

19th
Annual Report
2010-2011



Aditya Spinners Limited



BOARD OF DIRECTORS

Sri N. KRISHNA 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 TRANSFER 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 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 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 until 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

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The directors had selected such accounting policies and applied them consistently and made Judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for 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. 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 6 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.

FORM - A

	Current Year ended 31-03-2011	Previous year ended 31-03-2010
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A. Power and Fuel Consumption:		
I. Electricity:		
a. Purchases (Units)	10499325	9252047
Total Amount (Rs.)	37893933	29379697
Rate per Unit in (Rs.)	3.61	3.18
b. Own Captive generation:		
i. Through Diesel Generator (Units in lacks)		
Unit per litre of diesel	-	-
Cost/Unit (Rs.)	-	-
ii. Through steam Turbian/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.)	1526723	1216188
Energy consumption (KWH) per kg. of yarn	6.88	7.61

FORM - B

Form for Disclosure of particulars with respective absorption, research and development (R&D)
No R&D was carried out and no expenses were incurred on R&D

FORM - C

FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. Activities relating to exports, initiatives taken to increase exports, development if new export markets for products, services and export plans.	NIL	NIL
2. Total Foreign exchange used and earned	NIL	NIL

For and on behalf of the Board
Aditya Spinners Limited

Sd/- Sd/-

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

K. VIJAY KUMAR
Managing Director

N. KRISHNA MOHAN
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 three non-executive independent directors meeting the requirements of the listing agreement.

The composition and category of Directors as on March 31, 2011 are as follows :

Category	Name of Director	Designation
Promoter and Executive Directors :	Sri. R. Shiv Kumar	Executive Vice Chairman
	Sri. K. Vijay Kumar	Managing Director
	Sri. N. Krishna Mohan	Director
Independent non-Executive Directors :	Sri. G. Satyanarayana	Director
	Sri. K. V. A. Prasad	Director
	Sri. P. Ramamoorthy	Director

During the year 2010-11 the Board met 5 times on 30th April, 2010, 31st July, 2010, 18th August, 2010, 30th October, 2010 and 21st January, 2011. 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. Krishna Mohan .N	FED	1	NO	3
Sri. Vijay Kumar.K	MD	5	YES	4
Sri. K V A Prasad *	INE	-	YES	1
Sri. Ramamoorthy P.	INE	-	NO	-

INE - Independent and Non Executive

EVC - Executive Vice Chairman

MD - Managing Director

PED - Promoter Executive Director

* Sri K V A Prasad has obtained leave of absence for all the Meetings.

REAPPOINTMENT OF DIRECTORS

Sri G. Satyanarayana and Sri. K V A Prasad Directors' will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Sri. G. Satyanarayana is a Chartered Accountant in practice for more than decades and his presence was felt necessary for proper guidance and directions on the company matters. Sri. N. Krishna Mohan was an industrialist with more than three decades of experience in running the companies and he is a Cost Accountant and Company Secretary.

Sri. P. Ramamoorthy was appointed as additional director and he is a commerce graduate with more than two decades of experience in the finance and accounts and his presence was felt necessary on the board of the company.

3.COMMITTEES OF THE BOARD

(a) SHARE TRANSFER COMMITTEE

The Committee comprises of Sri P. Ramamoorthy 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 Registrar 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 P. Ramamoorthy. The Audit Committee is inter alia responsible for the financial reporting and ensuing compliance also reviews the quarterly financial reporting and ensuing compliance with accounting standards and reviewing financial policies 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 P. Ramamoorthy. During the year the committee has recommended to the board for increase in remuneration payable to the managing Director from Rs. 75,000/- to Rs. 1,50,000/- per month as per schedule XIII of the companies act.

(d) SHAREHOLDERS' COMMITTEE

The Committee comprises of three members Directors viz., Sri G Satyanarayana, Chairman, Sri P. Ramamoorthy 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 five shareholders complaints during the year and resolved the five complaints. There were no pending complaints unresolved as on 31/03/2011.

