

18th
Annual Report
2009-2010



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

Axis Bank Limited
Srinagar Colony,
Hyderabad.

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 18th Annual General Meeting of the members of Aditya Spinners Limited will be held on Tuesday, the 28th day of September, 2010 at 12.30 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 2010 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 K V A Prasad, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To reappoint the retiring Statutory Auditors of the company to hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections-198, 269, 309 of the Companies Act, 1956 read with Section II of Part II of schedule XIII thereto and the Articles of Association of the company, consent of the company be and is hereby given for reappointment and payment of remuneration to Shri. K. Vijay Kumar, Managing Director of the company with effect from 01.04.2010 as minimum remuneration not exceeding Rs.75,000/- per month which the company is entitled to pay in the event of absence or inadequacy of profit for a term of three years with effect from that date."

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

"RESOLVED THAT pursuant to the provisions of Section-198, 269 and 309 of the Companies Act, 1956 read with Section II of Part II of schedule XIII thereto and pursuant to the Articles of Association of the company, consent of the company be and is hereby given to the reappointment and payment of remuneration to Shri. R. Shiv Kumar, Executive Vice Chairman of the company with effect from 01.04.2010 as minimum remuneration not exceeding Rs.75,000/- per month which the company is entitled to pay in the event of absence or inadequacy of profit, for a term of three years with effect from that date."

By Order of the Board
For ADITYA SPINNERS LIMITED

Sd/-
K. VIJAY KUMAR
Managing Director

Place: Hyderabad,
Date : 18-08-2010.

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, 2010 (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 UNDER SECTION 173(2):

Item No.4 and 5:

The reappointment of Sri. K. Vijay Kumar, Managing Director and Sri. R. Shiv Kumar, Executive Vice Chairman expired on 31.03.2010 pursuant to the resolutions approved by the shareholders at their 16th Annual General Meeting held on 27.09.2008. The Board of Directors of the company at their meeting held on 30.04.2010 had recommended their reappointment and payment of remuneration subject to the approval of the shareholders to pay a minimum remuneration of Rs.75,000/- per month with effect from 01.04.2010 as permissible in terms of Section 198 of the Companies Act, 1956 read with the Section II of Part II of Schedule XIII thereto for a term of three years. In compliance with the conditions as laid down under the said Schedule, resolutions were passed by the Remuneration Committee for payment of the remuneration, reappointment and the payment of remuneration is placed before the members for their approval.

None of the directors except Sri. K. Vijay Kumar and Sri. R. Shiv Kumar is interested or concerned in the resolutions.

By Order of the Board
For ADITYA SPINNERS LIMITED

Sd/-
K. VIJAY KUMAR
Managing Director

Place: Hyderabad,
Date : 18-08-2010.

DIRECTORS REPORT

TO
The Members,
Your Directors present herewith the 18th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS :

	Rs. in lakhs	
	2009-10	2008-09
Sales & Other Income	2075	292.41
Profit/ (Loss) before depreciation and interest	(33.42)	86.17
Depreciation	148.02	139.64
Profit / (Loss) before tax	(114.60)	(54.70)
Net Profit / (Loss)	(114.60)	(54.70)

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's sales were Rs. 2075 Lakhs.

4. REHABILITATION SCHEME:

The company had settled the dues of secured creditors under one time settlements and obtained NDC from all the financial institutions and banks. Pursuant to the directions of the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) dated 29.08.2008, the company had submitted the rehabilitation scheme, incorporating the reliefs and concessions sought from the concerned stakeholders, to the Operating Agency viz., M/s Industrial Development Bank of India (IDBI). The rehabilitation scheme will be submitted by the OA after their examination to the Hon'ble Bench for their consideration and approval. Your directors confident that favorable orders will be received soon which paves the way for ultimate revival of the company.

5. DIRECTORS

Sri K V A Prasad, Director will be retiring by rotation at the ensuring Annual General Meeting being eligible, offer himself for reappointment.

6. DEPOSITS

The Company did 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, 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 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 2009-10 is yet to be paid.

Clause 49 Compliance:

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

10. 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 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 to 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 for the valuable assistance extended to the company in settlements of debt by way of OTS.

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 : 18-08-2010.

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

	2009-10	2008-09
A. Power and Fuel Consumption:		
Electricity:		
i. Purchased:		
Total Units (KWH)	9252047	8889555
Rate per Unit in (Rs.)	3.01	3.06
ii. Own Captive generation:		
Units	-	-
Unit per litre of diesel	-	-
Cost per Unit (Rs.)	-	-
B. Consumption per unit of production:		
Yarn production (in kgs.)	1210061	1287521
Energy consumption (KWH) per kg. of yarn	6.44	6.90

