KWH	6,24,194
Total Amount	Rs.	30,07,737
Rate/KWH	Rs.	4.81
(b) Own Generation		
Through Diesel Generator	KWH	9089
Fuel Cost/KWH (For D.G. Set Only)	Rs.	8.79

REPORT ON CARPORATE GOVERNANCE

Adinath, as a responsible corporate citizen, strongly adheres to corporate governance principals to ensure that the resources of the company are used in a manner that fulfill its obligations to all stakeholders.

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 adopted a Code of Conduct for members of the Board and senior management. All directors have affirmed in writing their adherence to the above code.

Board of Directors

(I) Composition :

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

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, 2009 are given in the following table:

During the year 2008-09 Board of Directors met five times.

Name of the Director	Board meetings attended during the year	Attendance at last AGM (27.09.08)	No. of other Directorship held	Membership of the Committees of other Companies
EXECUTIVE DIRECTOR				
Sh. Rajneesh Oswal	5	Present	5	2
NON EXECUTIVE DIRECTORS				
Sh. Raman Marwaha	5	Present	---	---
Sh. R. P. Gupta	5	Present	1	---
Sh. S. K. Sekhri	1	Not Present	3	---

Audit Committee

The Board of Company has constituted Audit Committee. The terms of reference have been reviewed from time to time. Presently, these confirm to the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The role of Audit committee include to ensure that Financial Statements are correct, sufficient and credible. All financial statements are reviewed by the Audit Committee before submission to the Board.

Audit Committee has also powers to review the findings of Internal Auditors involving any suspected fraud or failure of internal control system. Company's Financial and Risk Management Policies are also reviewed by the Audit committee at a regular interval.

The Audit Committee comprises of the three independent directors and is chaired by Sh. Raman Marwaha. 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	Meetings Held	Meetings Attended
Sh. Raman Marawaha	5	5
Sh. R.P.Gupta	5	5
Sh.S.K.Sekhri	5	1

Share Transfer-cum-Investor Grievance Committee

The Company has a shareholders committee named as Share Transfer-cum-Investor Grievance Committee to look into the redressal of shareholder's grievances. The committee inter alia approves issue of duplicate share certificate(s) and overseas and reviews all matters connected with the share transfer.

The committee also oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in quality of investor services.

The Share Transfer cum Investor Grievance Committee is headed by a Non-Executive Director and met twelve times during the year 2008-09. The detail of members and their attendance are given in the table

Name of Member	Meetings Held	Meetings Attended
Sh. R.P.Gupta(Chairman)	12	12
Sh. Rajneesh Oswal	12	10
Sh. Raman Marawaha	12	12

The company has designated the e.mail id "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

No. of Complaints

Pending as on 01.04.2008	NIL
Received during the year	22
Resolved during the year	22
Pending as on 31.03.2009	NIL

REMUNERATION PAID TO DIRECTORS

Company has not paid any remuneration to its Executive Director. Further no sitting fee was paid to the Non Executive Directors during the year under consideration.

General Body Meetings

The last three Annual General Meetings were held as under :

Financial Year	Date of A.G.M	Time	Venue
2007 - 2008	September 27, 2008	03.00 AM.	Regd. Office of the Company at Vill. Bholapur, P.O. Shabana, Chandigarh Road Ludhiana- 141123
2006 - 2007	September 29, 2007	10.30 AM.	---Do---
2005 - 2006	September 15, 2006	03.30 PM.	---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 2008-09, 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-a-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.

Upto date listing fee has been paid to the Bombay Stock Exchange. However, BSE has suspended the trading in equity shares of the company. Company has taken steps for restoring the trading. Company has also made applications for the voluntary delisting from the stock exchanges at Ludhiana, 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 31st March, 2009 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

The Quarterly / Half-Yearly/ Annual Audited Results of the Company are sent to the Stock Exchanges after they were approved by the Board of Directors and communicated to the investors through publication in News Papers

General Share Holders Information

(i) Annual General Meeting Date & Time: Wednesday, the 30th day of September, 2009 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 1st April every year and conclude on 31st March, next year.

(iii) Book Closure: From Tuesday, the 15th day of September, 2009 to Monday, the 21st day of September, 2009 (both days inclusive)

(iv) Company has not declared any dividend during the year 2008-09.

