
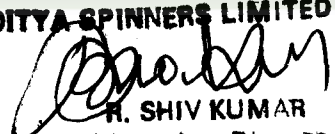


10th
Annual Report
2001-2002



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For ADITYA SPINNERS LIMITED

H. SHIV KUMAR
Managing Director

Aditya Spinners Limited

BOARD OF DIRECTORS

Sri. G. SATYANARAYANA	Director
Sri. K. Ramesh	Executive Director
Sri. K. Vijay Kumar	Joint Managing Director
Sri. R. Shiv Kumar	Managing Director

BANKERS

STATE BANK OF HYDERABAD
Punjagutta Branch
Hyderabad - 500 482

STATE BANK OF TRAVANCORE
H.No. 5-1-720, 1st Floor,
Khushal Chambers, Bank Street
Hyderabad - 500 001

STATE BANK OF PATIALA
H. No. 5-2-134, 1st Floor
Rashtrapathi Road,
Secunderabad - 500 003

AUDITORS
C. Ramachandram & Co.
Chartered Accountants
Hyderabad - 500 001. A.P.

SHARE TRANSFER AGENTS
Sidvin Financial Consultancy
Services Pvt. Ltd. 6-3-802,
Sidvin Chambers
Ameerpet, Hyderabad - 500 016.

FACTORY & REGD. OFFICE
Perindesam Village
K.V.B. Puram Mandal
Near Srikalahasti
Chittoor Dist. A.P.

ADMINISTRATIVE OFFICE
B-28, Madhuranagar
Hyderabad - 500 038.

REGISTRAR TO DEMATERIALISED SHARES
M/s. Venture Capital and Corporate
Investment Limited
12-10-134, MIG-134, II Floor
Bharatnagar Colony, Hyderabad - 500 018.

NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the members of Aditya Spinners Limited will be held on Tuesday the 17th day of September, 2002 at 11.30 A.M. at the Registered Office of the Company located at Perindesam Village, K.V.B.Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the audited Profit and Loss Account for the year ended on 31st March, 2002 and the Balance Sheet as on that date and the reports of Directors and Auditors thereon.
- (2) To appoint a Director in place of Sri G.Satyanarayana, who retires by rotation and being eligible, offers himself for reappointment.
- (3) To reappoint the retiring Auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting 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 pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 as amended to date, and other applicable provisions, if any, of the Act, consent of the members be and is hereby accorded for reappointment of Sri R. Shiv Kumar to the position of Managing Director for a period of five years with effect from 1.4.2002 and the remuneration be and is hereby fixed on the following terms and conditions :

- I. **SALARY : Rs.50,000/- (Rupees Fifty thousand only) per month and the following allowances:**

- (a) The Company will provide rent free furnished accommodation.
- (b) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month salary per year or three months salary in a period of three years.
- (c) Leave Travel Concession: For self and family once in a year in accordance with any rules specified by the company.
- (d) Club Fees: Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- (e) Personal Accident Insurance: For an amount the annual premium of which does not exceed Rs.4000/-(Rupees Four Thousand only).
- (f) Free use of Company's car on company's business.
- (g) Residential telephone shall be provided. All long distance personal calls shall be duly logged and paid for by the Managing Director.
- (h) Earned/Privilege Leave: On full pay and allowances as per rules of the company, leave accumulated but not availed of during his tenure may be allowed to be encashed as per the rules of the company.

- II. **PERQUISITES:**

- (a) Company's contribution towards Provident Fund subject to a ceiling of 10% of salary.
- (b) Company's contribution towards Pension/Superannuation Fund; such contribution together with the contribution to the Provident Fund shall not exceed 25% of salary.
- (c) Gratuity Payable in accordance with an approved scheme of the company.

"RESOLVED FURTHER THAT in pursuance of the provisions of Section 198(4) of the Companies Act, 1956, the above said remuneration may be paid as minimum remuneration to Sri R. Shiv Kumar, Managing Director in the absence of or inadequacy of profits in any year."

