

21st
Annual Report
2012-2013



Aditya Spinners Limited



BOARD OF DIRECTORS

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

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 21st Annual General Meeting of the members of Aditya Spinners Limited will be held on Tuesday, the 17th day of September, 2013 at 12.00 Noon, at Registered Office of the Company located at Perindesam Village, KVB Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the audited Statement of Profit and Loss for the year ended on 31st March 2013 and the Balance Sheet as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt K. V. Nagalalitha, Director who retires by rotation and being eligible, offers herself 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 a Special 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 as Managing Director of the company with effect from 01.04.2013 with a minimum remuneration not exceeding Rs.2,00,000/- 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."
6. 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 as Executive Vice Chairman of the company with effect from 01.04.2013 with a minimum remuneration not exceeding Rs.100000/- 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

Sd/-

K. VIJAY KUMAR
Managing Director

Place: Hyderabad,
Date : 12th August, 2013.

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 17th September, 2013.
3. 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.
4. Share holders seeking any information with regard to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed herewith.

EXPLANATORY STATEMENT UNDER SECTION 173(2):**Item No.5:**

The term of reappointment of Sri. K. Vijay Kumar, managing Director expired on 31.03.2013 pursuant to the resolution approved by the shareholders at their 18th Annual General Meeting held on 28.09.2010. The Board of Directors of the company at their meeting held on 30.04.2013 had recommended his reappointment and payment of remuneration subject to the approval of the shareholders to pay minimum remuneration of Rs. 2,00,000/- per month with effect from 01.04.2013 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, resolution was passed by the Remuneration Committee for payment of the remuneration, reappointment and the payment of remuneration is placed before the members for their approval.

Statement of particulars in respect of payment of remuneration to Sri. K. Vijay Kumar, Managing Director of M/s Aditya Spinners Limited pursuant to the provisions of Part-II, Section-II-1(B) of Schedule -XIII to the Companies Act, 1956

1. General Information

1. Nature of industry	Textile industry manufacturing viscose/ polyster yarn
2. Date or expected date of commencement of commercial production	Existing and Running Unit
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4. Financial performance based on given indicators	Profit making unit
5. Export performance and net foreign exchange collaborations	Not applicable
6. Foreign investments or collaborations, if any	Not applicable

2. Information About the Appointee

1. Background details	Chief promoter of the company
2. Past remuneration	Rs.75000 was paid per month with effect from 01.04.2010 to 30.09.2011 and Rs.1,50,000/- was paid w.e.f.01.10.2011 to 31.03.2013 as approved by shareholders

3. Recognition or awards	He has more than two decades of industrial experience
4. Job profile and his suitability	He is capable of managing the affairs of the company effectively and efficiently and proved his ability to run the unit in profits.
5. Remuneration proposed	Rs.2,00,000/- per month.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	In India, the remuneration profile with respect to industry is the best one depending upon the size of the company, profile and suitability of the person
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is the chief promoter holding substantial shares in the company.
3. Other Information	
1. Reasons for loss or inadequate profits	The company is a sick industrial company and the company was sanctioned a revival package by the Hon'ble BIFR. The company is now running in profits
2. Steps taken or proposed to be taken for improvement	Adequate steps for improvement are taken
3. Expected increase in productivity and profits in measurable terms	The company will be able to meet the profit levels as per the projections made in the approved scheme of revival.
None of the directors except Sri.K. Vijay Kumar is interested or concerned in the resolution.	
Item No.6: The term of reappointment of Sri. R. Shiv Kumar, Executive Vice Chairman expired on 31.03.2013 pursuant to the resolutions approved by the shareholders at their 18 th Annual General Meeting held on 28.09.2010. The Board of Directors of the company at their meeting held on 30.04.2013 had recommended his reappointment and payment of remuneration subject to the approval of the shareholders to pay a minimum remuneration of Rs. 1,00,000 per month with effect from 01.04.2013 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, resolution was 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. R. Shiv Kumar is interested or concerned in the resolutions.	
By Order of the Board	
Place: Hyderabad,	Sd/-
Date: 12 th August, 2013	K VIJAY KUMAR Managing Director

DIRECTORS' REPORT

TO

The Members,

Your Directors present herewith the 21st Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

PARTICULARS	(Rs. in lakhs)	
	2012-13	2011-12
Sales	3701.17	3555.23
Profit/ (Loss) before depreciation and interest	234.75	186.95
Depreciation	69.09	82.58
Interest for the year	71.47	77.32
Profit before tax	94.19	27.06
Deferred Tax	1.98	13.56
Depreciation for the earlier years	-	-
Net Profit / (Net Loss)	92.21	13.50

2. DIVIDEND:

The Directors have not recommended any dividend since the resources are required for modernising the plant.

3. REVIEW OF OPERATIONS DURING THE YEAR:

During the year under review, the Company achieved sales turnover of Rs. 3701.17 lakhs as compared to that of Rs. 3555.23 lakhs made during the corresponding previous year. For the year 2012-13, the company earned a net profit of Rs. 92.21 Lakhs as against the profit of Rs. 13.50 lakhs incurred during the corresponding previous year.

4. LISTING :

The company had obtained necessary approvals for listing of reduced capital and the new equity shares allotted to the promoters from the Bombay Stock Exchange Limited. The company made an application for revocation of suspension of trading of equity shares on the BSE.