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

	Sd/-	Sd/-
Place: Hyderabad,	K. VIJAY KUMAR	V.V.S.R. ANJANEYULU
Date : 18-08-2010	Managing Director	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, 2010 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 2009-10 the Board met 5 times on 30th April, 2009, 31st July, 2009, 18th August, 2009, 31st October, 2009 and 31st January, 2010. 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 Particulars		No. of other Directorships held
		Board Meetings	Last AGM	
Sri. Satyanarayana.G	INE	5	NO	-
Sri. Shiv Kumar .R	EVC	5	YES	-
Sri. Vijay Kumar.K	MD	5	YES	4
Sri. V V S R Anjaneyulu	JMD	5	—	4
Sri. K V A Prasad	INE	5	YES	1

INE - Independent and Non Executive

EVC - Executive Vice Chairman

MD - Managing Director

JMD - Joint Managing Director

ED - Executive Director

REAPPOINTMENT OF DIRECTORS :

Sri K.V.A. Prasad, Director will be retiring by rotation at the ensuring Annual General Meeting and being eligible, offer himself for reappointment.

3.COMMITTEES OF THE BOARD:

(a) SHARE TRANSFER COMMITTEE:

The Committee comprises of Sri V VS R Anjaneyulu and Sri K Vijay Kumar. The committee inter alia, approves issue of duplicate certificate and oversees and reviews all matters connected with the share transfer. The committee also looks into redressing of shareholders /investors complaints like transfer of shares, non receipt of balance sheet ,etc., and also notes transfer /transmissions of securities issued by the company. The Committee oversees the performance of the Register and Transfer Agents and recommends measures of overall improvement of the quality of investor services.

(b) AUDIT COMMITTEE:

The Committee comprises of three independent non executive directors viz. Sri G Satyanarayana Chairman, Sri K V A Prasad and Sri V V S R Anjaneyulu . The Audit Committee is inter alia responsible for the financial reporting and ensuring compliance also reviews the quarterly financial reporting and ensuring compliance with accounting standards and reviewing financial polices of the company. The Committee also reviews the quarterly financial results and the audited accounts before submission to the Board. During the year under review, the committee met five times.

(c) REMUNERATION COMMITTEE:

The Committee comprises three members viz. Sri G Satyanarayana, Chairman, Sri K V A Prasad and Sri V V S R Anjaneyulu. During the year no remuneration committee was convened.

(d) SHAREHOLDERS' COMMITTEE:

The Committee comprises of three members Directors viz., Sri G Satyanarayana, Chairman, Sri V V S R Anjaneyulu and Sri K Vijay Kumar. The committee shall look into the redressing of shareholder and investor Complaints like transfer of shares, non receipts of balance sheet, non receipt of declared dividends etc. The Committee oversees the performance of the Registrar and Transfer Agents, and recommends measure for overall improvement in the quality of investor services. The Company has received nil shareholders complaints during the year and resolving nil complaints. There were no pending complaints unresolved as on 31/03/2010.

4. General Body Meetings

The Last three Annual General Meetings of the company were held as under :

Financial Year	Venue	Date	Time	No.of special Resolutions Passed
17th AGM	Registered Office Perindesam Village, K.V.B.Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh.	15-09-09	12.30 P.M.	Nil
16th AGM	-DO-	27-09-08	12.30 P.M	One
15th AGM	-DO-	25-09-07	12.30 P.M.	Nil

Note: No postal ballots were used /invited for voting at these meetings in respect of special resolutions passed as there were no requirements for compliance at the time.

5. DISCLOSURES :

- There are no materially significant related party transaction that have potential conflict with the interests of the company at large. Suitable disclosure as required by the Accounting Standard (AS-18) Related party transactions, have been made in the Annual Report.
- Details of non compliance by the company, penalties, Strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years are nil
- Pecuniary Transaction with Non Executive Directors: Nil

6. MEANS OF COMMUNICATION :

- In compliance with the requirements of the Listing Agreement, the company regularly intimates un audited as well as audited financial results to the Stock Exchange immediately after they are taken on record by the Board.
- The financial results are generally published in the daily newspapers viz, Indian Express and Surya.
- Management Discussion and Analysis forms part of the annual report is posted to the shareholders of the company.

7. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Day and Date	: Tuesday, 28th September,2010
Time	: 12.30P.M
Venue	: Registered Office Perindesam Village, K.V.B.Puram Mandal ,Near Srikalahasti, Chittoor District, Andhra Pradesh.

b) Financial Calender -2010-11

Reporting of financial (Provisional)	
Results for quarter ending 30.06.10	: 31.07.2010
Results for quarter ending 30.09.10	: Last week of Oct., 2010
Results for quarter ending 31.12.10	: Last week of Jan., 2011
Results for quarter ending 31.03.11	: Last week of Apr., 2011

Annual General Meeting for the year Ending 31.03.2011

: Last week of Sep., 2011

c) Book Closure Dates

: Two days including the date of AGM

d) Dividend payment date

: Not applicable

e) Listing of Shares

The equity shares of the company are

Listed on the following stock exchanges : The Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-4000 001

f) Register and Transfer agents:

Demat and Physical Transfer Agents:

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

g) Share Transfer System:

Presently , the share transfers which are received in physical form are processed and the share certificates returned with in a period of 30 days from the date of receipt, subject to the valid and complete in all respects of the documents. The company has, as per SEBI notification dematerialized its shares and then offering the facility of transfer cum demat. Under the said system, after the share transfer is effected , an option letter is sent to the transferee indicating the details of the transferred shares

and requesting him in case he wishes to demat the shares, to approach their Depository Participant (DP) with the option letter. The DP based on the option letter, generates a demat request and sends the same to the company along with the option letter issued by the company. On receipt of the same, the company dematerialize the shares. In case the transferee does not wish to dematerialize the shares, he need not exercise the option and the company will dispatch the share certificates after 30 days from the date of such option letter.

h. Dematerialisation of shares:

The shares of the company are in compulsory demat segment. The company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2010 approximately of 4272080 shares are dematerialized representing 22.36% of the total issued capital.

i. Distribution shareholding as on 31st March, 2010 :

Shareholders	Shares	% of total
1. Promoters, Directors and their relatives	51,61,095	27.02
2. Mutual Funds	1,76,200	0.92
3. NRIs/OCBs	2,46,300	1.29
4. Banks, Financial Institutions	6,76,100	3.54
5. Private Corporate Bodies	5,62,149	2.94
6. Indian Public	1,22,78,156	64.29
Total	1,91,00,000	100.00

- j. Plant Location** : Perindesam Village,
K.V.B.Puram Mandal,
Near Sri kalahasti,
Chittoor District,
Andhra Pradesh.
- k. Address of correspondence** : M/s. Venture Capital & Corporate Investments Pvt Ltd.
12-10-134, (MIG-134). 2nd Floor, Bharat Nagar
Colony, Hyderabad - 500 038.

Managing Director Certification

The Managing Director certified to the Board that :

- a) They have reviewed financial statement and the cash flow statement for the year end that to the best of his knowledge and belief.
 - (i) These statement do not contain any materially untrue statement or omit material fact or compliance statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of his knowledge and belief no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) They accepted responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and he has disclosed to

the Auditors and Audit Committee deficiencies in the design or operation of internal controls, if any, of which he is aware and the steps taken or propose to take to rectify these deficiencies

- d) "They have intimated to the Auditors and the Audit Committee".
- (i) Any, significant changes in internal control over financial reporting during the year.
 - (ii) Any, significant Changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements and
 - (iii) Instances of significant fraud of which he became aware and the involvement there if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

The above certificate was placed before the Board at its meeting held on August 18th, 2010.

i. Demat Secretarial Audit :

The SEBI vide its circular No.D&CC/FITTC/CIR-16/2002, dated 31st December, 2002 has made it mandatory that a secretarial audit by a practicing Company Secretary be carried out to reconcile the total admitted capital with NSDL and 31-03-2010 and the same are taken note by the Board of Directors at their respective meetings held during the 2009-10 as mentioned here in above.

For and on behalf of the Board

Place: Hyderabad,
Date : 18-08-2010.

Sd/-
K. VIJAY KUMAR
Managing Director

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of

M/s Aditya Spinners Limited,

We have examined the compliance of the conditions of Corporate Governance by Aditya Spinners Limited for the year 31st March, 2010 as stipulated in clause 49 of the listing Agreement of the said Company, with the Stock Exchanges.

The Compliance of the conditions of corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring 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 explanations 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 further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For C.RAMACHANDRAM & CO.
Chartered Accountants.

Sd/-
C.RAMACHANDRAM
Partner
Membership No.25834

Place :Hyderabad
Date :18.08.2010

AUDITOR'S REPORT

To
The Members of
ADITYA SPINNERS LIMITED

1. We have audited the attached balance sheet of Aditya Spinners Limited as at March 31, 2010 and the related profit and loss Account for the year ended on that date annexed there of and the cash flow statement of the year ended on that date. These financial Statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimate made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of Section 227(4A) 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.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a) 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.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c) The balance Sheet and profit and loss account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the companies Act, 1956.
 - e) Based on the representations made by all the Directors of the Company as on March 31, 2010 and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the Company do not, prima face, have any disqualification as referred to in Clause (g) of subsection (1) to Section 274 of the Companies Act 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, *subject to our comments made on secured loans and interest on secured loans vide Notes on Accounts SI No.6*, 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 :
 - (i) in the case of the Balance Sheet, of the State of affairs of the Company as at March 31, 2010.
 - (ii) in the case of the profit and loss Account, of the loss for the year ended on that date, and
 - (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

For C.RAMACHANDRAM & CO.,
Chartered Accountants
Sd/-
C.RAMACHANDRAM
Partner
Membership No. 25834
Place: Hyderabad
Date: 18-08-2010.