BY ORDER OF THE BOARD
for ADITYA SPINNERS LIMITED

PLACE : HYDERABAD
DATE : 06.08.2002

R.SHIV KUMAR
MANAGING DIRECTOR

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. Proxy, in order to be effective, must be deposited at the company's Registered Office not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 13/9/2002 to 17/9/2002 (both days inclusive).
4. The Company informed you that your companies shares are in compulsory trading in Dematerialised form with effect from 2nd April, 2001 by the order of the SEBI. In connection with, the company entered tripartite agreement with NSDL, CDSL and M/s. Venture Capital and Corporate Investments Ltd for dematerialisation of shares and its ISIN: 122D01018. All the Shareholders are requested to transfer their shares in Dematerialised form through their depository participants.
5. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business as set out in the notice is annexed herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE ACT :**Item No.4 :**

The present term of appointment of Mr. R. Shivkumar as Managing Director expired on 31-3-2002. The Board of Directors decided at their meeting held on 08.01.2002 that for efficient running of the company, the services of Mr. R. Shiv Kumar should be available to the company for a further period of five years with effect from 1-4-2002 and accordingly reappointed him as a Managing Director for a further period of five years with effect from 1-4-2002. Your directors recommend the resolution for your approval. None of the Directors except Sri.R.Shivkumar is interested in the above resolution.

Information pursuant to Clause 49 of the Listing Agreement regarding reappointment of a Directors.

Name of the Director	R. Shiv Kumar	G. Satyanarayana
Date of Birth	26.10.1949	12.10.1923
Date of Appointment	21.10.1991	28.11.1994
Expertise	28 years Industrial experience	Practicing Chartered accountant
Qualifications	M.Tech from I.I.T., Madras and MBA	F.C.A.
Other Directorships	NIL	NIL

BY ORDER OF THE BOARD
for ADITYA SPINNERS LIMITED

PLACE : HYDERABAD
DATE : 06.08.2002

R.SHIV KUMAR
MANAGING DIRECTOR

DIRECTORS' REPORT

To
The Members,
M/s. Aditya Spinners Limited

Your Directors present the Tenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2002.

1. FINANCIAL RESULTS :

(Rupees in Lakhs)

	12 Months period ended 31/3/2002	15 Months period ended 31/03/2001
Sales & Other Income	2334.69	3603.22
Profit before depreciation and interest	(41.51)	26.55
Interest	1327.38	1428.05
Depreciation	143.64	177.93
Profit before tax	(1512.43)	(1579.42)
Provision for taxation	—	—
Net Profit / (Net Loss)	(1512.43)	(1579.42)

2. DIVIDEND :

Your Directors do not recommend any dividend because of losses incurred during the year under review.

3. REVIEW OF OPERATIONS DURING THE YEAR :

During the year under review, company produced yarn of 16,19,872 Kgs. The company has achieved a turnover of Rs.23.06 crores and incurred a net loss of Rs. 15.12 crores. The sales were lower mainly due to decrease in exports since the sales realization in export market has come down substantially during the year under review.

4. FUTURE OUTLOOK :

The selling price trend in the domestic and export market showed a steady and upward movement and the company will be able to increase sales volume during the current year 2002-03. On approval and implementation of the revival package, the company will turnaround its performance and would become profitable in the years to come.

5. BIFR REFERENCE :

Since the company has become sick, a reference application as required under Section 15 of the Sick Industrial Companies (Special Provisions) Act was made and the same was registered by the Board for Industrial and Financial Reconstruction. The preparation and approval of the Revival Package of the Unit is under process.

6. DIRECTORS :

Sri. G. Satyanarayana, Director will retire by rotation at the ensuing Annual General meeting and being eligible, offers himself for reappointment and that Sri. R. Shiv Kumar, Managing Director is reappointed for a period of 5 years.

7. DEPOSITS :

The Company has not accepted any deposits from the public during the year under review.

8. AUDITORS :

The present Auditors of the Company viz., M/s C. Ramchandram & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and they are eligible for reappointment.