5 DIRECTORS :

The Board of Directors of the company was duly constituted as required under the Companies Act, 1956 as well as Clause-49 of the Listing Agreement. Smt. K V Nagalalitha and Sri. K V A Prasad Directors of the company will retire at the ensuing annual general meeting by rotation and being eligible, offer themselves for reappointment.

6. DEPOSITS :

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

7. AUDITORS :

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

8. PARTICULARS OF EMPLOYEES:

There are no Employees in the Organization covered under scc217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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 Bombay Stock Exchange, Mumbai, P J Towers, Dalal Street, Fort, Mumbai. It is further informed that the Annual listing fee paid for the year 2013-14 to the Bombay Stock Exchange.

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 Judgment 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 throughout 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. AUDIT COMMITTEE AS PER THE COMPANIES ACT, 1956:

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

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

Place: Hyderabad,	Sd/- K. VIJAY KUMAR	Sd/- N. KRISHNA MOHAN
Date : 12th, August, 2013	Managing Director	Chairman

ANNEXURE TO DIRECTORS' REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988:

I. Conservation of Energy :

- (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 31-03-2013	Previous year ended 31-03-2012
A. Power and Fuel Consumption:		
I. Electricity:		
a. Purchases (Units)	9709618	10582350
Total Amount (Rs.)	59027104	42337095
Total Units (KWH)		
Rate per Unit in (Rs.)	6.08	4.00
b. Own Captive generation:		
i. Through Diesel Generator (Units in lacks)	-	-
Unit per litre of diesel	-	-
Cost/Unit (Rs.)	-	-
ii. Through steam Turbians/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.)	1402271	1554708
Energy consumption (KWH) per kg. of yarn	6.92	6.81
II TECHNOLOGY ABSORPTION		
Efforts made to Technology absorption as per Form B of the Annexure to the Rules:		
Not Applicable		
III FOREIGN EXCHANGE EARNING AND OUTGO : NIL		
For and on behalf of the Board		
Place: Hyderabad, Date : 12th August, 2013	Sd/- K. VIJAY KUMAR Managing Director	Sd/- N. KRISHNA MOHAN Chairman

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, 2013 are as follows :

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

During the year 2012-13 the Board met five times held on 30th April 2013, 31st May 2012, 13th August 2012, 15th November 2012, and 09th February, 2013. 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	
Smt. K.V. Nagalalitha	PNE	5	NO	-
Sri. Shiv Kumar .R	EVC	5	YES	-
Sri. N. Krishna Mohan	PNE	5	NO	3
Sri. Vijay Kumar.K	MD	5	YES	4
Sri. K V A Prasad	INE	5	YES	1
Sri. P. Ramamoorthy	INE	5	YES	-
Sri. Satyanarayana.G	INE	2	NO	-

INE - Independent and Non Executive

EVC - Executive Vice Chairman

PNE = Promoter Non Executive

MD - Managing Director

PED - Promoter Executive Director

REAPPOINTMENT OF DIRECTORS

Smt K V Nagalalitha and Sri. KVA Prasad, Directors will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Smt. K V Nagalalitha is a Post Graduate in Arts and has more than ten years of experience and exposure to the business. She holds substantial equity shares in the Company.

Sri. K. V. A. Prasad is an industrialist engaged in the similar business and he had experience in the textile unit for last five years.

K.Vijay Kumar, reappointed as Managing Director and he is a commerce graduate having rich experience in the textile industry for more than two decades..

Sri. R. Shiv Kumar, reappointed as Executive Vice Chairman and he is an M. Tech in Metallurgy from I.I.T Madras and MBA from Madras University. He has about more than four decades industrial experience.

DISCLOSURES AS PER SCHEDULE-XIII OF THE COMPANIES ACT, 1956

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors

1. Sri. K. Vijay Kumar was paid a remuneration of Rs.1,50,000/- per month during the year 2012-13 pursuant to the approval of the shareholders at the 18th and 19th annual general meetings dated 28.09.2010 and 28.09.2011 respectively.
2. Sri. R. Shiv Kumar was paid a remuneration of Rs.75,000/- per month during the year 2012-13 pursuant to the approval of the shareholders at the 18th annual general meeting dt.28.09.2010.

(ii) Details of fixed components and performances linked incentives along with the performance criteria:

The remuneration to the directors was paid in lumpsum per month and there are no components and performance linked incentives along with the performance criteria.

(iii) Service contracts, notice period, severance fees:

Pursuant to the resolutions as approved by the shareholders, the tenure of the appointees is for a period of three years from the date of their reappointment as mentioned under item-(i).

(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable:

There are no stock option details in respect of the appointees.

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 Register and Transfer Agents and recommends measures of overall improvement of the quality of investor services.

(b) AUDIT COMMITTEE

The Committee comprises of Sri P. Ramamoorthy, non executive independent director and Chairman, Sri K V A Prasad, non-executive independent director and Sri. K. Vijay Kumar, Managing Director. 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 N. Krishna Mohan, Executive Chairman, Sri K V A Prasad and Sri P. Ramamoorthy. During the year no remuneration committee meeting was convened.

(d) SHAREHOLDERS' COMMITTEE

The Committee comprises of two members Directors viz., 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 five complaints. There were no pending complaints unresolved as on 31/03/2013.