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
18th AGM 31-03-10	Registered Office Perindesam Village, K.V.B.Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh.	28-09-10	12.30 P.M.	Nil
17th AGM 31-03-09	-DO-	15-09-09	12.30 P.M	NIL
16th AGM 31-03-08	-DO-	27-09-08	12.30 P.M.	One

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 unaudited 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

- Annual General Meeting

Day and Date	: Wednesday, 28th September, 2011
Time	: 2.00 P.M
Venue	: Registered Office Perindesam Village, K.V.B.Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh.
- Financial Calender -2011-12

Reporting of financial (Provisional)	
Results for quarter ending 30.06.11	: Due on 15.08.2011
Results for quarter ending 30.09.11	: Due on 15.11.2011
Results for quarter ending 31.12.11	: Due on 15.02.2012
Results for quarter ending 31.03.12	: Due on 15.05.2012
Annual General Meeting for the year Ending 31.03.2012	: Last week of Sep., 2012
- Book Closure Dates : Minimum 1day including the date of AGM
- Dividend payment date : Not applicable
- 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
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- 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.
- 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, 2011 approximately 4272080 shares are dematerialized representing 22.36% of the total issued capital.

i. Distribution shareholding as on 31st March, 2011 :

Shareholders	Shares	% of total
1. Promoters, Directors and their relatives	51,61,095	27.02
2. Mutual Funds	1,75,800	0.92
3. NRIs/OCBs	2,35,500	1.23
4. Banks, Financial Institutions	6,76,100	3.54
5. Private Corporate Bodies	5,63,650	2.95
6. Indian Public	1,22,87,855	64.34
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 :** 12-10-134, (MIG-134) 2nd Floor,
Bharath 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 and 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 their 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 they have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and Audit Committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have 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 24th August, 2011.

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 as on 31-03-2011 and the same are taken note by the Board of Directors at their respective meetings held during the 2010-11 as mentioned here in above.

For and on behalf of the Board
Aditya Spinners Limited

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

Sd/-
K. VIJAY KUMAR
Managing Director

Sd/-
N. KRISHNA MOHAN
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 M/s. Aditya Spinners Limited for the year 31st March, 2011 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 ensuing 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 :24th August, 2011

AUDITORS' REPORT

To
The Members of
M/s ADITYA SPINNERS LIMITED

1. We have audited the attached balance sheet of M/s. Aditya Spinners Limited as at March 31, 2011 and the related profit and loss Account for the year ended on that date annexed there to 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 misstatements. 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 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement 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, 2011 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 vide Notes on Accounts Sl 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, 2011.
- (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: 24th August, 2011

ANNEXURE TO AUDITORS REPORT

(Referred to in paragraph 3 of our report of even date)

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 two parties 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. According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements which need to be entered in the register maintained under section 301 of the Act. In view of this, paragraphs 4 v (a) and 4 v (b) of CARO are not applicable.

6. The Company has not accepted any deposits from the public within the meaning of sections 58 A and 58AA or any other relevant provisions of the Company Act, 1956 and the ruled 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, 2011 for a period of more than Six months from the date they became payable, except - In respect of Sales tax deferment dues amounting to a total of Rs.2,89,67,579/-. The Company has obtained relief from BIFR in respect of these dues to repay the same in equal instalments over a period of Six Years commencing from 1st April 2011.**
 (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 networth. 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 in respect of Long Term Loans including interest accrued thereon and cleared the entire dues as per said OTS agreement made 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. 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.

15. The company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.
16. 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.
17. 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.
18. The company has not issued any debentures during the year.
19. The company has not raised any money by way of public issue during the year.
20. 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: 24th August, 2011.

BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	Schedule	AS AT	
		31.03.2011 Rupees	31.03.2010 Rupees
I.SOURCES OF FUNDS			
1. SHARE HOLDERS' FUNDS :			
a) Share Capital	1	190022198	190022198
b) Reserves & Surplus	2	1500000	1500000
2. LOAN FUNDS			
a) Secured Loans	3	2094725698	2094725698
b) Unsecured Loans	4	129381442	129211173
TOTAL		2415629338	2415459069
II.APPLICATION OF FUNDS			
1. FIXED ASSETS :	5		
Gross Block		362238551	352897020
Less: Accumulated Depreciation		291235763	218439825
Net Block		71002788	134457194
2. INVESTMENTS	6	30000	30000
3. CURRENT ASSETS LOANS AND ADVANCES :	7		
a) Inventories		15156505	7971733
b) Sundry Debtors		27266478	1374987
c) Cash and Bank Balances		2545903	1165391
d) Loans and Advances		24457364	12257610
		69426250	22769721
Less: Current Liabilities & Provisions	8	39582233	18728524
Net Current Assets		29844017	4041197
4. PROFIT AND LOSS ACCOUNT		2314752533	2276930678
TOTAL		2415629338	2415459069

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **C.RAMACHANDRAM & CO.,**
Chartered Accountants

Sd/-
C.RAMACHANDRAM
Partner

Membership No. 25834

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

For and on behalf of the Board
Aditya Spinners Limited

Sd/-
K. VIJAY KUMAR
Managing Director

Sd/-
N. KRISHNA MOHAN
Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 st MARCH,2011**

PARTICULARS	Schedule	For the	
		Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
INCOME			
Sales	9	323459677	207518413
Increase / (Decrease) in Stocks	10	4708288	1048276
Other Income	11	434348	3982946
TOTAL		328602313	212549635
EXPENDITURE			
Material Consumption	12	186996537	131539128
Manufacturing, Administrative, selling & other Expenses	13	104305694	77067758
Interest & other Finance Charges	14	2326001	600578
Depreciation	5	28510890	14802217
TOTAL		322139122	224009681
Profit / (Loss) for the year before Tax		6463191	(11460046)
Less : Adjustment for Arrears of Depreciation		44285046	-
Profit / (Loss) after adjustment for Arrears of Depreciation		(37821855)	(11460046)
Balance brought forward		(2276930678)	(2265470632)
Balance carried to Balance Sheet		(2314752533)	(2276930678)
Notes to the Accounts	15		
Basic Earnings Per Equity Share of Rs. 10/- each Annualised (Rs.)		(1.98)	(0.60)

The Schedules referred to above form an integral part of the Profit & Loss account

As per our report of even date attached

For **C.RAMACHANDRAM & CO.,**
Chartered Accountants

Sd/-
C.RAMACHANDRAM
Partner

Membership No. 25834

Place: Hyderabad,
Date : 24th August, 2011

For and on behalf of the Board
Aditya Spinners Limited

Sd/-
K. VIJAY KUMAR
Managing Director

Sd/-
N. KRISHNA MOHAN
Director

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
-------------	-------------------------------	-------------------------------

**SCHEDULE : 1
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	270000000	270000000

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	190022198	190022198

**SCHEDULE : 2
RESERVES AND SURPLUS**

State Subsidy	1500000	1500000
TOTAL	1500000	1500000

**SCHEDULE : 3
SECURED LOANS**

Long Term Loans from :

Industrial Development Bank of India Ltd.,	57781000	57781000
Industrial Finance Corporation of India Ltd.,	31629374	31629374
Funded Interest (IDBI & IFCI)	15080362	15080362
State Bank of Hyderabad	1558217	1558217
	106048953	106048953
Interest Accrued and Due on Term Loans	1930922016	1930922016

Working Capital Borrowings from:

State Bank of Hyderabad	15078469	15078469
State Bank of Travancore	3884192	3884192
State Bank of Patiala	3980000	3980000
Interest Accrued and Due on Cash Credit:	34812068	34812068
	57754729	57754729
TOTAL	2094725698	2094725698

**SCHEDULE : 4
UNSECURED LOANS**

- From Directors	1455000	1455000
- From Others	98958863	98788594
- Sales Tax Deferment	28967579	28967579
TOTAL	129381442	129211173