9. PARTICULARS OF EMPLOYEES :

The particulars of employees required under Section 217(2A) of the Companies Act,

1956 read with the provisions contained in Companies (Particulars of Employees) Rules, 1975 as amended to date were not applicable to your Company as none of the employees was in receipt of remuneration which in aggregate is Rs.24,00,000/- or more per year nor was in receipt of remuneration for any part of the year, of Rs.2,00,000/- or more per month.

10. DISCLOSURE AS PER LISTING AGREEMENT :

Clause 32 :

The cash flow statement in accordance with accounting standard and cash flow statement (AS-3) issued by ICAI is appended to this Annual Report.

Clause 43A :

The Company shares are listed on The Hyderabad Stock Exchange Limited, 3-6-275, Himayatnagar, Hyderabad and BSE, P.J.Towers, Dalal Street, Fort, Mumbai.

Dematerialisation of Shares :

Securities and Exchange Board of India has made it compulsory to trade in the Equity shares in the dematerialised form by all the investors with effect from 2-4-2001 and the company had entered into an agreement with NSDL and CDSL.

Clause-49 Compliance :

Pursuant to clause 49 of the Listing Agreement, a report on Corporate Governance is given as Annexure to this Report.

11.DIRECTORS RESPONSIBILITY STATEMENT :

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period.
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the accounts on a going concern basis.

12. INDUSTRIAL RELATIONS :

The company has had harmonious industrial relations throughout the year under review at all levels of organisation. The Company would endeavor to maintain this cordial relationship.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo has been given in a separate statement annexed hereto, which forms part of the Directors' Report.

14. ACKNOWLEDGEMENT :

The Directors have pleasure in recording their appreciation for the valuable assistance extended to the Company by the Financial Institutions viz., Industrial Development Bank of India, Industrial Finance Corporation of India Limited, and Bankers viz., State Bank Hyderabad, State Bank of Patiala and State Bank of Travancore. Your Directors also place on record their deep sense of appreciation for the dedicated services rendered by all the executives, staff and workers of the Company.

For and on behalf of the Board

Place : Hyderabad,
Date : 06.08.2002

(R. Shiv Kumar)
Managing Director

(K.Vijay Kumar)
Joint Managing Director

ANNEXURE TO DIRECTORS' REPORT :

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988:

I. Conservation of Energy :

- (a) **Energy Conservation Measures taken:**
Regular energy audits are being internally conducted and efforts to improve the DG sets performance are being undertaken with the help of suitable additives.
- (b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy:
- (c) Impact of measures of (a) and (b) above for reduction in energy consumption and consequent impact on the cost of production of goods:
Being studied.
- (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of industries specified in the schedule thereto :

FORM -A

A. Power and Fuel Consumption :			
Electricity :		2001-02	2000-01
i. Purchased :			
Total Units (KWH)		96,60,852	1,17,42,872
Rate per Unit in (Rs.)		4.32	4.05
ii. Own Captive generation :			
Units		99,012	9,29,515
Unit per litre of diesel		2.87	3.23
Cost per Unit (Rs.)		6.20	4.39
B. Consumption per unit of production :			
Yarn production (in Kgs.)		16,19,872	25,93,665
Energy consumption(KWH) per Kg. of yarn		6.03	4.88

II. TECHNOLOGY ABSORPTION :

Efforts made to Technology absorption as per Form B of the Annexure to the Rules:

NOT APPLICABLE

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :**Export efforts & Plans**

- i. Activities relating to exports initiatives taken to increase exports, development of new export markets for products :

The European Market has been depressed. Eventhough your Company products are well received for reason of low price realisation export was restricted Rs. 77.89 Lacs only

- ii. Total foreign exchange used/ earned :

		2001-02		2000-01	
		US\$	INR	US\$	INR
Used	:	24444	1148370	57047	2616553
Earned	:	165797	7789486	1660351	74525488

For and on behalf of the Board

Place : Hyderabad,
Date : 06.08.2002

(R. Shiv Kumar)
Managing Director

(K.Vijay Kumar)
Joint Managing Director

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