



# Aditya Spinners Limited

6-3-668/10/66, Durganagar Colony,  
Punjagutta, Hyderabad - 500 082. A.P. India  
Grams : "ADITYASPIN"  
Tel : 040 - 23404708  
Fax : 040 - 23404758  
E-mail : H.O. : aslhyd9@gmail.com  
Site : aslskht@gmail.com  
CIN No: L18100AP1991PLC012337

Date: 27<sup>th</sup> August, 2020

To  
The Deputy General Manager,  
Corporate Relationship Department,  
The Stock Exchange, Mumbai,  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Building,  
P.J.Towers, Dalal Street, Fort,  
Mumbai – 400001  
Fax: 022 22723121

Scrp Code: BSE: 521141

Dear Sir,

**Sub: Submission of Annual Report including Notice of AGM for the Financial Year 2019-2020 under Regulation 34 of Securities and Exchange Board of India (LODR), Regulations, 2015.**

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With reference to the subject cited and in compliance of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby furnish the Notice of the 28<sup>th</sup> Annual General Meeting to be held on 19<sup>th</sup> day of September, 2020 at 11: 00 AM through Video Conferencing/Other Audio-Visual mode and the Annual Report for the financial year 2019- 2020.

This is for your information and records.

Thanking You

Yours faithfully,

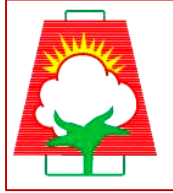
For Aditya Spinners Limited

  
K. Vijay Kumar  
Managing Director



Encl: a/a

**2020**



**Aditya Spinners Limited**

**Annual Report  
2019 -20**



**BOARD OF DIRECTORS:**

N. Krishna Mohan	- Chairman
R. Shiv Kumar	- Executive Vice Chairman
K. Vijay Kumar	- Managing Director
K.V.Nagalalitha	- Director
K. Sriram	- Executive – Director
M. Narasimha Rao	- Director – Independent
K. V Prasad	- Director – Independent
Nemani Gopal	- Director – Independent

**CHIEF FINANCIAL OFFICER:**

P. Ramamoorthy

**COMPANY SECRETARY:**

P. Venkatasubba Rao

**AUDITORS:**

**T MOHAN & ASSOCIATES**

Chartered Accountants  
3-6-237, Unit 606,  
Lingapur la bulde complex,  
Himayath Nagar, Hyderabad-500029

**REGISTRAR & SHARE TRANSFER AGENTS:**

Venture Capital & Corporate Investments Pvt Limited,  
12-10-167, Bharat Nagar  
Hyderabad - 500 018, T.G.  
[Tel:040-23818475/76](tel:040-23818475/76),  
[Fax-040-23868024](tel:040-23868024)  
Email ID: info@vccilindia.com

**REGD. OFFICE & FACTORY:**

Perindesam Village, K.V.B. Puram Mandal,  
Near Srikalahasti, Chittoor District,  
A.P., India-517643

**ADMINISTRATIVE OFFICE:**

6-3-668/10/66, Durganagar Colony, Punjagutta,  
Hyderabad- 500 082, Tel.040-23404708,  
Email:aslhyd9@gmail.com, Website: www.adityaspINNERS.net



### NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of Aditya Spinners Limited will be held on Saturday, the 19<sup>th</sup> day of September, 2020 at 11.00 A.M, through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue, to transact the businesses mentioned below.