ANNEXURE TO AUDITORS REPORT

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As explained to us the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
(c) In our opinion the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records in our opinion the Company is maintaining proper records of inventory. The Discrepancies noticed on Physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained U/s301 of the companies Act 1956.
(b) The Provisions of Clause (b), (c), and (d) of Paragraph 4(iii) of the companies (Auditors Report) order, 2003 are not applicable to the company.
(c) The Company has taken loans from one party covered in the register maintained U/ s.301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.14.55 lakhs and the year end balance of loans outstanding from such party was Rs.14.55 Lakhs.
(d) The rate of interest and other terms of loan as explained above, are prima facie not prejudicial to the interest of the company.
(e) The loans taken by the company are repayable on demand.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase 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 control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) According to the information and explanations given to us, the Company has not entered into any transaction for purchase of goods and materials and sale of goods and services made in the registers maintained u/s 301, of the Companies Act, 1956 aggregating during the year to Rs.5,00,000/- or more in respect of the each party.
6. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Company Act, 1956 and the rules framed there under.
7. In our opinion the company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of accounts maintained by the Company in respect of manufacturing yarn, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanation given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues

- including investor education and protection fund, wealth tax, custom duty, excise duty, service tax, cess, other statutory dues to the extent applicable to it.
- (b) **According to the information and explanations given to us no undisputed amounts payable in respect of income tax, wealth tax, services tax, custom duty, excise duty and cess were in arrears as at March 31, 2010 for a period of more than Six months from the date they became payable, except - In respect of Sales tax deferment dues, the company has not paid Rs.1,52,13,448/- as on March 31, 2010 for which the Company has a protection under Section 22(1) of Sick Industrial Companies (Special Provision) Act, 1985.**
 - (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, excise duty, service tax, custom duty, wealth tax and cess which have not been deposited on account of the dispute.
10. **In our opinion, the accumulated losses of the company are more than fifty percent of its net worth.** The company has not incurred cash losses during the financial year covered by our report and in the immediately preceding financial year.
 11. **According to the records of the Company examined by us and the information and explanations given to us, the Company has entered into One Time Settlement and cleared the entire dues as per the said OTS agreement made with them and the Company has obtained the No Dues Certificates from the Financial Institutions and Banks but the effect of OTS settlements were not reflected in the books of account .**
 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the company is not a chit fund or nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
 14. The company has maintained proper records of transactions and contracts in respect of purchase of shares and timely entries have been made therein. All shares have been held by the company its own name.
 15. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks for financial institutions during the year.
 16. The company has not raised any new term loans during the year. The term loans out standings at the beginning of the year were applied for the purposes for which they were raised.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
 18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
 19. The company has not issued any debentures during the year.
 20. The company has not raised any money by way of public issue during the year.
 21. 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 year, that causes the financial statements to be materially misstated.

For C.RAMACHANDRAM & CO.,
Chartered Accountants
Sd/
C.RAMACHANDRAM
Partner
Membership No. 25834
Place: Hyderabad
Date: 18-08-2010.

BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	Schedule	AS AT		AS AT
		31.03.2010	31.03.2009	31.03.2009
		Rupees		Rupees
I.SOURCES OF FUNDS				
1. SHARE HOLDERS' FUNDS :				
Share Capital	A	190022198	190022198	
Reserves & Surplus	B	1500000	1500000	191522198
2. LOAN FUNDS				
Secured Loans	C	2094725698	2110422399	
Unsecured Loans	D	129211173	98060574	2206482973
TOTAL		2415459069	2398005171	
II.APPLICATION OF FUNDS				
1. FIXED ASSETS :				
Gross Block	E	352897020	346518263	
Less: Depreciation		218439825	203637609	
Net Block		134457194	142880654	
2.INVESTMENTS	F	30000	30000	
3. CURRENT ASSETS, LOANS AND ADVANCES :				
Inventories	G	7971733	1728568	
Cash and Bank Balances	H	1165391	213807	
Sundry Debtors		1374987	0	
Loans and Advances	I	12257610	11121567	
		22769721	13063942	
Less: Current Liabilities	J	18728524	23440056	
Net Current Assets		4041197	(10376115)	
4. PROFIT AND LOSS ACCOUNT		2276930678	2265470632	
NOTES ON ACCOUNTS	N			
TOTAL		2415459069	2398005171	

As per our report of even date
For C.RAMACHANDRAM & CO.,
Chartered Accountants

For and on behalf of the Board

Sd/-
C.RAMACHANDRAM
Partner
Membership No. 25834
Place: Hyderabad,
Date : 18-08-2010.

