

**BOARD OF DIRECTORS**

<b>Sri N. KRISHNA MOHAN</b>	Chairman
<b>Sri R. SHIV KUMAR</b>	Executive Vice Chairman
<b>Sri K. VIJAY KUMAR</b>	Managing Director
<b>Smt K.V. NAGALALITHA</b>	Director
<b>Sri K.V. PRASAD</b>	Director - Independent
<b>Sri P. RAMAMOORTHY</b>	Director (upto 06.08.2014)
<b>Sri M. NARASIMHA RAO</b>	Director - Independent (w.e.f. 09.11.2013)

**COMPANY SECRETARY :**  
**Sri P. RAJENDRA BABU****AUDITORS**

C.Ramachandram&Co,  
Chartered Accountants  
3-6-237,Unit 606,  
Lingapur la builde 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.

**BANKERS**

Andhra Bank  
Srikalahasti Branch,  
Chittoor District.

**NOTICE**

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of Aditya Spinners Limited (CIN:L18100AP1991PLC012337) will be held on Friday, the 26th September'2014 at 12.30 P.M. at Registered Office of the Company located at Perindesam Village, KVB Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh-517643 to transact the following business.

**ORDINARY BUSINESS:**

1. To receive consider and adopt the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss of the Company for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri N. Krishna Mohan, Director (DIN:00698772) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Smt K.V. Nagalalitha, Director (DIN:02223430) who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint the Statutory Auditors and fix their remuneration. The retiring Auditors M/s C. Ramachandram & Co., Hyderabad, Chartered Accountants are eligible for re-appointment.

**SPECIAL BUSINESS:****5. Increase in the Borrowing Powers of the Company:**

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

**"RESOLVED THAT** in supersession to the earlier resolution(s), the consent of the company be and is hereby accorded under the provisions of Section 180 (1) (c) of the Companies Act, 2013 to the Board of Directors of the Company to borrow from time to time all such moneys as they may deem requisite for the purpose of the business of the Company notwithstanding that money to be borrowed together with the moneys already borrowed by the Company (apart from temporary Loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which the money may be borrowed by the Board of Directors (apart from temporary loans obtained from the company's bankers) shall not exceed Rs. 50.00 Crores (Rupees Fifty Crores only) outstanding at any time.

**6. Appointment of Sri M. Narasimha Rao as Independent Director:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149 and 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, Sri M. Narasimha Rao be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5(five) consecutive years up to the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company."

7. **Appointment of Sri K.V. Prasad as Independent Director:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Sri K.V. Prasad (DIN:01853455) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5(five) consecutive years up to the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company.”

8. **Approval for Creation of Charge/Securities:**

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

“**RESOLVED THAT** the Company do hereby accord its consent under section 180 (1) (a) and other applicable provisions of the Companies Act, 2013, to mortgaging and or charging by the Board of Directors of the Company all or any of the movable and or immovable properties both present and future of the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any term loan obtained or as may be obtained from any bank/financial institution together with interest, costs, charges, expenses and any other money payable by the Company.

By Order of the Board  
For ADITYA SPINNERS LIMITED

Place : Hyderabad  
Date : 06-08-2014

**K.VIJAY KUMAR**  
Managing Director

**NOTES**

1. The statement pursuant to Schedule IV and Section 102(1) of the Companies Act, 2013 in respect of the ordinary business and special business respectively, as set out in the Notice is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself, and the proxy need not be a member of Company.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The Register of Members and Share Transfer Books of the Company will remain closed on 26th September, 2014.
6. Members are requested to intimate immediately, any change in their address, to the Registrar and Share Transfer Agent of the company quoting their folio number.
7. Members, desiring any information relating 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.
8. The Ministry of Corporate Affairs (“Ministry”), Government of India, has taken a “Green Initiative in Corporate Governance” by allowing proper compliances by Companies through electronic mode. As per the Circular No. 17/2011 dated 21.04.2011 and Circular No. 185/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices/ documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc) to their shareholders through electronic mode, to the Registered email address of the shareholders. Therefore, all the shareholders are requested to update their email/register email address immediately to company with the Green Initiative on Corporate Governance.
9. Statement containing the procedure and instructions for the e-voting through electronic system is attached.

**EXPLANATORY STATEMENT UNDER SECTION 102(1):**

**Item No. 5 and 8:**

The approval of the shareholders is sought to permit the Board to borrow money in excess of the Company's capital and free reserves. In terms of the MCA clarification vide its General Circular No.04/2014, dated 25.03.2014 with regard to the Section 180 of the Companies Act, 2013 which was notified to be in force with effect from 12.09.2013 that the resolution passed under section 293 of the Companies Act, 1956, prior to 12.09.2013, with reference to borrowing limits/ creation of security or charge on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180. Thus, the earlier resolution(s) passed u/s293 were effective only for a period of one year with effect from 12.09.2013 and therefore a fresh resolution in lieu of the

earlier resolution now proposed which is permissive under Section 180(1)(C) of the Companies Act, 2013, if the shareholders approve. With the Company's plans for expansion, Board of Directors of the Company thought it necessary to acquire the power to borrow within the limit as specified in the above resolution under item no. 5 and create charge on assets of the company as per the resolution under item no. 8 and commends the passing of the resolutions.

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

**Item No.6:**

Sri M. Narasimha Rao was appointed as an Additional Director by the Board of Directors at their meeting held on 09.11.2013 and he holds office till the conclusion of the ensuing Annual General Meeting in terms of the Articles of Association and Company Law. As required by section 160 of the Companies Act, 2013, notice was received from a member of the Company signifying his intention to propose appointment of Sri M. Narasimha Rao as Director along with a deposit of Rs.1,00,000/- for the proposed appointment.

In the opinion of the board Sri M. Narasimha Rao fulfills the conditions specified in section 149 (6) and other applicable provisions of the Companies Act, 2013. and the rules made thereunder and that the proposed Director is independent of the management.

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

None of the Directors except Sri M. Narasimha Rao is interested in the resolution.

**Item No.7:**

In the opinion of the Board, Sri K.V. Prasad fulfills the conditions specified in Section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.

