

19th
Annual Report
2010-2011



Aditya Spinners Limited

BOARD OF DIRECTORS

Sri N. KRSIHNA MOHAN	Director
Sri G. SATYANARAYANA	Director
Sri K V A PRASAD	Director
Sri P. RAMAMOORTHY	Director
Sri R. SHIV KUMAR	Executive Vice Chairman
Sri K. VIJAY KUMAR	Managing Director

BANKERS

Axis Bank Limited
Srinagar Colony,
Hyderabad.

AUDITORS

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

REGISTRAR & SHARE TRANFER AGENTS

M/s Venture Capital & Corporate
Investments Pvt. Limited,
12-10-134, (MIG-134)
2nd Floor, Bharatnagar,
Hyderabad-500 038.

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 19th Annual General Meeting of the members of M/s. Aditya Spinners Limited will be held on Wednesday, the 28th day of September, 2011 at 02.00 p.m., at the 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 2011 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, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri. K.V A Prasad, Director who retires by rotation and being eligible, offers himself for reappointment.
4. To reappoint the retiring Statutory Auditors of the company to hold office from the conclusion of this meeting untill the conclusion of the next meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution

"Resolved that Sri N. Krishna Mohan, who was appointed as an Additional Director of the company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director and is hereby appointed a Director of the company liable to retirement by rotation."

6. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution

"Resolved that Sri P. Ramamoorthy, who was appointed as an Additional Director of the company by the Board of Directors and who ceases to hold the office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director and is hereby appointed a Director of the company liable to retirement by rotation."

7. To consider and if thought fit to pass with or without modification, the following resolution as an Special Resolution

"Resolved that pursuant to the provisions of section 198, 269, 309 read with Part II, Section II (B) of the Schedule XIII and other applicable provisions of the Companies Act, 1956 subject to such approvals of any authority as may be necessary for the increase in the remuneration of Sri K Vijay Kumar, Managing Director of the company from Rs.75000/- to Rs. 150000/- per month for a period of three years w.e.f. 01.10.2011 as detailed hereunder:-

I. Salary: Rs. 90000/- per month (Rupees Ninty thousands only)

II. Perquisites:

- 1) House Rent Allowance at 50% of the Salary per month
- 2) Medical Reimbursement of actual expenses for self and family Rs. 15000/- p.a.
- 3) Leave Travel Allowance for self and family once in a year up to a maximum of Rs. 165000/- p.a

III Other benefits:

- 1) Contribution to provident Fund, Superannuation Fund or annuity fund to the extent these wither singly or put together are not taxable under the Income tax Act, 1961.
- 2) Gratuity Payable at a rate not exceeding half a month's salary for each completed year of service.
- 3) Encashment of leave at the end of tenure.

The aggregate remuneration inclusive of salary and perquisites shall be subject to the maximum limits of Rs. 150000/- as laid down in Part-II-Section II (B) of Schedule XIII of the Companies Act, 1956.

"Resolved further that the Board of Directors of the Company be and hereby authorized to vary, alter or modify the different components of the above remuneration including any variation in the terms and conditions of the same at the discretion of the board within the maximum amount payable to the Managing Director in accordance with the Part-II-Section II (B) of Schedule XIII of the Companies Act, 1956 or any amendments for the time being in force applicable in this regard."

By Order of the Board
For ADITYA SPINNERS LIMITED

Sd/-
K. VIJAY KUMAR
Managing Director

Place: Hyderabad,
Date : 24th August, 2011.

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 Member and Share Transfer Books of the Company will be closed on 27th and 28th September, 2011 (Both days inclusive)
4. Members 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 date 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 UNDER SECTION 173(2)

Item No.5 :

Sri N. Krishna Mohan was appointed as an Additional Directors by the Board of Directors at their meeting held on 21.01.2011 and he holds office till the conclusion of the ensuing Annual General Meeting in terms of the Articles of Association and Company Law. As required by section 257 of the companies Act, 1956, notice was received from member of the company signifying their intention to propose appointment of Sri N. Krishna Mohan as Director along with a deposit of Rs.500/- for the proposed appointment.

The Board considered it desirable that the company should continue to avail of itself his services as director and recommended the resolution for approval of shareholders at the ensuing Annual General Meeting.

None of the directors is interested in the resolution except Sri N. Krishna Mohan.

Item No.6:

Sri P. Ramamoorthy appointed as an Additional Director by the Board of Directors at their meeting held on 18.07.2011 and he holds office till the conclusion of the ensuing Annual General Meeting in terms of the Articles of Association and Company Law. As required by section 257 of the companies Act, 1956, notice was received from member of the company signifying their intention to propose appointment of Sri P. Ramamoorthy as Director along with a deposit of Rs.500/- for the proposed appointment.