Sd/-
K. VIJAY KUMAR
Managing Director
Sd/-
V. V. S. R. ANJANEYULU
Joint Managing Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH, 2010**

PARTICULARS	Schedule	For the	
		Year ended	Year ended
		31st March, 2010	31st March, 2009
		Rupees	Rupees
INCOME			
Sales	K	207518413	0
Increase / Decrease in Stocks		1048276	0
Conversion Charges		3982946	28995843
Other Income		0	245075
TOTAL		212549635	29240918
EXPENDITURE			
Manufacturing and Other expenses	L	208606886	20624151
Finance Charges	M	600578	122926
Depreciation	E	14802217	13963741
TOTAL		224009681	34710817
Profit / (Loss) for the year		(11460046)	(5469899)
Less: Prior Period Items (Net)		-	(261501)
Loss brought forward from Previous Year		2265470632	2260262233
Loss carried to Balance Sheet		2276930678	2265470632
Earnings per Share (Basic & Diluted) (Face value of Rs. 10/- each)		- 0.60	-0.29

As per our report of even date
For C.RAMACHANDRAM & CO.,
Chartered Accountants

For and on behalf of the Board

Sd/-
C.RAMACHANDRAM
Partner
Membership No. 25834
Place: Hyderabad,
Date : 18-08-2010

Sd/-
K. VIJAY KUMAR
Managing Director
Sd/-
V. V. S. R. ANJANEYULU
Joint Managing Director

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 st MARCH, 2010

Particulars	As at	
	31.03.2010 Rupees	31.03.2009 Rupees
SCHEDULE : A		
SHARE CAPITAL		
AUTHORISED		
2,40,00,000 Equity Shares of Rs.10/ each	240000000	240000000
30,00,000 Preference Shares of Rs. 10/-each	30000000	30000000
TOTAL	<u>270000000</u>	<u>270000000</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,91,00,000 Equity Shares of		
Rs.10/ each fully paid	191000000	191000000
Less: Calls in arrears	977802	977802
TOTAL	<u>190022198</u>	<u>190022198</u>
SCHEDULE : B		
RESERVES AND SURPLUS		
State Subsidy	1500000	1500000
TOTAL	<u>1500000</u>	<u>1500000</u>
SCHEDULE : C		
SECURED LOANS		
Long Term Loans from :		
Industrial Development Bank of India Ltd.,	57781000	57976000
Industrial Finance Corporation of India Ltd.,	31629374	32500000
Founded Interest (IDBI & IFCI)	15080362	15080362
State Bank of Hyderabad	1558217	106048953
Interest Accrued and Due on Term Loans	1930922016	1558217
		107114579
1930922016		1930922016
Working Capital Borrowings from:		
State Bank of Hyderabad	15078469	27593736
State Bank of Travancore	3884192	6000000
State Bank of Patiala	3980000	3980000
Interest Accrued and Due on Cash Credit:	34812068	57754729
	57754729	34812068
TOTAL	<u>2094725698</u>	<u>72385804</u>
		2110422399
SCHEDULE : D		
UNSECURED LOANS		
Sales Tax Deferment	28967579	28967579
Security Deposit (Shri Ompolycot Pvt. Ltd)	231415	231415
Loans from Directors	1455000	455000
Loans from Promoters Associates	81900073	66406580
Loan from Others	16657106	0
TOTAL	<u>129211173</u>	<u>96060574</u>

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 01.04.2009 Rs.	Additions during the Year Rs.	As At 31.03.2010 Rs.	Up To 31.03.2009 Rs.	For The Year Rs.	-Up To 31.03.2010 Rs.	As At 31.03.2010 Rs.	As At 01.04.2009 Rs.	
Land & Sits Development	5877766	0	5877766	0	0	0	5877766	5877766	
Buildings	106518779	0	106518779	39692427	3624527	43316954	65201825	68826352	
Plant and Machinery	226775929	6206282	232982211	159519866	10913587	170433453	62546738	67256063	
Office Equipment	1344121	30000	1374121	792516	64500	857016	517105	551605	
Furniture & Fixtures	1605854	62875	1668729	1326979	103774	1430753	237976	278575	
Computers	2395815	79600	2475415	2305821	95830	2401651	73764	89594	
TOTAL	<u>346518263</u>	<u>6378757</u>	<u>352897020</u>	<u>203637609</u>	<u>14802217</u>	<u>218439826</u>	<u>134457194</u>	<u>142880654</u>	
Previous Year	300925674	45592589	346518263	189673868	13963741	203637609	142880654	111309416	

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 st MARCH, 2010

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE : F INVESTMENTS (Quoted at cost)		
50 Equity shares of Rs.100/- each fully paid up in State Bank of Travancore	30000	30000
TOTAL	30000	30000
SCHEDULE : G INVENTORIES (As Certified by the Management)		
Raw Material	4493108	
Stores and Spares	2433623	1728568
Finished Goods	1048276	
TOTAL	7975007	1728568
SCHEDULE : H CASH AND BANK BALANCES		
Cash on Hand	189383	115706
Balance with scheduled Banks - in Current Account	976008	98101
TOTAL	1165391	213807
SCHEDULE : I LOANS AND ADVANCES (Unsecured and considered good)		
Advance recoverable in cash or in kind or for value to be received Balance with central excise Authorities in Current Account	5873410	4094100
Tax deduction at source	1694452	2788291
Deposits	4652081	4201507
TOTAL	12257610	11121565