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
20th AGM 31-03-12	Registered Office Perindesam Village, K.V.B.Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh.	25-09-2012	12.30 P.M.	1
19th AGM 31-03-11	-DO-	28-09-2011	02.00 P.M	3
18th AGM 31-03-10	-DO-	28-09-2010	12.30 P.M.	1

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

- a) 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.
- b) 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
- c) Pecuniary Transaction with Non Executive Directors: NIL

6. MEANS OF COMMUNICATION

- a) 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.
- b) The financial results are generally published in the daily newspapers viz, Indian Express and Surya.
- c) 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, 17th September, 2013
 Time : 12.00 P.M
 Venue : Registered Office
 Perindesam Village,
 K.V.B.Puram Mandal, Near Srikalahasti,
 Chittoor District, Andhra Pradesh.

b) Financial Calender -2013-14

Reporting of financial (Provisional)
 Results for quarter ending 30.06.13 : Due on 15.08.2013
 Results for quarter ending 30.09.13 : Due on 15.11.2013
 Results for quarter ending 31.12.13 : Due on 15.02.2014
 Results for quarter ending 31.03.14 : Due on 15.05.2014

Annual General Meeting for the year
 Ending 31.03.2014 : Last week of Sep., 2014

- c) Book Closure Dates : Minimum one day 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-400 001

- 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 15 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, 2013 approximately 1725065 shares are dematerialized representing 10.30% of the total issued capital.

- i. Distribution shareholding as on 31st March, 2013 :

Shareholders	Shares	% of total
1. Promoters, Directors and their relatives	11150640	66.61
2. Mutual Funds	70320	0.42
3. NRIs/OCBs	94280	0.56
4. Banks, Financial Institutions	270440	1.62
5. Private Corporate Bodies	227539	1.36
6. Indian Public	4927749	29.43
Total	16740888	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.

For and on behalf of the Board

Place: Hyderabad,
Date : 30-05-2013

Sd/-
K. VIJAY KUMAR
Managing Director

Sd/-
N. KRISHNA MOHAN
Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE & DEVELOPMENTS :

The Textile Industry is one of the oldest Industry in the country and plays a pivotal role in the Indian economy in terms of Industrial Production, Employment and foreign exchange earnings. The Textile Industry has achieved a good growth in last two decades in terms of installed spindles and yarn production and India's installed spindles represent over 18 per cent of world's spindleage. This could happen due to buoyant domestic and international demand, conducive Government Policies – rationalisation of fiscal duties, subsidised interest on loans granted under Technology Upgradation Fund (TUF) Scheme. This sector contributes to forex earnings around 12 per cent and also employs about 3.5 crores workers directly.

The Indian Textile Industry has been facing a difficult period since last 3 years due to global recession and economic conditions. Industry further suffered on account of continuing financial turmoil and economic slowdown in advanced countries of USA and EU, leading to a sharp fall in consumer demand for textile products.

However, there has been strong recovery in domestic as well as export demand for cotton yarn. The total production of spun yarn has again picked up and is currently projected at 4200 million kgs, showing a rise of about 7 per cent.

However, cause of concern are frequent power cuts during pre-monsoon period, withdrawal of 2% interest subvention & export incentives and foreign exchange rates volatility etc.

It is pertinent to mention that despite the above mentioned adverse factors, there has been improvement in the working of textile industry due to strong domestic demand and revival of export markets. It is expected that this trend will continue to sustain in the current financial year 2013-14.

SYNTHETIC YARN SCENARIO :

The major supplies into this market are the 100% Polyester and blends involving Polyester, Viscose and Polyester Cotton.

The demand for this product is very much a function of cotton yarn exports when the cotton yarn exports are good, the gap in the overall yarn market is compensated by the synthetic yarn supply. The last couple of years the trend of this market has been on the rise. However, Polyester fibre which is the major Raw material for this industry is very much a function of Rupees, Dollar parity and international oil prices.

The last two years, the uncertainty of oil supplies due to Middle East crises has put a lot of strain on the margins available for synthetic yarn industry. However, the upside in the growing popularity of synthetic yarn fabrics and the improving market trends the uncertainty factors are only energy shortages, an increase in shortages of Labour the demand for such products is expected to rise in the years to come.

MARKETING :

India is a large supplier of cotton yarn in world market. Due to recession in global markets, volume and value of export have come down significantly. Your Company is mainly in export of medium, fine and superfine combed yarn and it has been constantly focusing its efforts to cater to high end users. The company maintained excellent relations with all its overseas customers which have been dealing with the Company over the years, by adhering to

quality standards, delivery schedules and competitive prices. The demand in domestic market is also improving for woven and garment sector and gradually Company expect to have larger sale in domestic market.

The exchange rate plays an important role since most of our business is in dollar. The importing countries must be able to import yarn at a proper price as per their currencies and any major volatility in this aspect also affects business competitiveness.

2. OPPORTUNITIES AND THREATS :

The future of Indian Textile industry is highly depending on availability of raw material at a competitive price. It is expected that things would improve with regard to availability and prices of raw materials.

The Chinese Textile industry is currently facing critical period on account of rapid appreciation of Chinese currency against US dollar, rising cotton prices, hike in wages, power shortage etc. Consequently, Chinese exports of Textiles and clothing are declining especially to USA, thus, provides an opportunity to India for improving its export performance. In long run, the prospects of Indian Textile Industry is likely to be bright.