(v) Listing Details: The Equity shares of the Company are listed on

(i) The Ludhiana Stock Exchange Association Limited, Feroze Gandhi Market, Ludhiana - 141 001

(ii) The Delhi Stock Exchange Association Limited, DSE House, Asaf Ali Road, New Delhi - 110 002

(iii) The Stock Exchange, Mumbai, Pheroze Jeejeebhoy Towers, 25th floor, Dalal street, Mumbai - 400 001

(iv) The Calcutta Stock Exchange Association 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, Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmedabad-380 015

Stock Code : BSE Code : 514113

(vii) Depositories for Equity Shares : National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

ISIN No. for the Companies Equity Shares : INE207C01019

(viii) Registrar and Share Transfer Agent.

The details of Registrar & Transfer Agents are as under

Name	: Skyline Financial Services (P) Ltd.
Address	: 246, 1 st Floor, Sant Nagar, Main Iscon Temple Road, East of Kailash, New Delhi 110065.
Phone No.	: 011-26292682, 26292683
Fax No.	: 011-26292681
Contact Person	: Mr. Subhash Aggarwal, Director.

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

		PHYSICAL FORM			D-MAT FORM		
NO OF SHARES		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	19986	2459360	36.091	2893	447530	6.567
501	1000	320	247980	3.639	144	115755	1.699
1001	2000	89	125270	1.838	65	93670	1.375
2001	3000	18	43150	0.633	19	46963	0.689
3001	4000	6	20050	0.294	7	24800	0.364
4001	5000	2	9150	0.134	4	18650	0.274
5001	10000	4	24470	0.359	7	45445	0.667
10001	above 10001	12	2947220	43.250	5	144887	2.126
TOTAL		20437	5876650	86.239	3144	937700	13.761

\$ 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-materisation of shares, transfer and transmission cases, splitting-consolidation of share certificates and issue of duplicate share certificates etc. to the Share Transfer cum Investor 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.shreyans-group.com

DECLARATION BY THE EXECUTIVE DIRECTOR UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT

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, 2009 in terms of clause 49 (1)(D)(ii) of the Listing Agreement entered with the Stock Exchanges.

For and on Behalf of the Board of Directors

Place : Ludhiana
Date : 21st August 2009

(Rajneesh Oswal)
Executive Director

AUDITORS REPORT

To,
The Members
ADINATH TEXTILES LIMITED

a) We have audited the attached balance sheet of **ADINATH TEXTILES LIMITED**, as at 31st March, 2009, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

b) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

c) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

d) Further to our comments in the Annexure referred to above, we report that:

(i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

(ii) In our opinion, proper books of account as required by law have been kept by the company as far as appears from our examination of those books;

(iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account. Though the net worth of the company has become negative (also refer to Note no. 9 of Annexure-M), and the company have been declared as Sick by BIFR and the draft rehabilitation package, as submitted through SBI (OA), is pending before the Hon'ble BIFR.

(iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

(v) On the basis of written representation received from directors on 31 March, 2009 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31 March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of Companies Act, 1956.

(vi) We report that:-

1. We are unable to express our opinion regarding realization of sundry debtors amounting Rs.12216509/-

(Previous year Rs. 12594322/-) which are due for more than three years. However in the opinion of the management the said amounts is recoverable, hence no provision has been made against the same.

2. Company is not having any whole time Company Secretary.

We further report:

In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to above read together with notes on accounts as per Annexure 'M' there on give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the balance sheet, of the state of affairs of the company as at 31st March, 2009.

b) In the case of the profit and loss account, of the profit for the year ended on that date; and

c) In case of the cash flow statement, of the cash flows for the year ended on that date.

FOR DASS KHANNA & CO.
CHARTERED ACCOUNTANTS
(RAKESH SONI)
PARTNER
M.NO. 83142

PLACE : LUDHIANA
DATED : 21-08-09

(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT EVEN DATE ON THE STATEMENT OF ACCOUNTS FOR ADINATH TEXTILES LIMITED AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009)

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off a major part of the plant and machinery, which affected the going concern status of the company.

(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 procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory. No discrepancies noticed on verification between the physical stocks and the book records.

(iii) (a) The company had taken loan from 6 parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.163.97 lacs and the year end balance of loans taken was Rs. 49.56 lacs.

The company has not granted loans secured or unsecured to the parties listed in the register maintained under section 301 of the Companies Act, 1956.

(b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the companies Act, 1956 are not, prima facie, prejudicial to the interests of the company.

(c) The company is regular in repaying the principal amounts as stipulated.