**SCHEDULE: 5
FIXED ASSETS**

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 01.04.2010 Rs.	Additions during the Year Rs.	As At 31.03.2011 Rs.	Up To 31.03.2010 Rs.	For The Year Rs.	-Up To 31.03.2011 Rs.	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
Land & Site Development	5877766	-	5877766	-	-	-	5877766	5877766
Buildings	108518779	-	108518779	43316994	3624527	46941481	61577298	65201625
Plant and Machinery	232982211	8959793	241942004	170433453	68881894	239315347	26266657	62548758
Office Equipment	1374121	35610	1409731	857016	87749	944765	464966	517105
Furniture & Fixtures	1668729	197688	1866417	1430753	109477	1540230	326187	237976
Computers	2475415	148440	2623855	2401651	92289	2493940	129915	73764
TOTAL	352897020	9341531	362238551	218439826	72795936	291235763	71002788	134457194

Depreciation for the year of Plant & Machinery includes Rs. 44285046/- pertaining to earlier years

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE : 6		
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 : 7		
CURRENT ASSETS, LOANS & ADVANCES		
A) CURRENT ASSETS		
a) Inventories		
(As Certified and valued by the Management)		
Raw materials	6759576	4493108
Finished goods	1910249	1048276
Work in Progress	3846315	-
Stores and Spares	2640365	2430349
	15156505	7971733
b) Sundry Debtors		
Unsecured	27266478	1374987
c) Cash and Bank Balances		
Cash on hand	54534	189383
Balance with Scheduled Banks in current accounts	2491369	976008
	2545903	1165391
B. LOAN AND ADVANCES		
(Unsecured and considered good)		
Advance recoverable in cash or in kind or for value to be received	336574	82453
Advances - Creditors	17348497	5891411
Deposit with Govt. & Public Bodies	4589294	4589294
Deposit - Others	2182999	1694452
	24457364	12257610
TOTAL	69426250	22769721

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE : 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
- For Goods & Services **	19105295	4140752
- For Expenses	19149496	14587772
Advances from customers	1327442	-
TOTAL	39582233	18728524
** There are no dues Micro, Small and Medium Enterprises under MSMED Act.		
SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT		
FOR THE YEAR ENDED 31st MARCH, 2011		
Particulars	For the Year ended 31-03-2011 Rupees	For the Year ended 31.03.2010 Rupees
SCHEDULE : 9		
SALES		
Consignment Sales	25715055	20209155
CST Sales	293823280	187309258
Freight Collected	3921343	-
	323459677	207518413
SCHEDULE : 10		
Incr/(Decr) IN STOCKS:		
<u>Opening Stocks</u>		
Work-in-Process	-	-
Finished Goods	1048276	-
<u>Closing Stocks</u>		
Work-in-Process	3846315	-
Finished Goods	1910249	1048276
	5756564	1048276
Increase/(Decrease) in stocks	4708288	1048276
SCHEDULE : 11 - Other Income		
Conversion Charges	-	3982946
Other Income	434348	-
	434348	3982946
SCHEDULE : 12		
Material Consumption		
Raw Material Consumed	172689808	119312621
Stores & Spares Consumed	14306729	12226507
	186996537	131539128

SCHEDULE : 13**MANUFACTURING ADMINISTRATIVE
& SELLING EXPENSES :**

MANUFACTURING EXPENSES			
Power & Fuel	37893933	29379697	
Repairs & Maintenance			
Plant & Machinery	1820398		
Others	76033	2428104	
	39790364		31807801

EMPLOYEE COST

Salaries & wages	32251840	28575592	
Contribution to Provident Fund and Other funds	2029535	1670684	
Stipend	5933024	4746075	
Employees welfare expenses	2143137	2019142	
	42357536		37011493