3. RISKS AND CONCERNS :

The dismantling of quota has resulted in open global competition and every country has to become cost competitive and efficient. India suffers on account of high transaction cost, high cost of labour and power. However, the Government is fully aware of the global challenges and all these issues are being addressed. It is hoped that Government will make its best efforts to provide competitive environment to the Textile industry.

Spinning units are highly capital intensive and has to maintain large Raw Material inventory levels due to its seasonality. Your Company makes all efforts to have efficient inventory management and constant efforts are being made to monitor the inventory levels keeping in view of high interest costs.

4. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE :

The Company is mainly engaged in the business of manufacture of yarn and accordingly this is the only Single Reportable Segment.

5. OUTLOOK :

The Company continues to be an important player in the field of yarn in medium and fine count segment and specialised products The company is making all efforts to explore new markets apart from current markets. However, the present concern is continuing subdued international market conditions, which are likely to improve gradually.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly.

The internal control is supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. The internal control is

designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

7. FINANCIAL AND OPERATIONAL PERFORMANCE :

Please refer Director's Report on performance review.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS (INCLUDING NUMBER OF PEOPLE EMPLOYED) :

The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people. The company has been adopting methods and practices for Human Resources Development. With utmost respect to human values, Company served its human resources with integrity through a variety of services by using appropriate training, motivation techniques and employee welfare activities etc. Industrial relations were cordial and satisfactory during the year under review.

9. CAUTIONARY STATEMENT :

Statements made in this report describing the Company's projections, estimates, expectations or predictions may be 'forward looking predictions' within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections, etc. whether expressed or implied. Factors which would make a significant difference to the Company's operations include availability of quality raw cotton, market prices in the domestic and overseas markets, changes in Govt. regulations and tax laws, economic conditions affecting demand / supplies and other environmental factors over which the Company does not have any control.

DECLARATION CODE OF CONDUCT

I, K Vijay Kumar, Managing Director of Aditya Spinners Ltd . hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of conduct of the company for the financial year ended 31-03-2013, as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

Place :Hyderabad
Date : 12th, August, 2013

Sd/-
K VIJAY KUMAR
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, 2013 as stipulated in clause 49 of the LISTING Agreement of the said Company, with the Stock Exchange.

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.025834

Place :Hyderabad
Date : 30-05-2013

INDEPENDENT AUDITORS' REPORT

To
**The Members of
M/s ADITYA SPINNERS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Aditya Spinners Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section(3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **C.RAMACHANDRAM & CO.**

Chartered Accountants
Firm Reg. No. : 002864S

Sd/-
C.RAMACHANDRAM
Partner
Membership No. 025834

Place : Hyderabad

Date: 30-05-2013

ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph (5) of our report of even date of the Auditors to the members of **ADITYA SPINNERS LIMITED** on the accounts for the year ended March 31, 2013.

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 books 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/s.301 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.77.98 lakhs and the year end balance of loans outstanding from such party was Rs.47.49 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.
5. In our opinion and 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 Section 58A and 58AA or any other relevant provisions of the Companies 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 In respect of Statutory dues:
 - a. According to the information and explanations given to us, the company has regular in depositing with appropriate authorities undisputed statutory dues including investor education and protection fund, wealth tax, customs duty, excise duty, service tax, cess and 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, service tax, customs duty, excise duty and cess were in arrears as at March 31, 2013 for a period of more than Six months from the date they became payable.
 - 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 In our opinion that the company has not defaulted in repayment of dues to a financial institution or debenture holders during the year.
- 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 a nidhi mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14 In our opinion, the company has maintained proper records of transaction and contracts relating to dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. The shares, debentures and other securities have been held by the company in 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 or financial institutions during the year.

- 16 The company has not raised any 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 explanation 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 sec 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
Firm Reg. No. : 002864S

Sd/-

C.RAMACHANDRAM
Partner
Membership No. 025834

Place: Hyderabad
Date: 30-05-2013

BALANCE SHEET AS AT 31st MARCH, 2013

(Amount in Rs.)

PARTICULARS	Note No	AS AT 31.03.2013	AS AT 31.03.2012
A. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
a) Share Capital	1	167,408,880	167,408,880
b) Reserves & Surplus	2	(93,942,364) 73,466,516	(103,163,722) 64,245,158
NON-CURRENT LIABILITIES			
a) Long Term Borrowings	3	8,553,455	18,438,884
b) Deferred tax Liabilities (net)		1,553,611	1,355,784
Other Long Term Liabilities	4	19,367,579	24,167,579
Long Term Provisions	5	3,703,765	3,751,567
TOTAL		33,178,410	47,713,814
CURRENT LIABILITIES			
a) Trade Payables	6	22,819,942	15,368,349
b) Other Current Liabilities	7	27,257,536	16,067,085
c) Short Term Provisions	8	1,677,411	2,315,548
		51,754,889	33,750,982
TOTAL		158,399,815	145,709,954
B. ASSETS			
Non-current assets			
a) Fixed Assets			90,455,308
(i) Tangible assets	9	87,887,750	9,013,329
b) Other non-current assets	10	10,713,028	
Current assets			
a) Current investments	11	30,000	22,091,860
b) Inventories	12	23,009,484	21,507,015
c) Trade Receivables	13	27,985,061	937,779
d) Cash and cash equivalents	14	1,810,137	587,347
e) Short Term Loans and Advances	15	448,154	1,087,315
f) Other Current Assets	16	6,516,201	46,241,316
		59,799,036	145,709,954
		158,399,815	

Summary of Significant Accounting Policies 23

In terms of our report attached
For **C.RAMACHANDRAM & CO.,**
Chartered Accountants
Firm Reg. No. : 002864S
Sd/-
C.RAMACHANDRAM
Partner
Membership No. 025834
Place: Hyderabad,
Date : 30-05-2013

For and on behalf of the Board
Sd/-
K. VIJAY KUMAR
Managing Director
Sd/-
N. KRISHNA MOHAN
Chairman

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 st MARCH, 2013

(Amount in Rs.)