(d) The company had not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course, of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) According to the information and explanations given to us, we are of the opinion that there was no contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposited from public during the year within the meaning of section 58A, 58AA or any other provisions of the Act and the Companies Act, 1956 and the ruled framed there under.

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

(viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix)(a) The company is regular in depositing with appropriate authorities undisputed, However company is irregular in depositing sales tax, House Tax. The extent of arrear outstanding as at 31st March 2009 for a period of more than six month from the date they become payable are as under-

Nature of Dues	Amount in (Rs.)
Sales Tax	2277956
Entry Tax	237798
ESI	70621
Initl. on PF/ESI / Sale Tax	1342158

(b) According to the records of the company, the disputed statutory dues aggregating to Rs. 16,95,001/- that have not been deposited on account of matters pending before the appellate authorities in respect of custom duty and excise duty are as follow:

Forum where dispute is pending	Nature of Dues	Disputed Amount (Rs.)
Adl. Commissioner of Customs	Duty, Interest & Penalty	1,95,001
Commissioner Central Excise & Customs, Chandigarh	Penalty	15,00,000**

**Note : However Rs. 5,00,000/- has been deposited under protest

(x) The accumulated losses of the company are more than of its net worth.

(xi) In our opinion and according to the information and explanations given to us, there is no default w.r.t to debenture holders.

(xii) According to the information and explanations given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The company is not a chit fund or a Nidhi /Mutual benefit fund/ society.

(xiv) The company is not dealing in or trading in shares, securities, debentures and other investment.

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

(xvi) During the year company has not raised any term loan.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.

(xviii) According to the information and explanations given to us, during the year company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us, the company has not issued any debentures during the year under audit.

(xx) The company has not raised any money by way of public issue during the year.

(xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR DASS KHANNA & Co.,
CHARTED ACCOUNTANTS**

**PLACE : LUDHIANA
DATED : 21-08-09**

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

**Certificate on Compliance with the condition of
Corporate Governance under Clause 49 of the
Listing Agreement**

To
The Board of Directors
Adinath Textiles Limited

We have examined the compliance of conditions of Corporate Governance by Adinath Textiles Limited for the year ended on March 31st 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to review of the 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 explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period of exceeding one month against the company as per the records maintained by the Company which are presented to the Shareholder's /Investor's Grievance Committee.

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

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

**Place : Ludhiana
Dated : 21st, August 2009**

**(P.S.Bathla)
(M. No. 4391**

BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	Annexures	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
(a) Capital	A	70,143,500	70,143,500
(b) Reserves & Surplus	B	69,519,250	69,519,250
		<u>139,662,750</u>	<u>139,662,750</u>
LOAN FUNDS			
(a) Unsecured Loans	C	10,855,621	29,894,100
		<u>10,855,621</u>	<u>29,894,100</u>
TOTAL :-		<u>150,518,371</u>	<u>169,556,850</u>
APPLICATION OF FUNDS			
FIXED ASSETS	D		
(a) Gross Block		98,719,786	100,980,559
(b) Less : Depreciation		74,148,401	74,797,946
(c) Net Block		<u>24,571,385</u>	<u>26,182,612</u>
CURRENT ASSETS, LOANS AND ADVANCES	E		
(a) Inventories		18,18,691	2,009,326
(b) Sundry Debtors		28,332,558	19,718,662
(c) Cash and Bank Balances		580,523	1,095,922
(d) Loans and Advances		37,66,087	7,723,565
		<u>34,497,859</u>	<u>30,547,475</u>
LESS : CURRENT LIABILITIES & PROVISIONS	F		
(a) Liabilities		7,81,71,384	77,270,503
NET CURRENT ASSETS		<u>(4,36,73,525)</u>	<u>(46,723,028)</u>
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
PROFIT & LOSS ACCOUNT		169,620,510	190,097,266
Total :-		<u>150,518,371</u>	<u>169,556,850</u>

NOTES ON ACCOUNTS

This is the Balance Sheet referred to in our report of even date.
For Dass Khanna & Co.
Chartered Accountants