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 st MARCH, 2010

Particulars	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE : J CURRENT LIABILITIES		
Sundry Creditors *	1573611	2868237
Sundry Creditors for Capital Items	358184	358184
Creditors for Expenses	14587772	18147756
Creditors for Others	2075849	677051
Tax Deduction At Source	133108	69903
Bank OD Balance	0	1318925
TOTAL	18728524	23440056
* Including dues to micro small & medium enterprises Rs. lakhs	5.20	5.02

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	For the Year ended 31-03-2010 Rupees	For the Year ended 31.03.2009 Rupees
SCHEDULE : K SALE ACCOUNT		
Consignment Sales	20209155	0
CST Sales	514752	0
E-1 Sales	186794506	0
TOTAL	207518413	0
SCHEDULE : L MANUFACTURING AND ADMINISTRATIVE EXPENSES :		
Feright and Other Expenses	1505556	1117515
Consumption of Raw Materials	119312621	0
Consumption of Stores and Others	12226507	0
Commission on Consignment Sale	202092	0
Expenses on Consignment Sales	202092	0
Salaries, Wages and Other Benefits	34992351	12547719
Welfare expenses	650053	534115
Printing and Stationery	269386	166947
Communication Expenses	302603	297121
Power and Fuel	29379697	0
Testing Charges	117657	0
Canteen Expenses	1369089	0
Books & Periodicals	7400	0

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010

Particulars	As at	As at
	31.03.2010	31.03.2009
	Rupees	Rupees
Other Allowances	647153	0
Travelling and Conveyance	493116	467233
Insurance	353294	460949
Rent, Rates and Taxes	331596	492064
Auditors Remuneration	75000	60000
Directors Remuneration	1680000	0
Legal and Consultancy Charges	379027	512775
Vehicle Hire and Maintenance	1577712	1207850
Office Maintenance	122654	186696
Advertisement and Publicity	94148	25453
Donations, Subscriptions and Periodicals	47559	21034
Repairs and Maintenance	850392	1475464
Other Expenses	451586	0
General Expenses	966543	1049217
Total	208606886	20624150

SCHEDULE : M

INTEREST AND FINANCE CHARGES

Interest on Term Loan	0	0
Interest on Working Capital	0	0
Interest Others	530383	68823
Bank charges	70195	54103
TOTAL	600578	122926

**SCHEDULE : N
NOTES ON ACCOUNTS**

1. Significant Accounting Policies:

i) ACCOUNTING CONVENTION:

The company follows the mercantile system of accounting. Accounting policies not referred to specifically otherwise, are consistent with generally accepted accounting principles. Although, the accumulated losses of the company together with the loss for the year ended 31st March, 2010 exceeded its capital & reserves, since the company, with its future plans, is hopeful of turning around, the accounts have been prepared on a going concern concept.

ii) FIXED ASSETS:

Fixed assets are stated at cost, less accumulated depreciation.

iii) DEPRECIATION:

Depreciation on Fixed Assets has been provided on straight line method at the rates and the manner prescribed in schedule XIV of the Companies Act, 1956.

iv) INVENTORIES:

Basis of valuation:

Finished Goods	:	At lower of cost or realizable value
Work in progress	:	At Cost
Raw Material	:	At Cost
Stores & Spares	:	At Cost

v) RETIREMENT BENEFITS:

The contribution to the Provident fund is charged against revenue. In respect of gratuity, the provision is made for all eligible employees and this has not been funded. Liability for leave encashment benefit is accounted for based on the assumption that such benefit is payable to all employees at the end of the Year.

vi) MISCELLANEOUS EXPENDITURE:

The preliminary and public issue expenses are amortized over a period of ten years.

vii) EXPENDITURE DURING CONSTRUCTION PERIOD

Expenditure during construction period is a capitalised during the year

viii) FOREIGN EXCHANGE TRANSACTION : NIL

ix) REVENUE RECOGNITION :

Revenue from sale of goods is recognised on dispatch and is inclusive of Sales Tax and Net of Sales Returns, where applicable.

x) Related Party Discloser :

Related Party : NIL

	31.03.2010 in Rs.	31.03.2009 in Rs.
2. Contingent liabilities in respect of		
a) Bank Guarantee	NIL	NIL
b) Letter of Cred	NIL	NIL

	31.03.2010 in Rs.	31.03.2009 in Rs.
3. Auditors' Remuneration		
For Statutory Audit	60000	50000
For Tax Audit	15000	10000

4. **Deferred Tax Asset**
Eventhough, the company has unabsorbed depreciation, carry forward losses and adjustments under section 43 B of Income Tax Act, 1961, Deferred Tax asset as per the Accounting Standard - 22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, has not been recognized and could not be qualified in the books of account since generation of sufficient taxable income in near future is uncertain.

5. Calls in arrears account is showing an amount of Rs.977802/- towards call money to be received. The amount of call money is still under reconciliation with the registers and is subject to confirmation.