PARTICULARS	Note No	For the Year ended 31-03-2013	For the Year ended 31-03-2012
Revenue from Operations (From Sale of Yarn)		370,117,043	355,523,151
Less Excise Duty		-	-
Revenue from Operations (Net)		370,117,043	355,523,151
Other Income	17	1,757,725	876,123
TOTAL REVENUE		371,874,768	356,399,274
EXPENSES			
a) Cost of materials Consumed	18	181,425,521	202,417,389
b) Change in Inventories of finished goods work-in-progress	19	(59,351)	(6,210,038)
c) Employee benefits expense	20	53,246,050	49,104,254
d) Finance Costs	21	7,147,045	7,732,481
e) Depreciation	9	6,909,030	8,257,915
f) Other expenses	22	113,787,288	92,391,695
TOTAL EXPENSES		362,455,583	353,693,696
Profit Before Tax & Exceptional Item		9,419,186	2,705,578
Tax Expense:			
a) Current Tax expense for current year		-	1,355,784
b) Deferred tax		197,827	-
c) Less : Mat Credit		-	197,827
Profit After Tax & Before Exceptional Item		9,221,359	1,349,794
Exceptional Items		-	-
Profit for the year		9,221,359	1,349,794
Basic & Diluted Earnings Per Equity Share of Rs.10/- each.		0.55	0.08

Summary of Significant Accounting Policies 23

In terms of our report attached

For **C.RAMACHANDRAM & CO.,**
Chartered Accountants
Firm Reg. No. : 002864S

Sd/-
C.RAMACHANDRAM
Partner

Membership No. 025834

Place: Hyderabad,
Date : 30-05-2013

For and on behalf of the Board

Sd/-
K. VIJAY KUMAR
Managing Director

Sd/-
N. KRISHNA MOHAN
Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2013

	(Amount in Rs.)	
	Year Ended 31st March 2013	Year Ended 31st March 2012
a. Cash Flow From Operating Activities:		
Net Profit before tax	9419186	2705578
Adjustments for :		
Add: Depreciation	6909030	8257915
Add: Interest and Finance Charges	7147045	7732481
Operating Profit before Working Capital Changes	23475261	18695974
Changes in Working Capital		
- (Increase) / decrease in Inventories	(917624)	(6935355)
- (Increase) / decrease in Trade Receivables	(6478046)	5759463
- (Increase) / decrease in Loans and Advances	(6989392)	13769373
- Increase / (decrease) in Current Liabilities	17956104	(2079684)
Net Cash Flow from Operating Activities	27046304	29209771
b. Cash Flow from Investing Activities:		
Inflow/(Outflow)		
Net Purchase of Fixed Assets	(4341472)	(27710435)
c. Cash Flow From Financing Activities:		
Inflow/(Outflow)		
Proceeds/ (Repayment) from Long Term Borrowing	(9885429)	(81974979)
Issue of Share Capital		91400000
Proceeds/ (Repayment) from Unsecured Loans	(4800000)	(4800000)
Interest Paid	(7147045)	(7732481)
Net Cash Flow from Financing Activities	(21832474)	(3107460)
d. Net Increase / (Decrease) in Cash and Cash Equivalents:		
	872357	(1608124)
Cash and Cash Equivalents at the beginning of the year	937779	2545903
Cash and Cash Equivalents at the close of the year	1810137	937779

As per our report of even date

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

Chartered Accountants

Firm Reg. No.: 002864S

Sd/-

C.RAMACHANDRAM

Partner

Membership No. 025834

Place : HYDERABAD

Date : 30-05-2013

For and on behalf of the Board

Sd/-

K. VIJAY KUMAR

Managing Director

Sd/-

N. KRISHNA MOHAN

Chairman

Notes forming part of the financial statements

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Note 1				
a) SHARE CAPITAL AUTHORISED				
- Equity Shares of Rs.10/- each	24,000,000	240,000,000	24,000,000	240,000,000
- Preference Shares of Rs. 10/-each	3,000,000	30,000,000	3,000,000	30,000,000
b) ISSUED				
- Equity Shares of Rs.10/- each	16,740,888	167,408,880	16,740,888	167,408,880
c) SUBSCRIBED AND FULLY PAID UP				
- Equity Shares of Rs.10/- each with voting rights	16,740,888	167,408,880	16,740,888	167,408,880
Total		167,408,880		167,408,880

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs.10/- each. Each holder of Equity Shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of Share Capital as at 31st March 2013 and 31st March 2012 is set out below :

Particulars	Opening Balance	Fresh Issue	Reduction in Capital	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2013				
- Number of Shares	16,740,888	-	-	16,740,888
- Amount (Rs.)	167,408,880	-	-	167,408,880
Year ended 31 March, 2012				
- Number of Shares	19,002,220	9,140,000	11,401,332	16,740,888
- Amount (Rs.)	190,022,198	91,400,000	114,013,318	167,408,880