M

(RAKESH SONI)
Partner

(RAJESH KUMAR)
A/c Officer

(RAJNEESH OSWAL)
Executive Director

(R.P. GUPTA)
Director

PLACE : LUDHIANA
DATED : 21.08.2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Particulars	Annexure	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
INCOME			
Sale		122,163,360	----
Other Income	G	10,625,331	103,357,819
TOTAL		132,788,691	103,357,819
EXPENDITURE			
Purchase		101,802,800	----
Manufacturing Expenses	H	4,239,470	4,220,868
Personnel Expenses	I	3,243,367	2,733,048
Administration and other Expenses	J	1,368,469	1,746,598
Financial Expenses	K	23,605	1,209,838
Selling Expenses	L	117,472	171,684
Depreciation		1,483,502	1,670,858
Unusual items of expenditure			
i) Transitional provision on account of adoption of accounting standards AS(15)employee benefits		----	1,95,388
TOTAL		112,278,685	11,948,281
PROFIT/(LOSS) AFTER DEPRECIATION		20,510,006	91,409,538
Debenture Redemption Reserve W/ back		----	3,667,000
Provision for Fringe Benefit Tax		33,250	(45,000)
Balance B/F from Previous Year		(190,097,266)	(285,128,804)
		(169,620,510)	(190,097,266)
Balance Carried to Balance Sheet			
Earning Per Share-Basic		3.01	13.41

NOTES ON ACCOUNTS

This is the Profit and Loss A/c referred to in our report of even date.

M

For Dass Khanna & Co.
Chartered Accountants

(RAKESH SONI)
Partner

(RAJESH KUMAR)
A/c Officer

(RAJNEESH OSWAL)
Executive Director

R.P. GUPTA)
Director

PLACE : LUDHIANA
DATED : 21.08.2009



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2009

A. CASH FLOW FROM OPERATIONS		(Rs. In Thousand)
	2008-2009	2007-2008
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	20510.01	91410.00
Adjustment for :		
Depreciation	1483.50	1671.00
Interest Paid	4.16	1210.00
Gain on Sale of Fixed Assets Sold	177.28	---
Operating Profit Before Working Capital Changes	21820.39	94291.00
Adjustment for :		
Trade & Other Receivables	(4656.42)	9334.00
Inventory	190.64	214.00
Trade Payables	6505.83	1607.00
Others	(5604.95)	5764.00
Cash Generated from Operations	18255.49	111210.00
Interest Paid	(4.16)	(1210.00)
Direct Taxes Paid	33.26	(45.00)
Commission Earned	---	---
Net Cash from Operating Activities	18218.08	109955.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	---	(30.00)
Sale of Fixed Assets	305.00	7161.92
Net Cash From Investing Activities	305.00	7131.92
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of Long Term Borrowings	---	(125518.00)
Increase in Unsecured Loans	(19038.48)	6348.00
Net Cash From Financing Activities	(19038.48)	(119170.00)
Net Increase In cash and cash Equivalents	516.40	(2083.08)
Opening Cash & Equivalents	1096.92	3179.00
Closing & Cash & Cash Equivalents	580.52	1095.92

Difference - 4318.68

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

For Dass Khanna & Co.
Chartered Accountants

(RAKESH SONI)
Partner

(RAJESH KUMAR)
A/c Officer

(RAJNEESH OSWAL)
Executive Director

(R. P. Gupta)
(DIRECTOR)

PLACE : LUDHIANA
DATED : 21.08.2009



SHARE CAPITAL
ANNEXURE 'A'

Particulars	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
AUTHORISED		
99,00,000 Equity Shares of Rs. 10/- each	99,000,000	99,000,000
10,000 11% Redeemable Non-Cumulative Preference Shares of Rs. 100/- each	1,000,000	1,000,000
	100,000,000	100,000,000
ISSUED AND SUBSCRIBED		
86,16,800 Equity Shares of Rs. 10/- each	86,168,000	86,168,000
2,000 11% Redeemable Non-Cumulative Preference Shares of Rs. 100/- each	200,000	200,000
	86,368,000	86,368,000
PAID UP CAPITAL		
6814350 Equity Shares of Rs. 10/- each	68,143,500	68,143,500
2,000 11% Redeemable Non-Cumulative Preference Shares of Rs. 100/- each	200,000	200,000
	68,343,500	68,343,500
ADD FORFEITED SHARES (Amount Originally Paid up)	1,800,000	1,800,000
TOTAL	70,143,500	70,143,500

RESERVES AND SURPLUS
ANNEXURE 'B'

Particulars	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
CAPITAL RESERVE	12,000	12,000
SECURITIES PREMIUM ACCOUNT	69,428,050	69,428,050
PREMIUM ON SHARES ALREADY FORFEITED	79,200	79,200
TOTAL	69,519,250	69,519,250

UNSECURED LOANS

ANNEXURE 'C'