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM

#### ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To Appoint a Director in place of SRI. K.VIJAY KUMAR, (DIN: 00769568) who retires by rotation and being eligible, offers himself for re appointment.
3. To Appoint a Director in place of Smt. K V NAGALALITHA, (DIN: 02223430) who retires by rotation and being eligible, offers herself for re appointment.
4. To Appoint a Director in place of SRI. R.SHIV KUMAR, (DIN: 01791576) who retires by rotation and being eligible, offers himself for re appointment

#### SPECIAL BUSINESS:

5. **Continuation of Directorship of Mr. N Krishna Mohan (DIN: 00698772) as a Non-Executive Non-Independent Director in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions of Companies Act, 2013 and relevant rules framed there under (including any statutory modification or re-enactment thereto), approval of members be and is hereby accorded to the continuation of directorship of Mr. N Krishna Mohan (DIN: 00698772), as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. **Re-appointment of Mr. Narasimha Rao Mandumula (DIN: 06763347) as a Non-Executive Independent Director for second term of five consecutive years**

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act, 2013 and Regulation 16(1)(b), 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the approval of the Board of Directors of the Company upon the recommendation of the Nomination & Remuneration Committee, Mr. Narasimha Rao Mandumula (DIN: 06763347), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of 5 (five) consecutive years with effect from the date of this Annual General meeting or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. **Re-appointment of Mr. Venkata Prasad Kuppam (DIN: 01853455) as a Non-Executive Independent Director for second term of five consecutive years**

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to the approval of the Board of Directors of the Company upon the recommendation of the Nomination & Remuneration Committee, Mr. Venkata Prasad Kuppam (DIN: 01853455), Independent Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of 5 (five) consecutive years with effect from the date of this Annual General meeting or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines."



“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**8.RE-APPOINTMENT OF MR. K. SRIRAM AS EXECUTIVE DIRECTOR OF THE COMPANY:**

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 196, 197 and 198 of the Companies Act, 2013 read with Part-II of Section-II to the Schedule-V of the said Act, pursuant to the remuneration approved by the Nomination and Remuneration Committee and pursuant to the Articles of Association of the company, the consent and approval of the company be and is hereby accorded for the re-appointment of Sri K.Sriram, as the Executive Director of the company for a period of three years w.e.f. 14.08.2020 with a remuneration of not more than Rs.2,50,000/-(Rupees Two Lakhs Fifty Thousand only) per month during the said tenure.”

By Order of the Board  
For ADITYA SPINNERS LIMITED

Place: Hyderabad,  
Date: 31.07.2020

K VIJAY KUMAR  
Managing Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 5 OF THE NOTICE**

Pursuant to the Regulation 17(1A) of SEBI (LODR) regulations, 2015 listed company shall continue the directorship of a Non-Executive Director who has attained the age of 75 years by passing a Special Resolution to that effect.

Mr. N Krishna Mohan (DIN: 00698772 is above 75 years of age and his services are beneficial to the Company. Based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management, the Board of Directors recommend his continuation as Director under regulation 17(1A) of SEBI (LODR) regulations, 2015 and the same is considered in the interest of company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services.

Accordingly, consent of the Members is sought for passing Special Resolution as set out in item 5 of the Notice for continuation as non-executive director of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

None of the other Directors, Key Managerial Personnel and their Relatives thereof is concerned or interested in the above resolution except Smt. K.V.Nagalalitha, Sri. K.Vijay Kumar and Sri.K. Sriram

The Board of Directors recommends the resolutions for your approval as a Special Resolution.

**ITEM NO. 6 & 7 OF THE NOTICE**

Pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act, 2013 and the SEBI (LODR) regulations, 2015, Mr. Mr. Narasimha Rao Mandumula (DIN: 06763347) and Mr. Venkata Prasad Kuppam (DIN: 01853455) were appointed as Independent Directors of the Company for a period of 5 (five) years.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective Meetings subject to approval of Members and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification or re-enactment thereof for the time being in force) and based on their skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by them during their tenure and outcome of performance evaluation of the Independent Directors, The Board of Directors recommend their reappointment as Independent Directors of the Company for the second term of 5 (five) years with effect from the date of this Annual General meeting or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

Also Mr. Narasimha Rao Mandumula is above 75 years of age and his services are beneficial to the Company. Hence, his continuation as Director under regulation 17(1A) of SEBI (LODR) regulations, 2015 and re-appointment is considered in the interest of company.

The Company has received declaration from them stating that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as an Independent Director.