None of the directors except Sri K.V. Prasad is interested in the resolution.

By Order of the Board  
For ADITYA SPINNERS LIMITED

K.VIJAY KUMAR  
Managing Director

Place : Hyderabad  
Date : 06-08-2014

**INSTRUCTIONS FOR E-VOTING**

**1. Voting through electronic means:**

a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Securities Depository Limited (CSDL).

b. The instructions for e-voting are as under:

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Physical Form	For Members holding shares in Demat Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account Bank or in the company records for the said demat account or folio.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN field. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The e-voting period commences on 20th September 2014 (9:00 am) and ends on 22nd September 2014(6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 26th September 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 26th September 2014.

Sri K. Swamy Practicing Company Secretary (Membership No. F3743) and has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared in the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.everestorganicsltd.com](http://www.everestorganicsltd.com) in and on the website of CDSL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.

**DIRECTORS' REPORT**

To  
The Members,  
Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

1. FINANCIAL RESULTS	Rs. in Lakhs	
	2013-14	2012-13
Sales	4207.09	3701.17
Profit before depreciation and interest	212.15	234.75
Depreciation	75.08	69.09
Interest for the year	25.62	71.47
Profit before tax	111.45	94.19
Deferred Tax	1.04	1.98
Net Profit	110.41	92.21

**2. DIVIDEND:**

The Directors have not recommended any dividend.

**3. REVIEW OF OPERATIONS:**

During the year under review, the Company had achieved a sales turnover of Rs. 4207.09 lakhs as compared to Rs. 3701.17 lakhs made during the corresponding previous year. For the year 2013-14, the company earned a net profit of Rs.110.41 Lakhs as against the net profit of Rs.92.21 lakhs made during the corresponding previous year.

**4. FUTURE PLANS:**

The company is maintaining good quality products and planned to modernise the plant. The company aims to increase the turnover to achieve the targeted profitability during the current year.

**5. DIRECTORS :**

The Board of Directors of the company was duly constituted as required under the Companies Act, 1956 as well as per the Clause-49 of the Listing Agreement. Sri N. Krishna Mohan and Smt K.V. Nagalalitha, Directors of the company will retire at this annual general meeting by rotation and being eligible, offer themselves for reappointment. The Board regretted the sad demise of Sri G. Satyanarayana, director and expressed its condolences. The Board appointed an additional director Sri M. Narasimha Rao whose term of office will expire at the conclusion of this Annual General Meeting.

In the opinion of the Board, Sri M. Narasimha Rao and Sri K.V. Prasad are proposed to be appointed as independent directors who fulfill the conditions specified in Section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder and that the proposed directors are independent of the management.

Sri P. Ramamoorthy ceased to be a Director on account of his resignation on 06-08-2014 and the board conveyed its appreciation for the guidance and support given by him during his tenure.

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

**8. PARTICULARS OF EMPLOYEES:**

The Particulars of employees required under Section 217(2A) of the Companies Act, 1956 read with the provisions contained in companies (Particulars of Employees) Rules 1975 as amended to date were not applicable to your Company as none of the employees was in receipt of remuneration which is in excess of the limits specified.

**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. It is further informed that the Annual listing fee was paid for the year 2014-15 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 had 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 the 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 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, Director and Chairman, Sri K.V. Prasad, Independent Director, Sri M. Narasimha Rao, Independent Director and Sri K.Vijay Kumar, Managing Director.

**14. ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Material Suppliers, Customers and Shareholders for their continued support and guidance.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the employees of the company at all levels.

For and on behalf of the Board

Place : Hyderabad  
Date : 06-08-2014

**N. KRISHNA MOHAN**  
Chairman

**K. VIJAY KUMAR**  
Managing Director

**ANNEXURE TO DIRECTORS' REPORT**

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

**I. CONSERVATION OF ENERGY:**

- (a) Energy Conservation Measures taken : Regular energy audits are being internally conducted and efforts to improve the DG sets performance was being undertaken
- (b) Additional investment 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 2013-2014	Previous year ended 2012-2013
<b>A. Power and Fuel Consumption:</b>		
Electricity:		
a. Purchases (Units in Lakhs)	109.31	97.10
Total Amount (Rs. in Lakhs)	785.18	590.27
Rate per Unit in (Rs.)	7.18	6.08
b. Own Captive generation:		
i. Through Diesel Generator (Units in lacks)	-	-
Unit per litre of diesel	-	-
Cost/Unit (Rs.)	-	-
ii. Through steam Turbian/Generator	NIL	NIL
Unit (Nos)	-	-
Units per Ltr. of Fuel Oil	-	-
Gas	-	-
Cost/Unit (Rs.)	-	-
<b>B. Consumption per unit of production:</b>		
Yarn production (in MTS.)	1455.94	1402.27
Energy consumption (KWH) per kg. of yarn	7.51	6.92

**II. TECHNOLOGY ABSORPTION :**

Efforts made to Technology absorption as per Form B of the Annexure to the Rules:

——Not Applicable——

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO : NIL**

For and on behalf of the Board

Place : Hyderabad  
Date : 06-08-2014

**N. KRISHNA MOHAN**  
Chairman

**K. VIJAY KUMAR**  
Managing Director

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****1. INDUSTRY STRUCTURE & DEVELOPMENTS:**

India is poised to become a significant player in global textile trade both as a consumer and as a producer of textiles. The synergistic efforts of all the stake holders including the Government has resulted in the industry growth rate of 8-9% during the last 2-3 years as compared to 3-4% during the last six decades since independence. Currently, India is the 9th largest economy in the world in absolute terms and is expected to overtake most of the European nations in the next 15 to 20 years. India's GDP has been growing at a rate of 6% since the liberalization of economy in 1991 and has grown by over 8% in the past few years. The 12th Five Year Plan targets a growth rate of 9.8% for the manufacturing sector.

The role of the Textile Industry is to provide one of the most basic needs of people and the importance of its sustained growth for improving quality of life. The textile industry recognizes its unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; and its major contribution to the country's economy. The tremendous impetus provided by the Textile Policy of 1985 to the economy, resulting over these years in compounded annual growth rates of 7.13% in cloth production, 3.6% in the per capita availability of fabrics and 13.32% in the export of textiles; raising the share of textiles to 13% of value added domestic manufacturing of the country and to one third of the export earnings of the country.