Shares in the Company held by each share holder holding more than 5% shares

Name	As at 31/03/2013		As at 31/03/2012	
	No of shares	% of Holding	No. of shares	% of Holding
1. K.V. Nagalalitha	1,342,240	8.02%	1,342,240	8.02%
2. Krishnarama Industrial Investment Ltd	8,190,000	48.92%	8,190,000	48.92%
TOTAL	9,532,240	56.94%	9,532,240	56.94%

Notes forming part of the financial statements

Particulars	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
NOTE : 2 RESERVES AND SURPLUS		
(a) Capital reserve		
	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(104,663,722)	(2,314,752,533)
Add: Adjustments as per BIFR Order #	-	2,208,739,016
Add: Profit / (Loss) for the year	9,221,359	1,349,794
Closing balance	<u>(95,442,364)</u>	<u>(104,663,722)</u>
Total	(93,942,364)	(103,163,722)
NOTE : 3 LONG TERM BORROWINGS From other parties		
Unsecured		
- From Directors	6,561,102	2,013,721
- From Friends & Relatives of Directors	1,992,353	16,425,163
Total	8,553,455	18,438,884
NOTE : 4 OTHER LONG-TERM LIABILITIES		
- Sales Tax Deferment	19,367,579	24,167,579
Total	19,367,579	24,167,579
NOTE : 5 LONG-TERM PROVISIONS		
- Employee Benefits - Gratuity	3,703,765	3,751,567
Total	3,703,765	3,751,567

Notes forming part of the financial statements

Particulars	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
NOTE : 6 TRADE PAYABLES		
- Raw Materials	18,715,911	10,852,571
- Stores & Spares	695,113	902,010
- Others	3,408,918	3,613,768
Total	22,819,942	15,368,349
Note:4.1 Out of the said amount Rs.Nil (Previous year Rs.Nil) pertains to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006.		
NOTE : 7 OTHER CURRENT LIABILITIES		
OTHER PAYABLES		
(i) Statutory remittances	1,345,760	958,948
(ii) Advances from customers	148,401	75,256
(iii) Salaries & Wages Payable	4,667,407	3,831,235
(iv) Power Payable	6,002,482	1,898,803
(iv) Others	15,093,486	9,302,843
Total	27,257,536	16,067,085
NOTE : 8 SHORT TERM PROVISIONS		
Provision for employee benefits:		
(i) Provision for bonus	1,677,411	1,800,000
(ii) Provision for Taxation	-	515,548
Total	1,677,411	2,315,548

SCHEDULE: 9
FIXED ASSETS - TANGIBLE ASSETS

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As At 01.04.2012 Rs.	Additions during the Year Rs.	As At 31.03.2013 Rs.	Up To 31.03.2012 Rs.	For The Year Rs.	-Up To 31.03.2013 Rs.	As At 31.03.2013 Rs.	As At 01.04.2012 Rs.	
Land & Site Development	5,877,766	-	5,877,766	-	-	-	5,877,766	5,877,766	
Buildings	108,518,779	-	108,518,779	50,566,008	3,624,527	54,190,535	54,328,244	57,952,771	
Plant and Machinery	241,942,004	-	241,942,004	241,942,004	-	241,942,004	-	-	
Plant and Machinery	27,603,513	4,167,758	31,771,271	1,665,773	3,060,678	4,726,451	27,044,820	25,937,740	
Office Equipment	1,516,653	11,000	1,527,653	1,037,663	96,634	1,134,297	393,356	476,990	
Furniture & Fixtures	1,866,417	-	1,866,417	1,658,374	118,144	1,776,518	89,898	208,043	
Computers	2,623,855	80,767	2,704,622	2,623,855	5,421	2,629,276	75,346	-	
Vehicles	-	81,947	81,947	-	3,626	3,626	78,321	-	
TOTAL	389,948,986	4,341,472	394,290,458	299,493,677	6,909,030	306,402,707	87,887,751	90,455,309	
PREVIOUS YEAR	362,238,551	27,710,435	389,948,986	291,235,763	8,257,914	299,493,677	90,455,309	71,002,768	

Notes forming part of the financial statements

Particulars	As at 31.03.2013 Amount in Rupees	As at 31.03.2012 Amount in Rupees
NOTE : 10		
OTHER NON-CURRENT ASSETS		
Deposit with Govt & Public Bodies		
(a) Electricity Department	8,259,591	6,552,591
(b) EMD with Sales Tax	17,036	17,036
(c) Excise Department	37,667	37,667
(d) T D S Receivable	1,194,234	1,135,987
(e) MAT Credit Entitlement	-	515,548
(f) Others	1,204,500	754,500
Total	10,713,028	9,013,329
NOTE : 11		
CURRENT INVESTMENTS		
Investments (At cost):		
Investment in quoted equity shares - fully paid		
- 50 Equity Shares of Rs.100/- each fully paid in State Bank of Travancore	30,000	30,000
Total - Trade (A)	30,000	30,000
NOTE : 12		
INVENTORIES		
(a) Raw materials	8,780,809	7,670,853
(b) Work-in-progress	7,320,789	7,191,559
(c) Finished goods (other than those acquired for trading)	4,705,164	4,775,043
(d) Stores and spares	2,202,721	2,454,405
Total	23,009,484	22,091,860
NOTE : 13		
TRADE RECEIVABLES		
Unsecured, considered good	27,985,061	21,507,015
Outstanding for more than six mpths	-	-
TOTAL	27,985,061	21,507,015
NOTE : 14		
CASH AND CASH EQUIVALENTS		
(a) Cash on hand	172,670	144,842
(b) Balances with banks		
- In current accounts	1,637,467	792,937
Total	1,810,137	937,779
NOTE : 15		
SHORT-TERM LOANS AND ADVANCES		
Prepaid expenses - Unsecured, considered good (Insurance premium, AMC's and Licence Fee etc.)		
	448,154	587,347
Total	448,154	587,347