In the opinion of the Board, they also fulfill the conditions for re-appointment as Independent Directors as specified in the Act and the SEBI Listing Regulations and is independent of the management. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member for proposing the candidature as per the provisions of the Companies Act, 2013.



Accordingly, consent of the Members is sought for passing Special Resolution as set out in items 6 & 7 of the Notice for re-appointment as Independent Directors of the Company.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except the directors who are being appointed in respect of each resolution respectively, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item Nos 6 & 7

The Board of Directors recommends the resolutions for your approval as a Special Resolution.

**ITEM NO. 8 OF THE NOTICE:**

The Board of Directors of the company at their meeting held on 31.07.2020 have approved the re-appointment of Mr. K. Sriram as Executive Director with effect from 14.08.2020 for a term of three years with a monthly remuneration of Rs.2,50,000/- pursuant to the provisions of section 196, 197 and 198 of the Companies Act, 2013 read with Part-II of Section-II to the Schedule-V of the said Act and also pursuant to the remuneration approved by the Nomination and Remuneration Committee and pursuant to the Articles of Association of the company. The board recommends for the consent and approval of the members of the company for the re-appointment of Mr. K. Sriram as the Executive Director of the company for a period of three years w.e.f. 14.08.2020 with a remuneration of not more than Rs.2,50,000/-(Rupees Two Lakhs Fifty Thousand only) per month during the said tenure.

Your Directors recommend the resolution for approval.

None of the Directors, Key Managerial Personnel and their Relatives thereof is concerned or interested in the above resolution except Sri N Krishna Mohan, Smt. K V Nagalalitha, and Sri. K. Vijay Kumar.

**Place: Hyderabad,**

**Date: 31.07.2020**

By Order of the Board  
For ADITYA SPINNERS LIMITED

**K VIJAY KUMAR**  
Managing Director

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India; Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting (AGM) through VC/ OAVM. In terms of the said circulars, the 28th Annual General Meeting (AGM) of the members of the Company will be held through VC/OAVM. So that, members can attend and participate in the AGM through VC/OAVM only. The Members are requested not to visit Corporate Office / Registered Office to attend the AGM.
2. Printed copy of the Annual report (Including Notice) is not being sent to the Members in view of e-AGM Circular.
3. The detailed procedure for participation in the meeting through VC/OAVM is available at the Company's website [www.adityaspinner.net](http://www.adityaspinner.net).
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. AGM convened through VC/OAVM is in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020
7. The attendance of Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.
8. The Notice can also be accessed from the websites of the Company at <http://adityaspinner.net/Admin/Files/ASL-ANNUAL%20REPORT%20-%202019-20.pdf>, Stock Exchange BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) [www.evotingindia.com](http://www.evotingindia.com)
9. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Pursuant to Section 112 and Section 113 of the Companies Act, 2013, representatives of the President of India or the Governor of State or the Body Corporates are entitled to attend the AGM through VC/OAVM and cast their votes through e-voting..
10. **The Register of Members and Share Transfer Books of the Company shall remain closed on Sunday the 13th day of September, 2020 to Saturday, the 19<sup>th</sup> day of September, 2020 (Both days inclusive) for the purpose of the Annual General Meeting.**
11. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off date i.e. Saturday, the 12th September, 2020.**
12. The Company has appointed CS P. Jagannatham, Corporate Advocate, to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
13. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
14. Members holding shares in electronic form and in physical form are hereby informed that the members desirous of either registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Registrar and Share Transfer Agent.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.



16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.

17. Details in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment

18. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode by sending an e-mail to [aslhdy9@gmail.com](mailto:aslhdy9@gmail.com)

19. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.

20. The Company is pleased to provide members, facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

21. Notices/ documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address has been registered with the Company. Members who would like to receive such notices/documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail address.