The flagship scheme of the Ministry of Textiles i.e. Technology Upgradation Fund Scheme (TUFS) has facilitated technology upgradation of the textile industry to meet the challenges of the quota free globalised trade which has helped the textile industry on a wide basis. The Union Budget has proposed to continue the TUFS for the textile sector.

Indian textile industry which is broad based and vertically integrated consumes diverse range of textiles fibres and yarns to produce various types of products for the domestic and export markets. The range of fibres consumed by the industry includes natural fibres like cotton, silk, wool, jute and man-made fibres like polyester, viscose, nylon, acrylic, polypropylene etc. Though the textiles industry is predominantly cotton based, the consumption of other fibres / yarns is also significant.

**MARKETING:**

India is a large supplier of yarn in world market. Due to recession from 2009 in global markets, volume and value of export have come down significantly. Your Company is also constantly focusing its efforts to cater to high end users. The company has got excellent relations with all its 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 as well as export market is improving gradually.

**2. STRENGTHS, OPPORTUNITIES, WEAKNESSES AND THREATS:****STRENGTH:**

- Continuous raw material availability that help industry to control costs and reduce the lead times across the operation.
- Availability of Skilled Manpower provides competitive advantage to industry.
- Large and diversified segments in this industry that provide wide variety of products.

**OPPORTUNITIES:**

- The cultural diversity and rich heritage of the country offers good inspiration base for designs and thus ensuring value addition in the product range.
- Natural demand drivers including rising income levels, increasing urbanisation and growth of the purchasing population drive domestic demand.

**WEAKNESSES:**

- Large domestic market, enabling manufacturers to spread out risks.
- Fragmented Industry restricts the scope of enlarging base and emergence as global leaders.

- Lack of desirable levels of Technological Development affect the productivity and other activities in whole value chain.
- Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.

**THREATS:**

- There has been an increase in seasons per year which has resulted in shortening of the fashion cycle.
- Change in Government policies may affect the industry.

**3. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

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

**4. OUTLOOK:**

The Company continues to be an important player in the field of blended yarn in medium and fine count segment with specialised products. There are good prospects for increasing exports of yarn to European countries. The company is making all efforts to explore new markets apart from current markets.

**5. 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 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.

**6. FINANCIAL AND OPERATIONAL PERFORMANCE:**

Please refer Director's Report on performance review.

**7. 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. As on 31<sup>st</sup> March 2014, the Company has about 450 (including trainees, casuals etc.) employees in its factory.

**8. 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 materials, 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.

For and on behalf of the Board

Place : Hyderabad  
Date : 06-08-2014

**N. KRISHNA MOHAN**  
Chairman

**K. VIJAY KUMAR**  
Managing Director

**REPORT ON CORPORATE GOVERNANCE  
(PURSUANT TO CLAUSE-49 OF THE LISTING AGREEMENT)**

In terms of compliance to Clause-49 of the Listing Agreement relating to Corporate Governance, your company has been complying with the guidelines as laid down under the said clause and report hereunder the relevant disclosures for the year 2013-14 as under:

**1. COMPANY'S PHILOSOPHY**

The company's policies, practices and philosophy adopted since inception are in line with good Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. The composition of company board is well balanced with a view to manage the affairs of the company efficiently and professionally. 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 composition and category of Directors as on March 31, 2014 are 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 Director	Smt K.V.Nagalalitha	Director
	Sri P.Ramamoorthy	Director
Independent Non-Executive Director :	Sri K.V.Prasad	Director
	Sri M.Narasimha Rao	Additional Director

During the year 2013-14 the Board met six times held on 15<sup>th</sup> May, 2013, 30<sup>th</sup> May 2013, 12<sup>th</sup> August 2013, 09<sup>th</sup> November 2013, 12<sup>th</sup> February, 2014 and 26<sup>th</sup> March, 2014. 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	5
Sri R.Shiv Kumar	EVC	5	YES	-
Sri N.Krishna Mohan	INE	5	NO	6
Sri K.Vijay Kumar	MD	6	YES	6
Sri K.V.Prasad	INE	5	NO	1
Sri P.Ramamoorthy	INE	6	YES	6
Sri M.Narasimha Rao	INE	3	NO	-

EVC - Executive Vice Chairman  
INE - Independent and Non Executive  
MD - Managing Director  
PED - Promoter Executive Director  
PNE - Promoter Non Executive

**3. BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT /REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING:**

**Sri N. Krishna Mohan** and **Smt K.V. Nagalalitha**, Directors will be retiring by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment.

**Sri N. Krishna Mohan** aged 74 years is a professional and industrialist with wide and varied experience in the various companies for over four decades and his presence in the Board was felt necessary for proper guidance and directions in the company matters.

**Smt K.V. Nagalalitha** aged 42 years is an industrialist with experience of more than one decade.

**Sri M. Narasimha Rao** aged 79 years is a professional with excellent exposure in the area of human resource management, finance and accounts with widespread varied experience over more than four decades.

**Sri K.V. Prasad** aged 45 years is an industrialist with exposure in the textile units with experience more than the two decades.

**4. COMMITTEES OF BOARD OF DIRECTORS OF THE COMPANY:**

**(a) SHARE TRANSFER COMMITTEE:**

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

**(b) AUDIT COMMITTEE:**

The Committee comprises of Sri M. Narasimha Rao, non-executive independent and Chairman, Sri K.V. 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 six times.

**(c) REMUNERATION COMMITTEE:**

The Committee comprises three members viz. Sri M. Narasimha Rao, Chairman, Sri K.V. Prasad and Sri P. Ramamoorthy.

**(d) SHAREHOLDERS' COMMITTEE:**

The Committee comprises of three Directors as members viz., Sri P. Ramamoorthy Sri M. Narasimha Rao 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 one complaint during the year and resolved the one complaint. There were no pending complaints unresolved as on 31/03/2014.



