

20th Annual Report 2011-2012



Aditya Spinners Limited



BOARD OF DIRECTORS

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

AUDITORS

C.Ramachandram&Co,
Chartered Accountants
3-6-237,Unit 606,
Lingapur la builde 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 20th Annual General Meeting of the members of Aditya Spinners Limited will be held on Tuesday, the 25th day of September, 2012 at 12.30 p.m., at Registered Office of the Company located at Perindesam Village, KVB 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 2012 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 N. Krishna Mohan, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri. P. Ramamoorthy, 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 that the consent of the Company be and is here by accorded under the provisions of section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company to borrow from time to time all such moneys as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed together with the moneys already borrowed by the Company (apart from temporary Loans obtained from the Company's Bankers in the Ordinary Course of Business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which the moneys may be borrowed by the Board of Directors (apart from the temporary loans obtained from the Company's

bankers) shall not exceed Rs. 25.00 Crores (Rupees Twenty Five Crores only) at any time.

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

"RESOLVED THAT Smt. K V Naga Lalitha, 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 as Director of the Company liable to retirement by rotation."

By Order of the Board
For ADITYA SPINNERS LIMITED

Sd/-

K. VIJAY KUMAR
Managing Director

Place: Hyderabad,
Date : 13th August, 2012.

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 24th and 25th September, 2012.
4. Members are requested to notify immediately any change in their address, if any, to the Registrar 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:

The approval of the shareholders is sought to permit the Board to borrow moneys in excess of the Company's capital and free reserves. This is permissible under section 293(1)(d) of the Companies Act, 1956, if the shareholders approve. With the Company's plans for expansion and diversification, Board of Directors of the Company thinks it is necessary to acquire the power and commends the passing of the resolution.

None of the Directors is in any way concerned or interested in this resolution.

Item No.6:

Smt K.V.Naga Lalitha was appointed as an Additional Director by the Board of Directors at their meeting held on 13.08.2012 and she 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 a member of the Company signifying his intention to propose appointment of Smt K V Nagalalitha as Director along with a deposit of Rs.500/- for the proposed appointment.

The Board considered it desirable that the Company should avail her services as Director and recommend the resolution for approval of shareholders at the ensuing Annual General Meeting.

None of the Directors is interested in the resolution except Smt K V Naga Lalitha, Mr. K Vijay Kumar and Mr.N Krishna Mohan who are related to her.

By Order of the Board
For ADITYA SPINNERS LIMITED

Place: Hyderabad,
Date: 13th August, 2012

Sd/-
K VIJAY KUMAR
Managing Director

DIRECTORS' REPORT

TO
The Members,
Your Directors present herewith the 20th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

PARTICULARS	(Rs. in lakhs)	
	2011-12	2010-11
Sales	3555.23	3293.35
Profit/ (Loss) before depreciation and interest	186.96	373.00
Depreciation	82.58	285.11
Interest for the year	77.32	23.26
Profit / (Loss) before tax	27.06	64.63
Deferred Tax	13.56	-
Depreciation for the earlier years	-	442.85
Net Profit / (Net Loss)	13.50	(378.22)

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. 3555.23 Lakhs as compared to that of Rs. 3293.35 Lakhs made during the corresponding previous year. For the year 2011-12, the company earned a profit of Rs. 13.50 Lakhs as against the loss of Rs. 378.22 incurred during the corresponding previous year.

4. FUTURE PLANS

The company is committed to maintain good quality products and was in the process of increasing the equipment base with an aim to increase the turnover to achieve the targeted profitability during the current year and the years to come and to provide satisfaction to all stakeholders including the customers. The margin will however continue to be under pressure due to increase in input cost power and coal. The severe shortage of power coupled with increase in power tariff would have an adverse effect on the profitability of the Company.

5. REHABILITATION SCHEME

Pursuant to the directions/orders of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) dated 12.09.2011, the Company is in the process of implementation of the Rehabilitation Scheme as approved. The approved scheme mainly envisages reduction in the paid up capital by 60% and further issue of shares to the promoters and their associates by converting the existing unsecured loans of Rs.914.00 lakhs and revive the listing of the shares on the Bombay Stock Exchange. The Company obtained the shareholders' approval for the capital reduction and further issue of shares through postal ballot. The Company applied to the BSE for listing of the capital reduction and further issue of shares. The Company is confident and sees no problem to revive the unit as committed in the approved scheme.

6. DIRECTORS

The Board of Directors of the company was duly constituted as required under the Companies Act, 1956 as well as per the Clause-49 of the Listing Agreement. There is no change in the composition of the board of directors during the year under report except retirement of directors by rotation as required under the Articles of Association of the company. Sri N.Krishna Mohan and Sri. P. Ramamoorthy Directors of the company will retire at the ensuing annual general meeting by rotation and being eligible, offer themselves for reappointment.

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 M/s C. Ramachandram & Co., Chartered Accountants, Hyderabad, will retire at the conclusion of this Annual General Meeting and they are eligible for reappointment and it was confirmed that their reappointment, if made, was within the specified limit under the Companies Act, 1956.

9. PARTICULARS OF EMPLOYEES

The Particular of employees required to be disclosed under Section 217(2A) of the Companies Act, 1956 read with the provisions contained in companies (Particulars of Employees) Rules 1975 as amended are not applicable.

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 49 Compliance:

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

11. 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 have 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.

12. INDUSTRIAL RELATIONS

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

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) 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.

14. AUDIT COMMITTEE AS PER THE COMPANIES ACT, 1956

Pursuant to section 292A of the Companies Act, 1956, Audit Committee is duly constituted and the members of the committee are Sri. P. Ramamoorthy, Independent Director and Chairman, Sri. KVA Prasad, Independent Director and Sri. K. Vijay Kumar, Managing Director.

15. 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 : 31st May, 2012. Managing Director Executive Chairman

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 :

- 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.
- Additional investments and proposals, if any, being implemented for reduction in consumption of energy : —NIL—
- 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.
- 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

	Current Year ended 31-03-2012	Previous year ended 31-03-2011
A. Power and Fuel Consumption:		
I. Electricity:		
a. Purchases (Units)	10582350	10499325
Total Amount (Rs.)	42337095	37893933
Total Units (KWH)		
Rate per Unit in (Rs.)	4.00	3.61
b. Own Captive generation:		
i. Through Diesel Generator (Units in lacks)	-	-
Unit per litre of diesel	-	-
Cost/Unit (Rs.)	-	-
ii. Through steam Turbine/Generator	NIL	NIL
Unit (No.s)	-	-
Units per Ltr. of Fuel Oil	-	-
Gas	-	-
Cost/Unit (Rs.)	-	-
B. Consumption per unit of production:		
Yarn production (in kgs.)	1554708	1526723
Energy consumption (KWH) per kg. of yarn	6.81	6.88

II TECHNOLOGY ABSORPTION

Efforts made to Technology absorption as per Form B of the Annexure to the Rules:
Not Applicable

III FOREIGN EXCHANGE EARNING AND OUTGO : NIL

For and on behalf of the Board
Aditya Spinners Limited

Sd/- Sd/-

Place: Hyderabad, K. VIJAY KUMAR N. KRISHNA MOHAN
Date : 31st May, 2012. Managing Director Executive Chairman