ADMINISTRATIVE EXPENSES

Directors Remuneration	1800000	1680000	
Insurance	500112	353294	
Rent	178300	114384	
Rates & Taxes	803316	217214	
Travelling & Conveyance Expenses	2732333	493116	
Printing & Stationery	363613	269383	
Postage & Telegraphs	152509	85950	
Donation	17378	10000	
Communication Expenses	290377	302603	
Security Service Charges	1185304	1205931	
Auditors Remuneration	85000	75000	
Legal & Professional Charges	604587	379027	
Service Tax	165981		
Misc Expenses	2514992	1058674	
	11393802		6244576

SELLING & DISTRIBUTION EXPENSES

Freight Charges Outward	4593955	1505556	
Product Promotional expenses	27696	94148	
Trade Discounts	6142342	404184	2003888
TOTAL	104305694	77067758	

SCHEDULE : 14**INTEREST AND OTHER FINANCE CHARGES**

On Term Loan	-	-	
On Working Capital	-	-	
On Others	2242847	530383	
Bank charges	83154	70195	600578
TOTAL	2326001	600578	

SCHEDULE : 15**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 March 31, 2011 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 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 DISCLOSURE:

Related Party: Sri Chakra Cement Ltd
 Related Party Transactions: Loans & Advances amounting to Rs. 25.04 Lakhs
 Outstanding balance with related party as on March 31, 2011: Rs.12.24 Lakhs

xi) Impairment of Assets:

To provide for impairment loss, if any, to the extent, the carrying amount of assets

exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

	31.03.11 In Rs.	31.03.10 In Rs.
2. Contingent Liabilities in respect of		
a) Bank Guarantee	NIL	NIL
b) Letter of Credit	NIL	NIL
3. Auditor's Remuneration	31.03.11	31.03.10
For Statutory Audit	Rs.70,000/-	Rs.60,000/-
For Tax Audit	Rs.15,000/-	Rs.15,000/-

4. **Deferred Tax Asset**
Even though, the company has unabsorbed depreciation, carry forward losses and adjustments under section 43B of Income tax Act, 1961, Deferred Tax asset as per the Accounting Standard -22 "Accounting for taxes on incomes" issued by the Institute of Chartered Accountants of India, has not been recognized and could not be quantified 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.977,802/- towards call money to be received. The amount of call money is still under reconciliation 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.
- Interest on Term Loan was not provided in the Books for the period since the company has entered into an 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 agreements was not reflected in the books of account 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 progress, 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 fixed assets of the company.
- Personal Guarantees of the Managing Director and three other promoters of the company.
- Interest on working capital borrowings was not provided in the Books for the year since the company has entered into an OTS agreement with 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 resulting thereby overstatement of Long Term Loans and Interest accrued thereon by Rs.577.55 Lakhs.

7. **Segment Accounting:**
The Company has no reportable segments under AS-17.
8. Balances due to or due from parties are subject to confirmation.
9. For the years 2006-07 to 2009-10 depreciation was charged on Continuous Process basis. Since the factory has actually worked on triple shift basis, depreciation was reworked and provided for the difference amounting to Rs.44285046/- during the current year.
10. 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 31.03.2011	Year ended 31.03.2010
a) Licensed Capacity	25,000	25,000
b) Installed Capacity	18,792	18,792
Actual Production	1526723	1216188

(As certified by the management and not verified by the auditors being a technical matter)

B) **PARTICULARS OF FINISHED GOODS AND OTHER MATERIALS**

	31.03.2011		31.03.2010	
	Qty In Kgs	Amount in Rs.	Qty In Kgs	Amount in Rs.
1. Opening stock of yarn	6127	—	—	—
2. Sale of yarn	1515552	323459677	1210061	211264595
3. Closing stock of yarn	17079	—	6127	1048276
4. Loss/samples	219	—	—	—
5. Consumption of Raw Material:		172689808	—	119312621
Indigenous	—	—	—	—
Percentage	—	—	—	—
Import	—	—	—	—
Percentage	—	—	—	—
6. Value of stores & spares				
Consumption (100% Indigenous)		14306729		12226507
7. Imported Raw Material	NIL		NIL	
8. Imported Machinery	NIL		NIL	
9. Expenditure in foreign currency:	NIL		NIL	
10. Earnings in foreign exchange in Exports on F.O.B basis	NIL		NIL	

11. Previous year figures have been regrouped / reclassified wherever necessary to confirm to the current year classification.