**5. 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
21 <sup>st</sup> AGM 31.03.2013	Perindesam Village KVB Puram Mandal, Near Srikalahasti, Chittoor District Andhra Pradesh	17.09.2013	12.00 Noon	2
20 <sup>th</sup> AGM 31.03.2012	Perindesam Village KVB Puram Mandal, Near Srikalahasti, Chittoor District Andhra Pradesh	25.09.2012	12.30 PM	Nil
19 <sup>th</sup> AGM 31.03.2011	Registered Office Perindesam Village, K.V.B.Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh.	28.09.2011	02.00 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.

**6. DISCLOSURES:**

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

**7. MEANS OF COMMUNICATION:**

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

**8. GENERAL SHAREHOLDERS INFORMATION:**

- Annual General Meeting  
Day and Date : Friday, the 26th September, 2014  
Time : 12:30 P.M  
Venue : Registered Office  
Perindesam Village,  
K.V.B.Puram Mandal,  
Near Srikalahasti,  
Chittoor District, A.P.
- Financial Calendar -2014-15  
Reporting of financial (Provisional)  
Results for quarter ending 30.06.14 : Due on 15.08.2014  
Results for quarter ending 30.09.14 : Due on 15.11.2014  
Results for quarter ending 31.12.14 : Due on 15.02.2015  
Results for quarter ending 31.03.15 : Due on 15.05.2015  
Annual General Meeting for the year  
Ending 31.03.2015 : Last week of Sep 2015
- Book Closure Dates : Minimum one day including  
the date of AGM
- Dividend payment date : Not applicable
- ISIN : IN8122D01017

**9. Listing of Shares:**

The equity shares of the company are  
Listed on the following stock exchanges : The Bombay Stock Exchange  
Ltd., Mumbai

**10. Registrar and Transfer agents:**

Demat and Physical Transfer Agents:

M/s Venture Capital & Corporate Investments Private Limited,  
12-10-134, (MIG-134), Bharat Nagar Colony, Hyderabad- 500 038

**11. 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 documents being valid and complete in all respects. The company has, as per SEBI notification dematerialized its shares and is 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.

**12. 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 31<sup>st</sup> March, 2014 approximately 1728345 shares are dematerialized representing 10.32% of the total issued capital.

**8. Distribution of Shareholding as on 31<sup>st</sup> March, 2014**

Shareholders	Shares	%of total
1. Promoters, Directors And their relatives	11150640	66.61
2. Mutual Funds	88360	0.53
3. NRIs/OCBs	94280	0.56
4. Banks, Financial Institutions	270440	1.62
5. Private Corporate Bodies	227379	1.36
6. Indian Public	4909789	29.32
<b>Total</b>	<b>16740888</b>	<b>100.00</b>

- 14. Plant Location** : Perindesam Village,  
K.V.B.Puram Mandal,  
Near Sri Kalahasti,  
Chittoor District,  
Andhra Pradesh.
- 15. Address for correspondence** : 12-10-134, (MIG-134),  
2<sup>nd</sup> Floor, Bharat Nagar Colony,  
Hyderabad -500 038.
- 16. Corporate Identity Number (CIN)** : L18100AP1991PLC012337

**17. CEO CERTIFICATION :**

As required by Clause-49 of the Listing Agreement, the CEO Certification is provided in the Annual Report.

**18. Secretarial Audit for Reconciliation of Share Capital :**

The SEBI vide its circular No.D&CC/FITTC/CIR-16/2002, dated 31<sup>st</sup> December, 2002 has made it mandatory that a secretarial audit by a practising Company Secretary be carried out to reconcile the total admitted capital with NSDL and 31-03-2014 and the same are taken note by the Board of Directors at their respective meetings held during 2013-14 as mentioned here in above.

**19. Green Initiative in the Corporate Governance :**

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling annual general meeting, Corporate Governance Report, directors Report, audited financial statements, auditors report, etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced mail cases. Shareholders are requested to register their email id with Registrar and Transfer Agent to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

For and on behalf of the Board

Place : Hyderabad  
Date : 06-08-2014

**N. KRISHNA MOHAN**  
Chairman

**K. VIJAY KUMAR**  
Managing Director

**CEO CERTIFICATION**

I, K. Vijay Kumar, Managing Director certified to the Board that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief.
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and Audit Committee deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the "Audit Committee".
- (i) There has not been any significant change in internal control over financial reporting during the year under reference.
- (ii) There has not been any significant Change in accounting polices during the year requiring disclosure in the notes to the financial statements and
- (iii) I am not aware of any instance during the year of significant fraud with involvement there in if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board

Place : Hyderabad  
Date : 06-08-2014

**K. VIJAY KUMAR**  
Managing Director

**DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT:**

The Company has received confirmation from the Directors as well as Senior Management Executives regarding compliance of the Code of Conduct during the year under review.

A direction by the Director and CEO affirming compliance of Board Members and Senior Management Personnel to the Code is also annexed herewith.

**DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31.03.2014.

For and on behalf of the Board

Place : Hyderabad  
Date : 06-08-2014

**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 M/s. Aditya Spinners Limited for the year ended 31<sup>st</sup> March, 2014 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.

**C.RAMACHANDRAM**  
Partner  
Membership No.25834

Place : Hyderabad  
Date : 06-08-2014.

