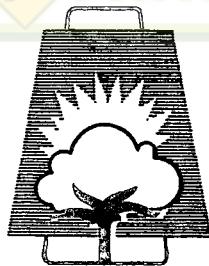


17th Annual Report 2008-2009

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Aditya Spinners Limited

BOARD OF DIRECTORS

Sri G. SATYANARAYANA	Director
Sri. K V A PRASAD	Director
Sri K. VIJAY KUMAR	Managing Director
Sri. V V S R ANJANEYULU	Joint Managing Director
Sri R. SHIV KUMAR	Executive Vice Chairman

BANKERS

STATE BANK OF HYDERABAD

Punjagutta Branch
Hyderabad-500 487.

STATE BANK OF TRAVANCORE

H.NO.5-1-720, 1st Floor,
Kushal Chambers, Bank Street
Hyderabad 500 001.

AUDITORS

C.Ramachandram&Co,
Chartered Accountants
3-6-237, Unit 606,
Lingapur la bulde complex,
Himayath Nagar, Hyderabad-29.

REGISTRAR & SHARE TRANSFER AGENTS

M/s Venture Capital & Corporate
Investments Limited,
12-10-134, (MIG-134)
2nd Floor, Bharatnagar,
Hyderabad-500 0038.

ADMINISTRATIVE OFFICE

6-3-668/10/66
Durganagar Colony, Punjagutta
Hyderabad -500082.

FACTORY & REGD. OFFICE

Perindesam Village, K.V.B. Puram Mandal
Near Srikalahasti, Chittoor Dist A.P.

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the member of Aditya Spinners Limited will be held on Tuesday, the 15th day of September, 2009 at 12.30p.m., at Registered Office of the Company located at Perindesam Village, KVB Puram Mandal, Near Srikalahsti 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 2009 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 untill 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 Section 269 read with part 1 of Schedule XIII to the Companies Act, 1956 and applicable provisions of the Articles of Association of the Company, cinsent of the Company be and is hereby accorded to appoint Sri. V.V.S.R Anjaneyulu as Joint Managing Director of the Company, subject to the approval of the shareholders in the general meeting, for a period of three years w.e.f 1st July 2009 without any Remuneration."

By Order of the Board
for ADITYA SPINNERS LIMITED

Sd/-

K. VIJAY KUMAR
Managing Director

Place: Hyderabad,
Date : 18th August, 2009.

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/ herself 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 commencement of the meeting.
3. The Register of Member and Share Transfer Books of the Company will be closed on 14th and 15th September, 2009. (Both Days inclusive)
4. Member are requested to notify immediately any change in their address, if any, to the Register and Share Transfer Agent of the company quoting their folio number.
5. Share holders seeking any information with regard to the accounts are requested to write to the Company at an early dates so as to enable the management to keep the information ready.
6. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed herewith.

EXPLANATORY STATEMENT :

Item No. 4 : The Board of Directors at their meeting held on 01-07-2009 appointed Sri. V.V.S.R. Anjaneyulu as Joint Managing Director for a period of three years effect from 01-07-2009 without any remuneration subject to the approval of the shareholders at the ensuing annual general meeting. Thus, the approval of the shareholders was required in terms of Section 269 read with schedule-XIII to the Companies Act, 1956.

None of the Directors except Sri. V.V.S.R Anjaneyulu was intrested in the resolution.

By Order of the Board
for ADITYA SPINNERS LIMITED

Sd/-
K. VIJAY KUMAR
Managing Director

Place: Hyderabad,
Date : 18th August, 2009.

DIRECTORS REPORT

TO

The Members,

Your Directors present herewith the 17 th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS :

Rs. in lacks

	2008-09	2007-08
Sales & Other Income	292.41	277.39
Profit/ (Loss) before depreciation and interest	86.17	131.95
Interest		3922.92
Depreciation	139.64	139.68
Profit / (Loss) before tax	(54.70)	(3930.65)
Provision for tax	NIL	NIL
Net Profit / (Loss)	(54.70)	(3930.65)

2. DIVIDEND :

The 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, the Company could not carry out its own production due to lack of working capital pending Rehabilitation Package with the Operating Agency viz., Industrial Development Bank of India and the Board for Industrial and Financial Reconstruction. The company earned conversion charges other income of Rs.292.41 lakhs mainly on account of jobwork operations. The company incurred a net Loss of Rs. 54.70 lakhs as against a net loss of Rs. 3930.65 lakhs incurred in the previous year.

4. REHABILITATION SCHEME :

The company is a sick Industrial company as declared by the Board for Industrial and Financial Reconstruction (BIFR) and as per the directions of the Hon'ble BIFR, the Operating Agency viz., M/s Industrial Development Bank of India (IDBI) has to prepare the Rehabilitation Scheme for revival of the unit in consultation with the company. The same is under finalization

5. DIRECTORS :

Sri G Satyanarayana, Director will be retiring by rotation at the ensuing Annual General Meeting being eligible, offers himself for reappointment.