12. Figures have been rounded off to nearest rupee.
Signature to Schedules 1 to 15

As per our report of even date	For and on behalf of the Board	
For C.RAMACHANDRAM & CO.,	Adity Spinners Limited	
Chartered Accountants	Sd/-	Sd/-
Sd/-	K. VIJAY KUMAR	N. KRISHNA MOHAN
C.RAMACHANDRAM	Managing Director	Director
Partner		
Membership No. 25834		
Place : HYDERABAD		
Date : 24th August, 2011		

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 - of 90-91 State Code

Balance Sheet Date

II) Capital raised during the year (Amount in Rs. Lakhs)

Public Issue Right Issue

Bonus Issue Private Placement

III) Position of mobilization and Deployment of Funds (Amount in Rs. Lakhs)

Total Liabilities Total Assets

Sources of Funds : Reserves & Surplus

Paid-Up Capital

Secured Loans Unsecured Loans

Application of Funds : Net Fixed Assets Investments

Net Current Assets Miscellaneous Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rupees in Lakhs)

Turnover Total Expenditure

Profit/(Loss) Before Tax Profit/(Loss) After Tax

(Please Tick Appropriate box + for Profit, - for Loss)

Earnings per Share in Rs. Dividend Rate %

V. Generic Name of Three Principal Products/Services of Company(as per monetary terms)

Item Code No (ITC Code)

Product Description

P	O	L	Y	E	S	T	E	R	&	V	I	S	C	O	S	E
B	L	E	N	D	E	D	Y	A	R	N						
1	0	0	%	V	I	S	C	O	S	E	Y	A	R	N		
1	0	0	%	P	L	O	Y	E	S	T	E	R	Y	A	R	N

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2011

	2010-2011 RS.	2009-2010 RS.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax & Extra-Ordinary items	6463191	(11460046)
Adjustments for : Depreciation	28510890	14802217
Operating Profit before Working Capital Changes	34974081	3342171
Adjustments for:		
Decrease/increase in Stocks	(38091245)	(6243165)
Decrease/increase in Debtors	(7184772)	(1374987)
Decrease/increase in Loans & Advances	20853710	(1136043)
Decrease in Current Assets	-	(4711532)
Cash generated from operations (A)	10551774	(10123556)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets incl. CWIP	(9341531)	(6378757)
Net Cash Flow in Investing Activities (B)	(9341531)	(6378757)
Total (A + B)	1210243	(16502313)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings (Net)	-	(15695701)
Proceeds from Unsecured Loans	170269	33150598
Net Cash Flow from Financing Activities (C)	170269	17453897
Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	1380512	951584
Cash and Cash equivalents (Opening Balance) (01.04.10)	1165391	213807
Cash and Cash equivalents (Closing Balance) (31.03.11)	2545903	1165391

As per our report of even date
For C.RAMACHANDRAM & CO.,
Chartered Accountants
Sd/-
C.RAMACHANDRAM
Partner
Membership No. 25834
Place : HYDERABAD
Date : 24th August, 2011

For and on behalf of the Board
Aditya Spinners Limited
Sd/-
K. VIJAY KUMAR
Managing Director
Sd/-
N. KRISHNA MOHAN
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
Nineteenth 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 Wednesday, the 28th day of September, 2011 at 2.00P.M. and at
any adjournment thereof.

Signed this the _____ day of September 2011.

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

Affix
Re. 1/-
Revenue
Stamp

Registrar and Transfer agents:
M/s Venture Capital & Corporate Investments Pvt. Limited,
12-10-134 (MIG-134), 2nd Floor,
Bharath Nagar Colony, 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 Nineteenth 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 Wednesday, the
28th day of September, 2011 at 2.00 P.M.

Signature of the Shareholder/Proxy _____