**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, 2014, 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 notified under the companies Act 1956 ("The Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act 2013. 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 Judgement, 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. But not for the purpose of expressing an opinion on the effectiveness of the entity's internal capital. 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, 2014;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
- 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 notified under the companies Act 1956 ("The Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act 2013.
  - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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

**C.RAMACHANDRAM**  
Partner  
Membership No. 025834

Place : Hyderabad  
Date : 25-04-2014

#### 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 (financial statements for the year ended March 31, 2014).

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 parties covered in the register maintained U/s.301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.230.61 lakhs and the year end balance of loans outstanding from such party was Rs.166.65 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

**C.RAMACHANDRAM**  
Partner  
Membership No. 025834

Place : Hyderabad  
Date : 25-04-2014



## BALANCE SHEET AS AT 31st MARCH, 2014

(Rs. in Lakhs)

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
<b>A. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
a) Share Capital	1	1674.09	1674.09
b) Reserves and Surplus	2	<u>(829.02)</u> 845.07	<u>(939.43)</u> 734.66
<b>NON-CURRENT LIABILITIES</b>			
a) Long Term Borrowings	3	225.41	85.53
b) Deferred tax Liabilities (net)		16.58	15.54
c) Other Long Term Liabilities	4	145.67	193.68
d) Long Term Provisions	5	34.86	37.04
		<u>422.52</u>	<u>331.79</u>
<b>CURRENT LIABILITIES</b>			
a) Short-term borrowings	6	301.45	-
b) Trade Payables	7	108.64	228.20
c) Other Current Liabilities	8	223.04	272.57
d) Short-term Provisions	9	11.40	16.77
		<u>644.53</u>	<u>517.54</u>
Total		<u>1912.12</u>	<u>1583.99</u>
<b>B. ASSETS</b>			
<b>Non-current assets</b>			
a) Fixed Assets			
- Tangible assets	10	903.51	878.88
b) Other non-current assets	11	93.68	107.13
		<u>997.19</u>	<u>986.01</u>
<b>Current assets</b>			
a) Current investments	12	0.30	0.30
b) Inventories	13	267.36	230.09
c) Trade Receivables	14	293.31	279.85
d) Cash and cash equivalents	15	274.77	18.10
e) Short-term Loans and Advances	16	5.79	4.48
f) Other Current Assets	17	73.40	65.16
		<u>914.93</u>	<u>597.98</u>
Total		<u>1912.12</u>	<u>1583.99</u>

## Summary of Significant Accounting Policies 24

In terms of our report attached

For **C.RAMACHANDRAM & CO.,**  
Chartered Accountants  
Firm Reg. No. : 002864S**C.RAMACHANDRAM**  
Partner  
Membership No. 025834Place : Hyderabad  
Date : 25-04-2014For and on behalf of the Board  
**ADITYA SPINNERS LIMITED****N. KRISHNA MOHAN**  
Chairman**K. VIJAY KUMAR**  
Managing Director**P. RAJENDRA BABU**  
Company SecretarySTATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31 st MARCH, 2014

(Rs. in Lakhs)

Particulars	Note No	For the Year ended 31-03-2014	For the Year ended 31-03-2013
<b>Revenue from Operations (From Sale of Yarn)</b>			
Less : Excise Duty		-	-
<b>Revenue from Operations (Net)</b>	18	4207.09	3701.17
Other Income		45.25	17.58
<b>TOTAL REVENUE</b>		<u>4252.34</u>	<u>3718.75</u>
<b>EXPENSES</b>			
a) Cost of materials Consumed	19	1975.22	1814.26
b) Change in Inventories of finished goods & work-in-progress	20	(33.08)	(0.59)
c) Employee benefits expense	21	627.07	532.46
d) Finance Costs	22	25.62	71.47
e) Depreciation	10	75.08	69.09
f) Other expenses	23	1470.98	1137.87
<b>TOTAL EXPENSES</b>		<u>4140.89</u>	<u>3624.56</u>
<b>Profit Before Tax</b>		111.45	94.19
<b>Tax Expense:</b>			
a) For Current year		-	-
b) Deferred tax		1.04	1.98
<b>Profit After Tax</b>		110.41	92.21
Basic & Diluted Earnings Per Equity Share of Rs.10/- each.		0.66	0.55
<b>Summary of Significant Accounting Policies 24</b>			

In terms of our report attached

For **C.RAMACHANDRAM & CO.,**  
Chartered Accountants  
Firm Reg. No. : 002864S**C.RAMACHANDRAM**  
Partner  
Membership No. 025834Place : Hyderabad  
Date : 25-04-2014For and on behalf of the Board  
**ADITYA SPINNERS LIMITED****N. KRISHNA MOHAN**  
Chairman**K. VIJAY KUMAR**  
Managing Director**P. RAJENDRA BABU**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

(Rs. in Lakhs)

Particulars	Year Ended 31st March 2014	Year Ended 31st March 2013
<b>a. Cash Flow From Operating Activities:</b>		
Net Profit before tax	111.45	94.19
Adjustments for :		
Add: Depreciation	75.08	69.09
Add: Interest and Finance Charges	25.62	71.47
Operating Profit before Working Capital Changes	212.15	234.75
Changes in Working Capital		
- (Increase) / decrease in Inventories	(37.27)	(9.18)
- (Increase) / decrease in Trade Receivables	(13.46)	(64.78)
- (Increase) / decrease in Loans and Advances	3.91	(69.89)
- Increase / (decrease) in Current Liabilities	(176.64)	179.56
Net Cash Flow from Operating Activities	(11.32)	270.46
<b>b. Cash Flow from Investing Activities:</b>		
Inflow / (Outflow)		
Net Purchase of Fixed Assets	(99.71)	(43.41)
<b>c. Cash Flow From Financing Activities:</b>		
Inflow / (Outflow)		
Proceeds / (Repayment) from Long Term Borrowing	139.88	(98.85)
Net Increase / Decrease in Cash Credit Facility	301.45	-
Proceeds / (Repayment) from Unsecured Loans	(48.01)	(48.00)
Interest Paid	(25.62)	(71.47)
Net Cash Flow from Financing Activities	367.70	(218.32)
<b>d. Net Increase / (Decrease) in Cash and Cash Equivalents:</b>	256.67	8.72
Cash and Cash Equivalents at the beginning of the year	18.10	9.38
Cash and Cash Equivalents at the close of the year	274.77	18.10

Note: Previous year's figures have been regrouped and recast wherever necessary to conform to current year's classification.