Particulars	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
Other Loans	10,855,621	29,894,100
TOTAL :-	10,855,621	29,894,100

FIXED ASSETS

ANNEXURE 'D'

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01/04/2008 Rs.	Addition during the year Rs.	Sale; Adjustment during the year Rs.	As at 31/03/2009 Rs.	As at 1/04/2008 Rs.	Adjustment during the year Rs.	Provided for the year Rs.	As at 31/03/2009 Rs.	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
Land	868,977	---	---	868,977	---	---	---	868,977	868,977	868,977
Building	33,478,206	---	---	33,478,206	13,178,252	---	840,029	14,018,281	19,469,924	20,299,953
Plant & Machinery	61,402,338	---	1,460,129	69,942,209	57,318,860	1,387,123	516,346	66,448,084	3,494,126	4,083,478
Furniture, Fixture & Other Equipment	4,004,090	---	---	4,004,090	3,477,461	---	86,628	3,564,089	440,001	526,629
Vehicles	1,226,948	---	800,644	426,304	823,372	745,925	40,499	117,946	308,358	403,576
Total	100,980,559	---	2,260,773	98,719,786	74,797,946	2,133,048	1,483,502	74,148,401	24,571,385	26,182,612
Previous Year	200,230,000	29,880	99,279,322	100,980,559	165,244,420	92,117,332	1,670,858	74,797,946	26,182,612	

CURRENT ASSETS, LOANS AND ADVANCES

ANNEXURE 'E'

Particulars	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
A) CURRENT ASSETS		
1) Inventories (Valued at lower of cost or market price as certified by the management)		
Stores & Spares	1,764,636	2,009,326
Machinery Scraps	54,055	---
2) SUNDRY DEBTORS		
a) Debts outstanding for a period exceeding 6 months		
i) Considered Good	12,621,190	1,046,923
ii) Considered Doubtful	15,711,368	18,671,739
3) CASH AND BANK BALANCES		
Cash in hand including imprest Balances :	453,962	808,568
with Scheduled Banks in Current Accounts	126,561	287,354
B) LOANS AND ADVANCES (Unsecured, Considered Good)		
Securities	486,084	486,084
Advances and other recoverable in cash or in kind or for value to be received	32,80,003	7,237,481
TOTAL :-	34,497,859	30,547,475

CURRENT LIABILITIES AND PROVISIONS

ANNEXURE 'F'

Particulars	As at 31/03/2009 Rs.	As at 31/03/2008 Rs.
A) CURRENT LIABILITIES		
Sundry Creditors		
- O/S Due to Micro Enterprises and small Enterprnu	---	---
- Other	65,110,995	55,974,755
Trade Deposits and Advances	347,890	2,978,301
Other Liabilities	12,712,498	18,317,447
TOTAL :-	78,171,384	77,270,503

OTHER INCOME

ANNEXURE 'G'

Particulars	Current Year Rs.	Previous Year Rs.
Job Charges Received (Current Year TDS 24,986/-)	5,465,455	6,471,968
Previous Year TDS 27,393		
Miscellaneous Income	524,692	156,345
Sundry Balance Written Back	41,879	95,625,249
Sale of Machinery scrap	43,79,500	1,104,258
Profit on sale of fix Assets	1,77,275	---
Excess Provision Written Back	36,529	---
TOTAL :-	10,625,331	103,357,819

MANUFACTURING EXPENSES

ANNEXURE 'H'

Particulars	Current Year Rs.	Previous Year Rs.
Stores & Spares Consumed	692960	611034
Machinery Repair	217300	228384
Power & Fuel	3315099	3365655
Electric Repair & Maintenance	14111	15795
TOTAL :-	4,239,470	4,220,868

PERSONNEL EXPENSES

ANNEXURE 'I'

Particulars	Current Year Rs.	Previous Year Rs.
Wages, Salaries and Other allowance	2875919	2444540
Contribution to Provident Fund and Other Fund	252311	244617
Workmen & Staff Welfare	21048	5557
Gratuity	94089	38334
TOTAL :-	3,243,367	2,733,048

ADMINISTRATIVE AND OTHER EXPENSES

ANNEXURE 'J'