The Board considered it desirable that the company should continue to avail of itself his services as director and recommended the resolution for approval of shareholders at the ensuing Annual General Meeting.

None of the directors is interested in the resolution except Sri P. Ramamoorthy

Item No 7:

The Shareholders at the annual general meeting held on 28.09.2010 approved for reappointment of Sri K Vijay Kumar at a monthly remuneration of Rs.75000/- for a period of 3 years w.e.f. 01.04.2010. The Board has now decided to increase the remuneration payable to Sri K Vijay Kumar up to a maximum amount of Rs. 1,50,000/- per month for a period of 3 years w.e.f. 01.10.2011, which will be within the maximum limits provided in the Part-II-Section II (B) of the Schedule XIII of the Companies Act, 1956. The proposal for increase in the remuneration has been approved by the Remuneration Committee and the company is not in default of the debt during the preceding financial year. A separate statement as required under the part II of the schedule XIII is given in this regard. The same requires the approval of the shareholders by way of special resolution at the ensuing Annual General Meeting. Hence, The Board recommends the same for approval of the shareholders.

Except Sri K Vijay Kumar and Sri N Krishna Mohan, None of the directors is interested in the resolution.

By Order of the Board
For ADITYA SPINNERS LIMITED

Sd/-

K. VIJAY KUMAR
Managing Director

Place: Hyderabad,
Date : 24th August, 2011.

DIRECTORS' REPORT

TO

The Members,

Your Directors present herewith the 19th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

(Rs. in lakhs)

PARTICULARS	2010-11	2009-10
Sales	3234.60	2075.18
Profit/ (Loss) before depreciation and interest	373.00	(39.42)
Depreciation for the year	285.11	148.02
Interest for the year	23.26	6.00
Profit / (Loss) before tax	64.63	(114.60)
Depreciation for the earlier years	442.85	-
Net Profit / (Net Loss)	(378.22)	(114.60)

2. DIVIDEND

The Directors do not recommend any dividend because of accumulated losses and in view of the plans to revive the Unit as per the directions of the Hon'ble BIFR.

3. REVIEW OF OPERATIONS DURING THE YEAR

During the year under review, the Company achieved sales turnover of Rs. 3234.60 Lakhs as compared to that of Rs. 2075.18 Lakhs made during the corresponding previous year. For the year 2010-11, the company earned a profit of Rs.64.63 Lakhs as against the loss of Rs. 114.60 incurred during the corresponding previous year. The accumulated losses as on 31.03.2011 stood at Rs.23147.53 lakhs.

4. REHABILITATION SCHEME

Pursuant to the directions/orders of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) dated 27.05.2011 and 23.08.2011, the company is in the process of implementation of the Rehabilitation Scheme as approved on 23.08.2011 by the Hon'ble Board. The approved scheme mainly envisages reduction in the paid up capital by 60% and further allotment of share capital to the promoters and their associates and listing of the newly issued shares on the stock exchange. The company had taken steps to get the shareholders approval for the reduction and further allotment of share capital through postal ballot. The company is confident and sees no problem to revive the unit as committed in the approved scheme.

5. DIRECTORS

Sri G. Satyanarayana and Sri. K.V. A Prasad, Director's will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Sri. N. Krishna Mohan and Sri. P. Ramamoorthy were appointed as additional directors of the company and the Board recommends their reappointment for approval of share holders at the ensuing annual general meeting. Sri. V. V. S. R. Anjaneyulu ceased to be a Director of the Company.

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 G. Ramachandram & Co., Chartered Accountants, Hyderabad, will 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 60,00,000/- or more per year nor was in receipts of remuneration for any part of the year, of Rs 500,000/- 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 49 COMPLIANCE:

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

10. DIRECTORS' RESPONSIBILITY STATEMENT

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 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 the period.
- 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.
- 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 out go has been given in a separate statement annexed here to, which forms part of the Directors' Report.

13. CLARIFICATION ON THE OBSERVATIONS MADE IN THE AUDITORS REPORT

With regard to the auditors' observation on the secured loans as mentioned in the point No 11 of the Auditors' report for the year ended 31.03.2011, a separate disclosure is provided in the notes to accounts vide para no 5 which is self explanatory.

14. ACKNOWLEDGEMENT

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
Aditya Spinners Limited

Sd/-

Sd/-

Place: Hyderabad,

K. VIJAY KUMAR

N. KRISHNA MOHAN

Date : 24th August, 2011.

Managing Director

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.