As per our report of even date

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

Chartered Accountants

Firm Reg. No.: 002864S

**C.RAMACHANDRAM**

Partner

Membership No. 025834

**N. KRISHNA MOHAN**

Chairman

**K. VIJAY KUMAR**

Managing Director

**P. RAJENDRA BABU**

Company Secretary

Place : Hyderabad

Date : 25-04-2014

## Notes forming part of the financial statements

(Rs. in Lakhs)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number of shares	Amount	Number of shares	Amount
<b>NOTE : 1 SHARE CAPITAL</b>				
<b>a) AUTHORISED</b>				
- Equity Shares of Rs.10/- each	2,40,00,000	2,400.00	2,40,00,000	2,400.00
- Preference Shares of Rs. 10/-each	30,00,000	300.00	30,00,000	300.00
<b>b) ISSUED</b>				
- Equity Shares of Rs.10/- each	1,67,40,888	1,674.09	1,67,40,888	1,674.09
<b>c) SUBSCRIBED AND FULLY PAID UP</b>				
- Equity Shares of Rs.10/- each with voting rights	1,67,40,888	1,674.09	1,67,40,888	1,674.09
Total		1,674.09		1,674.09

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'2014 and 31st March'2013 is set out below :

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights Year ended 31 March, 2014		
- Number of Shares	1,67,40,888	1,67,40,888
- Amount (Rs. in Lakhs)	1,674.09	1,674.09
Year ended 31 March, 2013		
- Number of Shares	1,67,40,888	1,67,40,888
- Amount (Rs. in Lakhs)	1,674.09	1,674.09

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

Name	As at 31/03/2014		As at 31/03/2013	
	No of shares	% of Holding	No. of shares	% of Holding
1. K.V. Nagalalitha	50,80,320	30.35%	13,42,240	8.02%
2. K. Vijay Kumar	50,80,320	30.35%	-	-
3. Krishnarama Industrial Investment Ltd	-	-	81,90,000	48.92%
TOTAL	1,01,60,640	60.70%	95,32,240	56.94%

Notes forming part of the financial statements (Rs. in Lakhs)		
Particulars	As at 31.03.2014	As at 31.03.2013
<b>NOTE : 2</b>		
<b>RESERVES AND SURPLUS</b>		
(a) Capital reserve	15.00	15.00
	<u>15.00</u>	<u>15.00</u>
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(954.43)	(1046.64)
Add: Profit for the year	110.41	92.21
Closing balance	<u>(844.02)</u>	<u>(954.43)</u>
Total	<u>(829.02)</u>	<u>(939.43)</u>
<b>NOTE:3</b>		
<b>LONG-TERM BORROWINGS</b>		
<b>From other parties</b>		
Unsecured		
- From Directors	20.14	65.61
- From Related Parties	186.05	19.92
- From Other Parties	19.22	-
Total	225.41	85.53
<b>NOTE:4</b>		
<b>OTHER LONG-TERM LIABILITIES</b>		
- Sales Tax Deferment	145.67	193.68
Total	145.67	193.68
<b>NOTE:5</b>		
<b>LONG TERM PROVISIONS</b>		
- Employee Benefits - Gratuity	34.86	37.04
Total	34.86	37.04
<b>NOTE:6</b>		
<b>SHORT TERM BORROWINGS</b>		
Secured		
Loan from Banks		
- Cash Credit Facility	301.45	-
Total	301.45	-

Note 6.1: Cash Credit Facility represents loan from Andhra Bank which is secured by hypothecation of stocks and receivables. The above loan is also secured by mortgage of land and buildings of the Company and the land belonging to the Managing Director and further guaranted by Mr.K.Vijay Kumar, Managing Director and Mrs.K.V.Naga Lalitha, Director.

Notes forming part of the financial statements (Rs. in Lakhs)		
Particulars	As at 31.03.2014	As at 31.03.2013
<b>NOTE : 7</b>		
<b>TRADE PAYABLES</b>		
- Raw Meterials	62.38	187.16
- Stores & Spares	16.09	6.95
- Others	30.17	34.09
Total	108.64	228.20
Note:7.1 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.		
<b>NOTE : 8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>OTHER PAYABLES</b>		
(i) Statutory remittances	12.84	13.46
(ii) Advances from customers	0.84	1.48
(iii) Salaries & Wages Payable	46.11	46.67
(iv) Power Payable	64.19	60.02
(iv) Others	99.06	150.94
Total	223.04	272.57
<b>NOTE : 9.</b>		
<b>SHORT TERM PROVISIONS</b>		
- Provision for employee benefits:		
- Provision for bonus	11.40	16.77
Total	11.40	16.77

Description	GROSSBLOCK			DEPRECIATION			NET BLOCK	
	As At 01.04.2013	Additions during the Year	As At 31.03.2014	Up To 31.03.2013	For The Year	-Up To 31.03.2014	As At 31.03.2014	As At 01.04.2013
Land & Site Development	58.78	-	58.78	-	-	-	58.78	58.78
Buildings	1,085.19	15.00	1,100.19	541.91	36.25	578.16	522.04	543.28
Plant and Machinery	2,419.42	-	2,419.42	2,419.42	-	2,419.42	-	-
Plant and Machinery	317.71	75.33	393.04	47.26	35.54	82.80	310.24	270.45
Office Equipment	15.27	0.44	15.71	11.34	0.99	12.33	3.38	3.93
Furniture & Fixtures	18.66	-	18.66	17.76	0.90	18.66	0.00	0.90
Computers	27.05	0.81	27.86	26.29	0.82	27.11	0.75	0.76
Vehicles	0.82	8.13	8.95	0.04	0.59	0.63	8.32	0.78
<b>TOTAL</b>	<b>3,942.90</b>	<b>99.71</b>	<b>4,042.61</b>	<b>3,064.02</b>	<b>75.08</b>	<b>3,139.11</b>	<b>903.51</b>	<b>878.88</b>
<b>PREVIOUS YEAR</b>	<b>3,899.49</b>	<b>43.41</b>	<b>3,942.90</b>	<b>2,994.94</b>	<b>69.09</b>	<b>3,064.02</b>	<b>878.88</b>	<b>904.55</b>