- ❖ In respect of electronic shareholding – through their respective Depository Participants.
- ❖ In respect of physical shareholding – by sending a request to the Company's Share Transfer Agent at M/s Venture Capital & Corporate Investments Limited, 12-10-167, Bharatnagar Colony, Hyderabad-500038, Tel No.040-23818475/76, Email ID: [info@vccilindia.com](mailto:info@vccilindia.com), mentioning therein the Company's name i.e., Aditya Spinners Limited, their folio number and e-mail address.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 16<sup>th</sup> day of September,2020 at 10 a.m and ends on 18<sup>th</sup> day of September,2020 at 5 p.m During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 12<sup>th</sup> day of September,2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 OR Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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 e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details  <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>





- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Company Name , Aditya Spinners Limited.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat Account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [aslhyd9@gmail.com](mailto:aslhyd9@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [aslhyd9@gmail.com](mailto:aslhyd9@gmail.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



(xx) **NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [aslhdy9@gmail.com](mailto:aslhdy9@gmail.com). if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/  
RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

**(Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment vide item no. 2 is as follows:)**

<b>Name of the Director</b>	<b>N KRISHNA MOHAN</b>	<b>K VIJAY KUMAR</b>
Date of Birth	01/07/1940	01/01/1964
Nationality	INDIAN	INDIAN
Date of Appointment on the Board	28/09/2011	04/05/2009
Qualifications	Commerce Graduate, Professional Qualifications viz., ACMA and ACS	Commerce Graduate
Expertise in specific functional area	He has about more than four decades of experience in the management of the affairs of the company.	He has about more than Three decades of experience in various positions in production, marketing and control of company affairs
Number of shares held in the company	Nil	5080320 equity shares
List of the directorships held in other companies	1. Sri Chakra Cement Limited 2. South India Cements Limited 3. Krishnarama Industrial Investment Limited 4. Saketh IT Solutions Private Limited 5. Jitharam Finance and investments Limited 6. Sri Narasimha Cements and Power Limited	1.Envean Leasing And Investments Limited 2.Sri Chakra Cement Limited 3.Sri Bhava Steel and Power Limited 4.Prabhu Cement Limited 5. Saketh IT Solutions Private Limited
Chairman / Member in the committees of the Boards of companies in which he is Director	1.Member of Share Transfer Committee & Corporate Social Responsibility Committee of Sri Chakra Cement Limited	1.Member of Share Transfer Committee & Corporate Social Responsibility Committee of Sri Chakra Cement Limited



<b>Name of the Director</b>	<b>K V NAGA LALITHA</b>	<b>R SHIV KUMAR</b>
Date of Birth	19/09/1972	26/10/1948
Nationality	INDIAN	INDIAN
Date of Appointment on the Board	13/08/2012	01/04/2013
Qualifications	Commerce Graduate	M.Tech. MBA
Expertise in specific functional area	She has more than 20 Years of experience in various positions in Finance, Marketing and Management of Company affairs	He has about more than four decades of experience in various positions in production, marketing and control of company affairs
Number of shares held in the company	5080320 equity shares	22800 equity shares
List of the directorships held in other companies	1. Sri Chakra Cement Limited 2. Envean Leasing And Investments Limited 3. Krishnarama Industrial Investment Limited 4. Prabhu Cement Limited	Nil
Chairman / Member in the committees of the Boards of companies in which he is Director	1.Audit Committee & Nomination and Remuneration Committee & Share Transfer Committee of Sri Chakra Cement Limited	Nil

<b>Name of the Director</b>	<b>K VENKATA PRASAD</b>	<b>M NARASIMHA RAO</b>
Date of Birth	01/05/1967	12/02/1935
Nationality	INDIAN	INDIAN
Date of Appointment on the Board	09/11/2013	09/11/2013
Qualifications	Graduate	Graduate
Expertise in specific functional area	Manufacturing of polyester & p v blended yarn	He has more than 40 years of corporate experience in various position in Administration and Personal Department
Number of shares held in the company	Nil	Nil
List of the directorships held in other companies	1. K.K.Spintex India Pvt Limited	1. Sri Chakra Cement Limited
Chairman / Member in the committees of the Boards of companies in which he is Director	Nil	Nil