6. **Secured Loans:**

i) The Term Loans are secured by:

- First Charge on all assets of the Company present and future, excluding the specified receivables charged to the bankers for working capital.
- Personal guarantees of Managing Director and three other promoters of the Company.
- Intrest on Term loan was not provided in the Books for the period since the company has entered into on OTS agreement with the Financial Institutions.

The Company has entered into One Time Settlement with all the above Financial Institutions and cleared the entire amount due as per OTS and obtained no due certificate but the impact of this OTS agreement was not reflected in the books of account pending finalization of DRS by BIFR resulting thereby overstatement of Long Term Loans and Interest accrued thereon by Rs. 20369.71 Lakhs.

ii) The working capital borrowings are secured by

- Hypothecation of raw material, stock in process, finished goods, receivables, and stores & spares.
- First Charge on all current assets past, present and future of the Company ranking pari passu among consortium.
- Second Charge on the fixed assets of the company.
- Personal Guarantees of the Managing Director and three other promoters of the Company.
- Intrest on working capital borrowings was not provided in the Books for the year since the Company is in the process of obtaining an OTS agreement from the respective Banks.

The Company has entered into One Time Settlement with all the above Banks and cleared the entire amount due as per OTS and obtained no due certificate but the impact of this OTS agreements was not reflected in the books of account pending finalization of DRS by BIFR resulting thereby overstatement of Long Term Loans and Interest accrued thereon by Rs. 577.55 Lakhs.

7. **Segment Accounting:**

The financial results relates to Textile segment only have no segment reporting is made in accordance with Accounting Standards - 17.

8. Balances due to or due from parties are subject to confirmation.

9. Quantitative information pursuant to the provisions of Paragraphs 3, 4C and 4D of Part II of Schedule VI of Companies Act, 1956 in respect of goods manufactured.

A) CAPACITY AND PRODUCTION :

Particulars	Year ended	
	31.03.2010	31.03.2009
a) Licensed Capacity	25,000	25,000
b) Installed Capacity	18,792	18,792

(As certified by the management and not verified by the auditors being a technical ma
B) PARTICULARS OF FINISHED GOODS AND OTHER MATERIALS

	31.03.2010		31.03.2009	
	Qty In Kgs	Amount in Rs.	Qty In Kgs	Amount in Rs
1. Opening Stock of Yarn	—	—	—	—
2. Production of Yarn	1216188	212312874	—	—
3. Sale of Yarn	1210061	211264595	—	—
4. Closing Stock of Yarn	6127	1048276	—	—
5. Consumption of Raw Material				
Indigenous		119312621	—	—
Percentage			—	—
Import			—	—
Percentage			—	—
6. Value of Stores & Spares				
Consumption (100% Indigenous)		12226507		NIL
7. CIF Value of Imported Raw Material		NIL		NIL
8. CIF Value of Imported Machinery		NIL		NIL
9. Expenditure in Foreign currency :				
Towards Commission on Sales		NIL		NIL
Towards Traveling Expenditure		NIL		NIL
10. Earnings in foreign exchange in				
Exports on F.O.B. basis		NIL		NIL
10. Previous year figures have been regrouped/reclassified wherever necessary for the current year classification.				
11. Figures have been rounded off to nearest rupee.				
Signature to Schedules A to M				

For C.RAMACHANDRAM & CO.,
Chartered Accountants

Sd/-

C.RAMACHANDRAM
Partner
Membership No. 25834

For and on behalf of the Board

Sd/-

K. VIJAY KUMAR
Managing Director

Sd/-

V. V. S. R. ANJANEYULU
Joint Managing Director

Place: Hyderabad
Date: 18-08-2010.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 st MARCH, 2010

	2009-2010		2008-2009	
	RS.	RS.	RS.	RS.
A. CASH FLOW FROM OPERATING ACTIVITIES				
ADJUSTMENT FOR :				
FRINGE BENEFIT TAX	(11460046)		(5731400)	
NET PRIOR YEAR EXPENSES	0		(261501)	
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		(11460046)		(5469899)
ADJUSTMENT FOR :				
DEPRECIATION	14802217		13963741	
INTEREST	0		122926	
INTEREST INCOME	0		(245075)	
	0	14802217		13841592
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		3342171		6371692
ADJUSTMENT FOR :				
DECREASE / INCREASE IN STOCKS	(6243165)		(482275)	
DECREASE / INCREASE IN DEBTORS	(1374987)		0	
DECREASE IN LOANS AND ADVANCES	(1136043)		(1109311)	
DECREASE IN CURRENT LIABILITIES	(4711532)	(13465727)	924361	(567226)
CASH GENERATED FROM OPERATING ACTIVITIES		(10123557)		7704467
INTEREST PAID		0		(12122926)
CASH FLOW BEFORE EXTRA-ORDINARY ITEMS		(10123557)		(4418459)
NET PRIOR PERIOD EXPENSES		0		261501
NET CASH FROM OPERATING ACTIVITIES		(10123557)		(4156958)
B. CASH FLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSETS	(6378757)		(45592589)	
DECREASE IN CAPITAL ADVANCES	0		44016207	
INTEREST INCOME	0	(6378757)	245075	(1331307)
NET CASH USED IN INVESTING ACTIVITIES		(16502313)		(5488264)
C. CASH FLOW FROM FINANCE ACTIVITIES				
PROCEEDS FROM LONG TERM BORROWINGS (NET)	(15696701)		(35000000)	
WORKING CAPITAL BORROWINGS	0		(9320000)	
PROCEEDS FROM UNSECURED LOANS	33150598		49854539	
NET CASH USED IN FINANCE ACTIVITIES		17453897		5534539
NET INCREASE CASH AND CASH EQUIVALENT (A+B+C)		951584		46274
OPENING CASH AND CASH EQUIVALENT		213807		167532
CLOSING CASH AND CASH EQUIVALENT		1165391		213807