Notes forming part of the financial statements		
Particulars	As at 31.03.2014	As at 31.03.2013
<b>NOTE : 11</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
<b>Deposit with Govt &amp; Public Bodies</b>		
(a) Electricity Department	57.50	82.60
(b) Deposit with LIC of India - GGS	10.00	-
(c) Excise Department	0.38	0.38
(d) T D S Receivable	12.31	11.94
(e) Others	13.49	12.21
<b>Total</b>	<b>93.68</b>	<b>107.13</b>
<b>NOTE : 12</b>		
<b>CURRENT INVESTMENTS</b>		
Investments (At cost):		
Investment in quoted equity shares - fully paid		
- 50 Equity Shares of Rs.100/- each fully paid in State Bank of Travancore	0.30	0.30
<b>Total</b>	<b>0.30</b>	<b>0.30</b>
<b>NOTE : 13</b>		
<b>INVENTORIES</b>		
(a) Raw materials	79.97	87.81
(b) Work-in-progress	99.04	73.21
(c) Finished goods	54.30	47.05
(d) Stores and spares	34.05	22.02
<b>Total</b>	<b>267.36</b>	<b>230.09</b>
<b>NOTE : 14</b>		
<b>TRADE RECEIVABLES</b>		
Unsecured, considered good	293.31	279.85
<b>Total</b>	<b>293.31</b>	<b>279.85</b>
<b>NOTE : 15</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
(a) Cash on hand	2.43	1.73
(b) Balances with banks		
- In current accounts	272.34	16.37
<b>Total</b>	<b>274.77</b>	<b>18.10</b>
<b>NOTE : 16</b>		
<b>SHORT-TERM LOANS AND ADVANCES</b>		
Prepaid expenses - Unsecured, considered good (Insurance premium, AMC's and Licence Fee etc.)		
	5.79	4.48
<b>Total</b>	<b>5.79</b>	<b>4.48</b>
<b>NOTE : 17</b>		
<b>OTHER CURRENT ASSETS</b>		
(i) Advances - Creditors	59.96	58.63
(ii) Advances - Staff	11.32	2.38
(iii) Interest Receivable	2.12	4.15
<b>Total</b>	<b>73.40</b>	<b>65.16</b>

## Notes forming part of the financial statements

(Rs.in Lakhs)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>NOTE:18</b>		
<b>OTHER INCOME</b>		
(a) Interest and Other Receipts	24.63	5.83
(b) Scrap Sales	20.62	11.75
Total	45.25	17.58
<b>NOTE : 19</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Opening stock	87.81	76.71
Add: Purchases:		
- Polyester	1,240.83	1,069.55
- Viscose	726.55	755.81
Total	1,967.38	1,825.36
Less: Closing stock	79.97	87.81
<b>Cost of material consumed</b>	<b>1,975.22</b>	<b>1,814.26</b>
Material consumed comprises:		
- Polyester	1,253.90	1,060.47
- Viscose	721.32	753.79
Total	1,975.22	1,814.26
<b>NOTE: 20</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	54.30	47.05
Work-in-progress	99.04	73.21
	<u>153.34</u>	<u>120.26</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	47.05	47.75
Work-in-progress	<u>73.21</u>	<u>71.92</u>
	<u>120.26</u>	<u>119.67</u>
<b>Net (increase) /decrease</b>	<b>(33.08)</b>	<b>(0.59)</b>

## Notes forming part of the financial statements

**NOTE:21**  
**EMPLOYEE BENEFITS EXPENSE**

(Rs.in Lakhs)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>SALARIES WAGES</b>		
- Salaries & Wages	374.78	368.25
- Stipend	142.86	80.22
- Directors Remuneration	36.00	27.00
Contributions to Provident Fund	23.43	23.11
Staff welfare expenses	50.00	33.88
Total	627.07	532.46
<b>NOTE : 22</b>		
<b>FINANCE COSTS</b>		
i) Interest Expense	22.17	15.10
ii) Other Borrowing Costs	3.45	56.37
Total	25.62	71.47



## Notes forming part of the financial statements (Rs. in Lakhs)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>NOTE : 23</b>		
<b>OTHER EXPENSES</b>		
Consumption of stores and spare parts	207.36	193.15
Power and fuel	785.18	590.27
Rent	9.28	9.11
Repairs and maintenance - Machinery	49.39	27.54
Repairs and maintenance - Buildings	8.50	6.59
Repairs and maintenance - Others	30.00	25.28
Insurance	11.72	6.84
Rates and taxes	5.32	6.36
Communication	3.66	3.20
Travelling and conveyance	56.45	28.54
Selling & Forwarding Expenses (Refer details (ii) given below)	146.92	133.71
Donations and contributions	1.00	1.00
Legal and professional Charges	6.27	6.65
Security Service Charges	11.62	9.98
Payments to auditors (Refer details (i) given below)	1.15	1.16
Taxes Paid	82.39	70.38
Miscellaneous expenses	54.77	18.11
<b>Total</b>	<b>1,470.98</b>	<b>1,137.87</b>
<b>DETAILS TO NOTE 23</b>		
<b>PARTICULARS</b>		
<b>(i) Payments to the auditors comprises:</b>		
<b>As Auditors</b>		
- Statutory Audit	0.90	0.90
- For taxation matters	0.20	0.20
- Reimbursement of expenses	0.05	0.06
<b>Total</b>	<b>1.15</b>	<b>1.16</b>
<b>PARTICULARS</b>		
<b>(ii) Selling &amp; Distribution Expenses:</b>		
- a. Freight & Forwarding	56.24	50.91
- b. Sales Commission	69.56	62.25
- c. Cash Discount	19.02	14.56
- e. Business Promotion	1.54	5.27
- f. Advertisement	0.56	0.72
<b>Total</b>	<b>146.92</b>	<b>133.71</b>

## Note : 24

## 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, whichever is lower.
- iii) Finished Goods: At cost or Net Realizable Value, whichever 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:**

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. Provision for Income Tax for the current year is not made in view of the relief granted by BIFR during the revival period of 7 years starting from the financial year 2011-12.