Notes forming part of the financial statements		
Particulars	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
NOTE : 16		
OTHER CURRENT ASSETS		
(i) Advances - Creditors	5,863,340	413,471
(ii) Advances - Staff	237,571	356,294
(iii) Interest Receivable	415,290	317,550
Total	6,516,201	1,087,315
Particulars	For the year ended 31.03.2013 Rs.	For the year ended 31.03.2012 Rs.
NOTE : 17		
OTHER INCOME		
(a) Interest income		
- Other Interest	582,595	504,055
(b) Scrap Sales	1,175,130	372,068
Total	1,757,725	876,123
NOTE : 18		
COST OF MATERIALS CONSUMED		
Opening stock	7,670,853	6,759,576
PURCHASES:-		
- Polyester, etc.,	106,955,056	119,702,638
- Viscose	75,580,421	83,626,028
TOTAL PURCHASE	182,535,478	203,328,666
Less: Closing stock	8,780,809	7,670,853
Cost of material consumed	181,425,521	202,417,389
Material consumed comprises:		
- Polyester, etc.,	106,047,453	119,107,546
- Viscose	75,378,068	83,309,843
Total	181,425,521	202,417,389
NOTE : 19		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN TRADE		
Inventories at the end of the year:		
Finished goods	4,705,164	4,775,043
Work-in-progress	7,320,789	7,191,559
	12,025,953	11,966,602
Inventories at the beginning of the year:		
Finished goods	4,775,043	1,910,249
Work-in-progress	7,191,559	3,846,315
	11,966,602	5,756,564
Net (Increase) /decrease	59,351	6,210,038

Notes forming part of the financial statements		
Particulars	For the year ended 31.03.2013 Rs.	For the year ended 31.03.2012 Rs.
NOTE : 20		
EMPLOYEE BENEFITS EXPENSE		
SALARIES & WAGES		
- Salaries & Wages	36,825,490	35,658,240
- Stipend	8,022,242	6,248,246
- Directors Remuneration	2,700,000	2,250,000
Contributions to provident fund	2,310,680	2,045,548
Staff welfare expenses	3,387,638	2,902,220
Total	53,246,050	49,104,254
NOTE : 21		
FINANCE COSTS		
(i) Interest Expense	1,510,200	1,500,558
(ii) Other Borrowing Costs	5,636,845	6,231,923
Total	7,147,045	7,732,481
NOTE : 22		
OTHER EXPENSES		
Consumption of stores and spare parts	19,315,408	18,520,256
Power and fuel	59,027,104	42,337,095
Rent	910,500	405,000
Repairs and maintenance - Machinery	2,753,908	2,142,527
Repairs and maintenance - Buildings	659,130	481,371
Repairs and maintenance - Others	2,528,224	1,351,566
Insurance	683,797	877,178
Rates and taxes	635,679	221,183
Communication	319,779	308,704
Travelling and conveyance	2,853,457	2,671,039
Selling & Forwarding Expenses (Refer details (ii) given below)	13,371,267	12,534,856
Donations and contributions	100,000	-
Legal and professional Charges	665,006	778,658
Security Service Charges	998,294	1,329,212
Payments to auditors (Refer details (i) given below)	116,449	91,636
Taxes Paid	7,038,360	6,392,227
Miscellaneous expenses	1,810,927	1,949,187
Total	113,787,288	92,391,695
DETAILS TO NOTE 22		
(i) Payments to the auditors comprises:		
- As auditors - Statutory Audit	90,000	70,000
- For taxation matters	20,000	15,000
- Reimbursement of expenses	6,449	6,636
Total	116,449	91,636
(ii) Selling & Distribution Expenses:		
- a. Freight & Forwarding	5,091,388	5,898,451
- b. Sales Commission	6,045,138	5,404,311
- c. Consignment Expenses	179,791	369,571
- d. Sales Discount	1,455,653	694,568
- e. Business Promotion	527,342	155,455
- f. Advertisement	71,955	12,500
Total	13,371,267	12,534,856

Note : 23

Significant Accounting Policies :

a. Corporate Information:

Aditya Spinners Limited ("The Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 in India. Its shares are listed on Bombay Stock Exchange. The Company is engaged in manufacturing and selling of yarn.

b. Basis of Preparation

- i). Financial Statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention.
- ii). The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

c. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d. Fixed Assets:

Tangible Fixed Assets:

Tangible Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets including day to day repairs and maintenance expenditure and cost of replacing parts are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

Depreciation on Tangible Fixed Assets:

Depreciation on Fixed Assets is provided in accordance with Schedule XIV of the Companies Act, 1956, on Straight Line Method.