As per our report of even date
for **C.RAMACHANDRAM & CO.,**
Chartered Accountants
Sd/-
C.RAMACHANDRAM
Partner
Membership No. 25834
Place : HYDERABAD
Date : 18-08-2010

For and on behalf of the Board

Sd/-
K. VIJAY KUMAR
Managing Director

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

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

Balance Sheet Abstract and Company General Business Profile.

I) Registration Details	Registration No: 01-12337 of 1990-91	State Code: 01	31	03	2010
	Balance Sheet Date		Day	Month	Year
II) Capital raised during the year (Amount in Rs. Thousands)	Public Issue				Right Issue
	NIL				NIL
	Bonus Issue				Private Placement
	NIL				NIL
III) Position of mobilization and Deployment of Funds (Amount in Rs. Thousands)	Total Liabilities				Total Assets
	2415459				2415459
Sources of Funds :	Paid Up Capital				Reserves & Surplus
	190022				1500
	Secured Loans				Unsecured Loans
	2094725				129211
Application of Funds :	Net Fixed Assets				Investments
	134457				30
	Net Current Assets				Misc. Expenditure
	(4041)				NIL
	Accumulated Loss				
	2276930				
IV. Performance of Company (Amount in Rupees in Thousands)	Turnover (including Stock adjustment and other income)				Total Expenditure (including Previous year adjustment)
	207518				224009
	Profit/(Loss) Before Tax				Profit/(Loss) After Tax
	(11460)				(11460)
	Earnings per Share In Rupees				Dividend rate %
	-0.60				NIL
V. Generic Name of Three Principal Products/Services of Company(as per monetary terms)	Item Code No				
					: 551110.00
					: 550200.02
	(ITC Code)				: 610516.02
VI. Product Description	Polyester and Viscose Blended Yarn				
	100% Viscose Yarn				
	100% Polyester Yarn				

Signature to Schedules A to M

As per our report of even date
for **C.RAMACHANDRAM & CO.,**
Chartered Accountants
Sd/-
C.RAMACHANDRAM
Partner
Membership No. 25834
Place : HYDERABAD
Date : 18-08-2010

For and on behalf of the Board

Sd/-
K. VIJAY KUMAR
Managing Director

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

Aditya Spinners Limited

Regd. Office : Perindesam Village, K.V.B. Puram Mandal,
Near Srikalahasti, Chittoor District, A.P.

PROXY FORM

Regd.FolioNo. _____ No. of equity Shares held _____

I/We _____

of _____ being _____

a Member/Members of Aditya Spinners Limited hereby
appoint _____ of

_____ falling him/her _____

of _____ or falling him/her _____

of _____ as my/our proxy to vote for me/is on my/our behalf at the
Eighteenth Annual General Meeting of the Company to be held at the Registered Office of the
Company located at Perindesam Village, K.V.B Puram Mandal, Near Srikalahasti, Chittoor
District, Andhra Pradesh on Tuesday, the 28th day of September, 2010 at 12.30P.M. and at
any adjournment thereof.

Signed this the _____ day of September 2010.

Note : This form duly completed should be deposited at the Registered Office of the
Company not less than 48 hours the commencement of the meeting.

Affix
Re. 1/-
Revenue
Stamp

Registrar and Transfer agents:

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

Aditya Spinners Limited

Regd. Office : Perindesam Village, K.V.B. Puram Mandal,
Near Srikalahasti, Chittoor District, A.P.

ATTENDANCE

Please complete this attendance slip and hand it over at the Entrance of the Meeting Hall.
Only members or their proxies are entitled to be present at the meeting Member's Reg Folio

No. No. Equity share held Name of the shareholder/
proxy

Address

I/We hereby record my/our presence at the Eighteenth Annual General Meeting of the Company
held the Registered Office of the Company located at Perindesam Village, K.V.B. Puram
Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh On Tuesday, the 28th day of
September, 2010 at 12.30P.M.

Signature of the Shareholder/Proxy: _____