Sri. K Ramesh ceased to be a director of the company due to his resignation as director of the company and the Board accepted the same on 30.04.2009 and conveyed its appreciation for his guidance and support during the tenure of office. Sri V.V.S.R Anjaneyulu was appointed by the Board as Joint Managing Director w.e.f 01-07-2009 for a period of three years. Your Directors recommend his appointment for approval of Shareholders.

6. DEPOSITS :

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

7. AUDITORS :

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

8. PARTICULARS OF EMPLOYEES :

The Particular 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 receipt of remuneration which in aggregate is Rs 24,00,000/- or more per year nor was in receipts of remuneration for any part of the year, of Rs 200,000/- or more per month.

9. 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 6-3-654, Somajiguda, Hyderabad; The Bombay Stock Exchange, Mumbai, P J Towers, Dalal Street, Fort, Mumbai. It is further informed that the Annual listing fees to all Stock Exchange for the year 2008-09 was paid.

Clause 49 Compliance:

A detailed compliance report on the Corporate Governance is enclosed to this Annual Report.

10. 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 the profit and loss of the company for the period.

(iii) The Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision 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.

11. INDUSTRIAL RELATIONS :

The Company has had harmonious industrial relations through out the year under review at all levels of organization. The Company would endeavor to maintain this cordial relationship in future also.

12. 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) Rule 1988 regarding conservation of energy, technology absorption and foreign exchange and foreign exchange earnings and out go has been given in a separate statement annexed here to, which forms part of the Directors' Report.

13. 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 Financial Corporation of India Limited, and Bankers viz., State Bank Hyderabad, State Bank of Patiala and State Bank of Travancore in arriving at a one time settlement.

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 : 18 th August, 2009.

Sd/-

K. VIJAY KUMAR

Managing Director

Sd/-

V.V.S.R. ANJANEYULU

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 :

—NIL—

(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**

	2008-09	2007-08
A. Power and Fuel Consumption:		
Electricity:		
i. Purchased:		
Total Units (KWH)	88,89,555	80,91,860
Rate per Unit in (Rs.)	3.06	3.22
ii. Own Captive generation:		
Units	-	-
Unit per litre of diesel	-	-
Cost per Unit (Rs.)	-	-
B. Consumption per unit of production:		
Yarn production (in kgs.)	12,87,521	10,90,645
Energy consumption (KWH) per kg. of yarn	6.90	7.42

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 : NIL

For and on behalf of the Board

Place: Hyderabad,
Date : 18th August, 2009.

Sd/-
K. VIJAY KUMAR
Managing Director

Sd/-
V.V.S.R. ANJANEYULU
Joint Managing Director

CORPORATE GOVERNANCE REPORT
(PURSUANT TO CLAUSE-49 OF THE LISTING AGREEMENT)

1. COMPANY'S PHILOSOPHY

The management believes that corporate growth, goals, transparency and enhanced shareholder value are to be achieved only through good corporate governance.

2. BOARD OF DIRECTORS

The Board of Directors of Aditya Spinners Limited now comprises three executive directors and two non-executive independent directors meeting the requirements of the listing agreement.

The composition and category of Directors as on March 31, 2009 are as follows :

Category	Name of Director
Promoter and Executive Directors :	Sri. R. Shiv Kumar, Executive Vice Chairman Sri. K. Vijay Kumar, Managing Director V.V.S.R. Anjaneyulu Joint Managing Director
Independent non-Executive Directors :	Sri. G. Satyanarayana Sri. K. V. A. Prasad

During the year 2008-09 the Board met 5 times on 30th April, 2008, 31st July, 2008, 27th August, 2008, 31st October, 2008 and 31st January, 2009. The following table shows details of directors, attendance of directors at the board meeting and at the last annual general meeting, number of membership held by the directors in the board committees of various other companies.

Name	Category	Attendance Board Meetings	Particulars Last AGM	No. of other Directorships held
Sri. G.Satyanarayana	INE	5	NO	-
Sri. R.Shiv Kumar	EVC	5	YES	-
Sri. K.Vijay Kumar	MD	5	YES	4
Sri. V V S R Anjaneyulu	JMD	5	—	3
Sri. K V A Prasad	INE	5	YES	1
Sri. K.Ramesh	ED	2	YES	-

INE - Independent and Non Executive

EVC - Executive Vice Chairman

MD - Managing Director

JMD - Joint Managing Director

ED - Executive Director

REAPPOINTMENT OF DIRECTORS:

Sri G Satyanarayana , Director will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Sri. K Ramesh ceased to be a director of the company due to his resignation as director of the company and the Board accepted the same on 30.04.2009 and conveyed its appreciation for his guidance and support during the tennure of office. Sri V.V.S.R Anjaneyulu was