

**21<sup>st</sup>**  
**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 21<sup>st</sup> Annual General Meeting of the members of Aditya Spinners Limited will be held on Tuesday, the 17<sup>th</sup> 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 31<sup>st</sup> 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 17<sup>th</sup> 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 18<sup>th</sup> 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.
<b>3. Other Information</b>	
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 <sup>th</sup> 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 <sup>th</sup> August, 2013	<b>K VIJAY KUMAR</b> 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 :

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The directors had selected such accounting policies and applied them consistently and made 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.
- The Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the accounts on a going concern basis.

### 11. INDUSTRIAL RELATIONS:

The Company has had harmonious industrial relations 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
<b>A. Power and Fuel Consumption:</b>		
<b>I. Electricity:</b>		
<b>a. Purchases (Units)</b>	9709618	10582350
<b>Total Amount (Rs.)</b>	59027104	42337095
<b>Total Units (KWH)</b>		
<b>Rate per Unit in (Rs.)</b>	6.08	4.00
<b>b. Own Captive generation:</b>		
<b>i. Through Diesel Generator (Units in lacks)</b>	-	-
Unit per litre of diesel	-	-
Cost/Unit (Rs.)	-	-
<b>ii. Through steam Turbians/Generator</b>	NIL	NIL
Unit (No.s)	-	-
Units per Ltr. of Fuel Oil	-	-
Gas	-	-
Cost/Unit (Rs.)	-	-
<b>B. Consumption per unit of production:</b>		
<b>Yarn production (in kgs.)</b>	1402271	1554708
<b>Energy consumption (KWH) per kg. of yarn</b>	6.92	6.81
<b>II TECHNOLOGY ABSORPTION</b>		
Efforts made to Technology absorption as per Form B of the Annexure to the Rules:		
Not Applicable		
<b>III FOREIGN EXCHANGE EARNING AND OUTGO : NIL</b>		
For and on behalf of the Board		
Place: Hyderabad, Date : 12th August, 2013	Sd/- <b>K. VIJAY KUMAR</b> Managing Director	Sd/- <b>N. KRISHNA MOHAN</b> 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 30<sup>th</sup> April 2013, 31<sup>st</sup> May 2012, 13<sup>th</sup> August 2012, 15<sup>th</sup> November 2012, and 09<sup>th</sup> 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 18<sup>th</sup> and 19<sup>th</sup> 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 18<sup>th</sup> 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