**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.

**II. Notes on Other Disclosures :****1. RELATED PARTY DISCLOSURE:**

Related Parties	: Sri Chakra Cement Ltd Envean Leasing & Investments Ltd
Relationship	: Key Management Personnel Mr.N Krishna Mohan Mr.K Vijay Kumar
Related Party Transactions	: Loans & Advances amounting to Rs.164.77 Lakhs Outstanding balance with related parties as on March 31, 2014: Rs.164.77 Lakhs

**2. Contingent Liabilities and commitments :**

(to the extent not provided for)

i) Contingent Liabilities	31.03.2014	31.03.2013
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			
	2013-14		2012-13		2013-14		2012-13	
	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs
Imported	-	-	-	-	-	-	-	-
Indigenous	100%	1975.22	100%	1814.26	100%	207.36	100%	193.15

**5. Earnings and Expenditure in Foreign Exchange**

	<u>2013-14</u>	<u>2012-13</u>
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.

As per our report of even date

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

**C.RAMACHANDRAM**  
Partner  
Membership No. 025834

Place : Hyderabad  
Date : 25-04-2014

For and on behalf of the Board  
**ADITYA SPINNERS LIMITED**

**N. KRISHNA MOHAN**  
Chairman

**K. VIJAY KUMAR**  
Managing Director

**P. RAJENDRA BABU**  
Company Secretary

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **L18100AP1991PLC012337**  
 Name of the company: **Aditya Spinners Limited**  
 Registered office : Perindesam Village, KVB Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh-517643

Name of the member (s): \_\_\_\_\_  
 Registered address: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
 Folio No/ Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being the member (s) of----- shares of the above named company, hereby appoint

1. Name: -----	2. Name: -----
Address: -----	Address: -----
E-mail Id:-----	E-mail Id: -----
Signature:-----or failing him	Signature:-----or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on Friday, the 26th September'2014 at 12.30 P.M. at the Registered Office of the Company at Perindesam Village, KVB Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh-517643 and at any adjournment thereof in respect of such resolutions as are indicated below:

**(Please Mention No. of Shares)**

No.	Description	For	Against	Abstain
<b>ORDINARY BUSINESS :</b>				
1.	Adoption of audited financial Statements for the year ended 31st March, 2014.			
2.	Appointment of a Director in place of Sri N. Krishna Mohan who retires by rotation and being eligible seeks reappointment.			
3.	Appointment of Director in place of Smt K.V. Nagalalitha who retires by rotation and being eligible seeks reappointment.			
4.	Appointment of M/s C. Ramachandram & Co., Chartered Accountants, as statutory auditors of the company			
<b>SPECIAL BUSINESS :</b>				
5.	Increase in the Borrowing Powers of the Company.			
6.	Appointment of Sri M. Narasimha Rao as Independent Director.			
7.	Appointment of Sri K.V. Prasad as Independent Director.			
8.	Approval for Creation of Charge/Securities.			

Signature of the Shareholder \_\_\_\_\_  
 Signature of the Proxyholder \_\_\_\_\_

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix  
Re. 1/-  
Revenue  
Stamp

**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 22 nd 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 Friday, the 26th day of September, 2014 at 12.30 PM

Signature of the Shareholder\_\_\_\_\_

Signature of the Proxyholder\_\_\_\_\_



# Aditya Spinners Limited

6-3-668/10/66, Durganagar Colony,  
Punjagutta, Hyderabad - 500 082.  
Telangana State, India  
Grams : "ADITYASPIN"  
Tel : 040 - 23404708  
Fax : 040 - 23404758  
E-mail : H.O. : aslhyd9@gmail.com  
Site : aslskht@gmail.com  
CIN : L18100AP1991PLC012337

To  
The Listing department,  
Bombay Stock Exchange,  
Dalal Street,  
MUMBAI

Dear Sir,

## FORM A

### Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1	Name of the Company	M/s. Aditya Spinners Ltd.,
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Un-qualified/Matter of Emphasis
4	Frequency of observation	Not applicable
5	To be signed by-	
	❖ CEO/Managing Director	<p>For ADITYA SPINNERS LIMITED</p> <p><i>K. Vijay Kumar</i> K. VIJAY KUMAR Managing Director</p>
	❖ CFO P. RAMA MOORTHY.	<p><i>P. Rama Moorthy</i></p>
	❖ Auditor of the company	<p>For C. RAMACHANDRAM &amp; CO. Chartered Accountants</p> <p><i>C. Ramachandram</i> C. RAMACHANDRAM Partner (M.No. 25834)</p> <p><i>K. Nannala Rao</i> (Chairman)</p>
	❖ Audit Committee Chairman	



To  
The Listing department,  
Bombay Stock Exchange,  
Dalal Street,  
MUMBAI



# Aditya Spinners Limited

6-3-668/10/66, Durganagar Colony,  
Punjagutta, Hyderabad - 500 082.  
Telangana State, India  
Grams : "ADITYASPIN"  
Tel : 040 - 23404708  
Fax : 040 - 23404758  
E-mail : H.O. : aslhyd9@gmail.com  
Site : aslshkt@gmail.com  
CIN : L18100AP1991PLC012337

Dear Sir,

## FORM B

### Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1	<b>Name of the Company</b>	M/s. Aditya Spinners Ltd.,
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014 <i>- NOT APPLICABLE -</i>
3	Type of Audit Qualification	Qualified..../Subject to ..../Except for....
4	Frequency of qualification	Whether appeared first <i>NOT APPLICABLE</i> / time..../repetitive..../since how long period...
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	May give list of qualifications/headings (Refer page numbers in the annual report) and management's response.
6	Additional comments from the board/audit committee chair:	This may relate to nature of the qualification including materially, agreement/disagreement on the qualification, steps taken to resolve the qualification, etc.
7	To be signed by-  ❖ CEO/Managing Director  ❖ CFO P. RAMA MOORTHY,  ❖ Auditor of the Company  ❖ Audit Committee Chairman"	<p>For ADITYA SPINNERS LIMITED</p> <p><i>K. Vijay Kumar</i> K. VIJAY KUMAR Managing Director</p> <p><i>C. Ramachandram</i> For C. RAMACHANDRAM &amp; CO. Chartered Accountants</p> <p><i>C. Ramachandram</i> C. RAMACHANDRAM Partner (M.No. 25834)</p> <p><i>H. Narsimha Reddy</i> H. NARSIMHA REDDY Chartered Accountant</p>