Particulars	Current Year Rs.	Previous Year Rs.
Rates & Taxes	293241	270293
Travelling & Conveyance	126055	387118
Statutory Auditors' Remuneration		
-----Audit Fee	15000	15000
----- Service Tax	1545	1854
Legal and Professional Expenses	444944	345826
Insurance	80578	96644
General Repair	4133	33174
Printing & Stationery	33915	39333
Postage, Telegram and Telephones	135320	164290
Canteen Expenses	52669	49566
Office Expenses	1913	37950
Building Repair	12017	110872
Rent	10000	----
Vehicle Expenses	71265	47746
General Expenses	2470	61916
Listing Fee	76193	72250
Charity & Donation	7212	6508
Sundry Balance W/off	----	6258
TOTAL :-	1,368,469	1,746,598

FINANCIAL EXPENSES

ANNEXURE 'K'

Particulars	Current Year Rs.	Previous Year Rs.
Interest Others	4164	1185072
Bank Charges & Commission	19441	24766
TOTAL :-	23,605	1,209,838

SELLING EXPENSES

ANNEXURE 'L'

Particulars	Current Year Rs.	Previous Year Rs.
Advertisement	28233	19379
Selling Agents Commission	87000	138618
Carriage & Cartage	2239	13687
TOTAL :-	117,472	171,684

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**1) SIGNIFICANT ACCOUNTING POLICIES****ANNEXURE 'M'****a) Basis of preparation of accounts**

i) These accounts are prepared under the historical cost convention in accordance with generally accepted accounting principles and provisions of the Companies Act 1956 as applied consistently by the Company.

ii) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

b) Revenue Recognition

Sale revenue is recognised on dispatch of goods, net of trade discount & sale tax.

c) Inventories

Inventories are valued at lower of cost or net realisable value except waste produced which is valued at realisable value. Cost of store and spares is calculated at weighted average of cost plus direct expenses.

d) 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%.

e) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition.

f) Accounting for Taxes on income

Deferred Tax is recognized subject to the consideration of Prudence on timing differences, being the difference between Taxable Income and Accounting Income that originate in one period and are capable of reversal on one or more subsequent periods. Deferred Tax Assets are not recognised on unabsorbed depreciation and carry forwards of Losses unless there is virtual certainty that sufficient future Taxable income will be available against which such deferred Tax Assets can be realised.

g) Employee Benefits :

i) Gratuity : The liability for gratuity is provided on the basis of actuarial valuation as at the close of year.

ii) Provident Fund : Contribution to The provident fund is provided in accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and recognized as expense in the Profit & Loss A/c. Leave Encashment: Provision for leave encashment is made on the basis of actuarial valuation as at close of the year.

2) 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.

3) 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.

4) 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 31.3.2009, the same have not been converted into equity shares.

5) Sundry Debtors exceeding six month includes Rs.12216509/- which are outstanding for more than three years, however the company has filed suits against some of the debtors whose outstanding amount as on 31.03.2009 is Rs.5508842/-.

6) CONTINGENT LIABILITIES NOT PROVIDED FOR:

a) Outstanding Custom Duty (include Interest & Penalty) of Rs. 195001/-

b) Outstanding Excise Duty (Penalty) of Rs. 1500000/-**

** Note: The amount includes Rs.500000/- has been deposited under protest.

7) In the opinion of the directors and best of their information and belief, all the current assets and loan advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

8) In other liability, cheques issued but not presented include cheques amounting to Rs.2 Lac issued for redemption of preference shares.

9) Since the Company has become sick and has been registered with the Board for Industrial and Financial Reconstruction

- 10) During the year ended 31.03.2009, company have settled its dues, under one time settlement, with Spice Telecom. The settled amount has been duly paid before 31st March 2009 and the excess provision/balance to the extent of Rs.38809/- has been written back and is included in Other Income.
- 11) As per Accounting Standard (AS)-28 on "Impairment of Assets", the company has assessed on the balance sheet date whether there are any indication with regards to the impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.
- 12) The position of Deferred Tax & Deferred Tax liability as at 31st March 2009 is as under:

Deferred Tax assets arising on a account of :	Rs. In Lacs
On account of unabsorbed depreciation and b/f losses	170.25
Less DTL : On account of Timing Diff. of depreciation	37.32
Deferred Tax assets (Net)	132.93

The deferred tax asset has not been recognized in the books of accounts in view of there being no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

13) Earning Per Share (EPS) -

	Year Ended 31.03.2009	Year Ended 31.03.2008
-Profit/(Loss) attributable to Equity Shareholder (A)	20510006	91409538
-Basic / Weighted average no. of Equity Share outstanding during the year (B)	6814350	6814350
-Nominal value of Equity Share	Rs.10/-	Rs.10/-
-Basic / Diluted EPS (A/B)	Rs.3.01	Rs.13.41

14) Employee Benefits (AS 15).