Impairment of Assets:

All the fixed assets are assessed for any indication of impairment at the end of each financial year. On such indication the impairment loss, being the excess carrying value over the recoverable value of the assets, is charged to the statement of Profit & Loss in the respective financial years. The impairment loss recognized in the prior years is reversed in cases where the recoverable value exceeds the carrying value, upon the reassessment in the subsequent years.

e. Revenue Recognition:

Sales are recognized at the point of dispatch i.e., when significant risk is transferred to customers, except in the case of consignment agents where the revenue is

recognized only after the sale is effected by the consignment agent. Sale value includes Excise Duty and Vat.

f. Inventory Valuation:

- i) Raw Materials, Stores & Spares and Packing Materials: At Weighted Average Cost.
- ii) Work in Process: At weighted Average cost or Net Realizable Value, which ever is lower.
- iii) Finished Goods: At cost or Net Realizable Value, which ever is lower.

Cost comprises of cost of purchase, cost of conversion & other costs incurred in bringing the inventories to the present location & condition.

g. Investments:

Investments are stated at cost of acquisition. Diminution in the value of investments other than temporary meant to be held for a long period of time is recognized.

h. Borrowing Costs:

Borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs incurred for acquiring and construction of assets are capitalized as part of the cost of such assets.

i. Taxation:

Provision for Income Tax is made for both current and deferred taxes. Provision for Current Income Tax is made at Current Tax rates based on assessable income. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates as stated in the financial statements is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only when there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j. Contingencies:

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure for contingent liabilities is made in the notes to accounts when there is a possible obligation or a present obligation that may, but probably will not, require an out flow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

k. Earnings per Share:

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity share holders by the weighted average no of Equity Shares outstanding during the year.

NOTES ON OTHER DISCLOSURES :**1. RELATED PARTY DISCLOSURE:**

Related Party: Sri Chakra Cement Ltd
 Relationship : Key Management Personnel , Mr. N. Krishna Mohan, Mr. K. Vijay Kumar
 Related Party Transactions: Loans & Advances amounting to Rs.1.20 Lakhs
 Outstanding balance with related party as on March 31, 2013: Rs.1.20 Lakhs

2. Contingent Liabilities and commitments :
(to the extent not provided for)

i) Contingent Liabilities	31.03.2013	31.03.2012
a) Claims against the Company not acknowledged as debt	9.59 Lakhs	9.59 Lakhs
b) Guarantees	NIL	NIL
c) Others	NIL	NIL
ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	NIL	NIL
(b) Uncalled Liability on Shares and other Investments partly paid	NIL	NIL
(c) Others	NIL	NIL

3. Balances due to or due from parties are subject to confirmation.
 4. Consumption details of Raw Materials & Stores & spares.

	Raw Material				Stores & Spares			
	2012-13		2011 - 12		2012 - 13		2011 - 12	
	%	Rs.	%	Rs.	%	Rs.	%	Rs.
Imported	-	-	-	-	-	-	-	-
Indigenous	100%	181425521	100%	202417389	100%	19315408	100%	18520256

5. Earnings and Expenditure in Foreign Exchange

	2012-13	2011-12
i) Export of goods calculated on F.O.B. basis	Nil	Nil
ii) Royalty, know-how, professional and consultation fees	Nil	Nil
iii) Interest and dividend	Nil	Nil
iv) Other Income, indicating the nature thereof	Nil	Nil

6. Previous year figures have been regrouped / reclassified wherever necessary to confirm to the current year classification.
 7. Figures have been rounded off to nearest rupee.

As per our report of even date For and on behalf of the Board
 For **C.RAMACHANDRAM & CO.,**
 Chartered Accountants
 Sd/- **C.RAMACHANDRAM** Partner
 Membership No. 25834
 Place : HYDERABAD
 Date : 30-05-2013

Sd/- **K. VIJAY KUMAR** Managing Director
 Sd/- **N. KRISHNA MOHAN** Chairman

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 21st 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 17th day of September, 2013 at 12.00 Noon and at any adjournment thereof.

Signed this the _____ day of September 2013.

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 21st 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 17th day of September, 2013 at 12.00 Noon.

Signature of the Shareholder/Proxy _____



Aditya Spinners Limited

6-3-668/10/66, Durganagar Colony,
Punjagutta, Hyderabad - 500 082, A.P., India
Grams : "ADITYASPIN"
Tel : 040 - 23404708
Fax : 040 - 23404758
E-mail : H.O. : aslhyd9@gmail.com
Site : aslskht@gmail.com

To
The Listing Department
Bombay Stock Exchange
Dalal Street
MUMBAI

Dear Sir,

Covering ~~the~~ ~~matter~~ of the annual audit report

1.	Name of the Company	M/s. Aditya Spinners Ltd.,
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation.	Un-qualified/Matter of Emphasis
4.	Frequency of observation	Not applicable
5.	To be signed by	<p>For ADITYA SPINNERS LIMITED</p> <p><i>[Signature]</i> K. VIJAY KUMAR Managing Director</p> <p><i>[Signature]</i> (P. Rajendra Prasad) For C. RAMACHANDRAM & CO. Chartered Accountants</p> <p><i>[Signature]</i> C. RAMACHANDRAM Partner (M.No. 25834)</p> <p><i>[Signature]</i></p>
	CEO/Managing Director	
	CFO	
	Auditor of the Company	
	Audit Committee Chairman	