The summarized position of employee benefits recognized in the Profit and loss Account and the amount recognized in the balance sheet for the gratuity and Leave Encashment plan are as under:

1. CHANGES IN THE PRESENT VALUE OF OBLIGATION

	As on 31.03.2009		As on 31.03.2008	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Present value of obligation at the beginning of the period	153799	135735	115465	71741
Interest cost	11535	9919	9237	5030
Current service cost	72898	110332	60043	91207
Benefits paid	---	(6975)	---	(17735)
Actuarial (Gain)/Loss on obligation	9656	(34585)	(30946)	(14508)
Present Value of obligation at the end of period.	247888	214426	153799	135735

2. CHANGES IN THE PRESENT VALUE OF PLAN ASSETS

	As on 31.03.2009		As on 31.03.2008	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Fair value of plan assets at the beginning of the period	----	----	----	----
Actual return on plan assets	----	----	----	----
Contribution	----	----	----	----
Withdrawals/ Benefits Paid	----	(6975)	----	(17735)
Fair value of plan assets at the end of the period	----	----	----	----
Present value of obligation at the end of the period	247888	214426	153799	135735
Funded status	(247888)	(214426)	(153799)	(135735)

3. ACTUARIAL GAIN/ (LOSS) RECOGNIZED

	As on 31.03.2009		As on 31.03.2008	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Actuarial gain/(loss) on obligation	(9656)	34585	30946	14508
Actuarial gain/(loss) on plan assets	---	---	---	---
Total (gain)/loss	9656	(34585)	(30946)	(14508)
Actuarial (gain)/loss recognized in the period	9656	(34585)	(30946)	(14508)
Unrecognized actuarial (gain)/loss at the end of the period	---	---	---	---

4. AMOUNT TO BE RECOGNIZED IN THE BALANCE SHEET

	As on 31.03.2009		As on 31.03.2008	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Present value obligation at the end of the period	247888	214426	153799	135735
Fair value of plan assets at the end of the period	---	---	---	---
Funded status	(247888)	(214426)	(153799)	(135735)
Unrecognized actuarial (gain)/loss at the end of the period	---	---	---	---
Net assets/(liability) recognized in the balance sheet	247888	214426	153799	135735

5. EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS

	As on 31.03.2009		As on 31.03.2008	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Current service cost	72898	110332	60043	91207
Interest cost	11535	9919	9237	5030
Expected return on plan assets	---	---	---	---
Actuarial (gain)/loss recognized on the period	9656	(34585)	(30946)	(14508)
Expenses recognized in the statement of profit and loss	94089	85666	38334	81729

6. Principal Actuarial Assumptions at the Balance Sheet date

	As on 31.03.2009		As on 31.03.2008	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Imputed rate of interest	7.50%	7.50%	8.00%	8.00%
Future salary rise	8.00%	8.00%	8.00%	8.00%
Remaining working life	19.24 Years	19.24 Years	18.66 Years	18.66 Years
Method of Valuation	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

- 15) Related Party Disclosure as per Accounting Standard-18 prescribed by the Companies Accounting Standards Rules 2006, are given below:

A. KEY MANAGEMENT PERSONNEL

1. Sh. Rajneesh Oswal (Executive Director)

B. RELATIVES OF KEY MANAGEMENT PERSONNEL

1. Mr. Vishal Oswal (Brother)
2. Mr. Kunal Oswal (Brother)
3. Mrs. Priti Oswal (Wife)
4. Mrs. Nirmal Oswal (Mother)

C. ENTITIES OVER WHICH KEY MANAGEMENT PERSONNEL AND RELATIVES OF SUCH PERSONNELS ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE:-

1. Ojasvi Investment & Mercantile co.
2. Achin Investment & Mercantile co.
3. Virat Investment & Mercantile co.
4. Levina Investment & Mercantile co.
5. Adeep Investment co.
6. Jagvallabh Prashanath Capital Investment (P) Ltd
7. Oasis Share Trading (P) Ltd.

B. ASSOCIATES

1. Shreyans Industries Ltd.

C. THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH THE RELATED PARTIES IN THE ORDINARY COURSE OF BUSSINESS.

PARTICULARS	KEY MANAGEMENT PERSONNELS	(Rs. IN LACS)		OTHER RELATED PARTIES	ASSOCIATES
		RELATIVE OF KEY MANAGEMENT PERSONNELS			
Loans Received	5.00	----	----	----	----
Loans Repaid	27.30	----	35.10	----	----
Amount Payable as on 31.03.2009	49.56	----	----	42.96	----

- 16) Under Micro, Small and Medium Enterprises Development Act 2006, which come into force in October 2006, certain disclosures are required to be made related to micro, small and medium enterprises. The Company is in the process of compiling the relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available in books, no disclosure has been made in Accounts.

17) ADDITIONAL INFORMATION AS PER PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956 Components & Spare Parts.

A. CAPACITY	LICENSED CAPACITY		INSTALLED CAPACITY	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
WORSTED SPINDLES	11440	11440	4800	4800
WOOL TOPS	772600	772600	Nil	Nil

Installed capacity is certified by the management and being a technical matter not verified by the Auditors.

B. Actual Production	CURRENT YEAR	PREVIOUS YEAR
*Acrylic/Blended Yarn	-----	-----

C. Gross Income Derived From Services Rendered	CURRENT YEAR VALUE (Rs.)	PREVIOUS YEAR VALUE (Rs.)
Job Charges	5465455	6471968

D. VALUE OF RAW MATERIAL, STORES AND SPARES CONSUMED

	INDIGENOUS		PERCENTAGE	
	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)	CURRENT YEAR % AGE	PREVIOUS YEAR % AGE
Raw Materials	-----	-----	----	-----
Store, Spares & Components	448270	509679	----	-----

	IMPORTED		PERCENTAGE	
	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)	CURRENT YEAR % AGE	PREVIOUS YEAR % AGE
Raw Materials	-----	-----	----	-----
Store, Spares & Components	165750	101355	----	-----

18) BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE AS REQUIRED IN PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details		(Rs. In Thousand)	
Registration No.	3910	state code	16
Balance Sheet Date	31st. March, 2009		
II. Capital Raised during the year			
(Amount in Rs. Thousands)			
Public Issue	Nil	Right Issue	Nil
Bonus	Nil	Pvt. Placement	Nil
III. Position of Mobilization and Deployment of funds			
(Amount in Rs. Thousands)			
Total Liabilities	150518	Total Assets	150518
Sources of Funds ;			
Paid Up capital	70143	Reserve & Surplus	69519
Secured Loans	Nil	Unsecured Loans	10856
Application of funds;			
Net Fixed Assets	24571	Investments	---
Net Current Assets	(43674)	Misc. Expenditure	Nil
Accumulated Losses	169621		
IV. Performance of Company			
Turnover and Other Income	132789	Total Expenditure	112279
Profit/ (Loss) before Tax	20510	Profit/(Loss) After Tax	20477
Earning per Share in Rs.	3.01	Dividend Rate (%)	Nil
V. Generic Names of Three Principal			
Products/Services of Company			
(As per monetary terms)			
Code No.	550999		
(ITC CODE)			
Product Discription	Acrylic/Blended Yarns		
20) Corresponding figures of the previous year have been regrouped/rearranged wherever necessary, to make these comparable with current year.			
21) Annexure A to N form an integral part of the Balance sheet and have been duly authenticated			
This is the schedule referred to in our report of even date.			
For Dass Khanna & Co.			
Chartered Accountants			

(RAKESH SONI)
Partner

(RAJESH KUMAR)
A/c Officer

(RAJNEESH OSWAL)
Executive Director

(R. P. Gupta)
Director

PLACE : LUDHIANA
DATED : 21-08-09



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 29TH ANNUAL GENERAL MEETING
of the Company to be held on Wednesday, the 30th day of Sept., 2009 at 11.30 A.M. at Registered
Office of the Company and at any adjournment thereof.

Signed this.....day of.....2009.

Signature.....

AFFIX
RS. 1/-
Revenue
Stamp

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 **29th ANNUAL GENERAL MEETING** of the Company held
on Wednesday, the 30th September, 2009 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.....

D. P. ID.....

(IN BLOCK LETTERS)

- 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.
 3. "THE INVESTORS MAY PLEASE NOTE THAT IN VIEW OF PROVISIONS OF CLAUSE 91 OF COMPANIES BILL, 2003 AS PRESENTED IN THE PARLIAMENT NO GIFT WILL BE DISTRIBUTED IN ANNUAL GENERAL MEETING."

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