<b>Name of the Director</b>	<b>K. SRIRAM</b>
Date of Birth	05/04/1992
Nationality	INDIAN
Date of Appointment on the Board	14/08/2017
Qualifications	Mech. Engineer Masters in Industrial Engineering
Expertise in specific functional area	Technical Consultant with experience in Cement Manufacturing & Solar Power. Involved in P V Yarn Manufacturing for the Past 2 Years.
Number of shares held in the company	NIL
List of the directorships held in other companies	1.Envean Leasing And Investments Limited
Chairman / Member in the committees of the Boards of companies in which he is Director	NIL

**DIRECTORS' REPORT**

To  
The Members

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of the company together with the Audited statement of Accounts for the year ended 31<sup>st</sup> March 2020.

**FINANCIAL RESULTS:****(Rs.in Lakhs)**

SL.NO	PARTICULARS	2019-20	2018-19
01	Gross Income	5761.39	6137.65
02	Profit Before Interest and Depreciation	485.27	419.21
03	Finance Charges	198.74	186.83
04	Gross Profit	286.53	232.38
05	Provision for Depreciation	178.48	162.10
06	Net Profit before Tax	108.05	70.28
07	Provision for Tax	(454.83)	(20.67)
08	Net Profit after Tax	562.88	90.95
09	Total Comprehensive Income	1421.50	91.95

**STATE OF COMPANY'S AFFAIRS:**

During the year under review, the company had achieved a sales turnover of Rs 5696.54 lakhs during the current year as against Rs 6087.00 lakhs made during the previous year. For the year 2019-20 the company earned a net profit of Rs 562.88 lakhs (Includes Deferred Tax Income of Rs 454.83 lakhs) as against the net profit of Rs 90.95 lakhs made during the previous year.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of the Act and Articles of Association of the Company the Board is duly constituted. During the year under review, Sri K Vijay Kumar, Smt K V Nagalalitha and Sri R Shiv Kumar Directors will retire by rotation and being eligible offer themselves for reappointment and Sri Venkata Prasad Kuppam will retire as an independent director and being eligible offers himself for reappointment for second term of 5 years, at the ensuing Annual General Meeting. The board re-appointed Mr.K Sriram as Executive Director of the Company subject to the approval of share holders at the ensuing annual general meeting.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

- ❖ In the preparation of Annual Accounts, the applicable accounting standards had been followed and there are no material departures from the same.
- ❖ The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and Fairview of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.
- ❖ Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- ❖ Annual accounts were prepared on a going concern basis., and
- ❖ Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- ❖ The proper system was devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The company has received necessary declaration from all independent Directors under section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in section 149(6) of the Companies Act, 2013.

**BOARD MEETINGS:**

The Board met four times during the year under review and the particulars of meeting held and attended by each Director are detailed in the Corporate Governance Report.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION.**

The company's policy lays down the criteria for determining qualifications, positive attributes, Independence of a director and other matter as provided under sub-section (s) of section 178 of the Companies Act, 2013.

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board in terms of the provisions of section 178. The Board consists of three executive directors and two non executive directors with three independent Directors. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the company.

**AUDIT COMMITTEE:**

Pursuant to the provisions of section 177 of the of the Companies Act, 2013 the company board constituted the audit committee with the following directors.

- Sri M.Narasimha Rao, Independent Director as Chairman.
- Sri K.V.Prasad, Independent Director
- Smt.K.V.Naga Lalitha, Non-Executive Director.

**AUDITORS:**

- ❖ Statutory Auditors: At the 25<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> day of September 2017, M/s T Mohan & Associates (formerly Known as Lakshmi & Associates), Chartered Accountants were appointed as statutory auditors of the company to hold office for a period of five consecutive years commencing from the financial year 2017-18. In this regard, the company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of section 141 of the of the Companies Act, 2013.
- ❖ Secretarial Auditor: P.Jagannatham & Co., Company Secretaries are the Secretarial Auditors appointed by the board of directors of the company for the year 2019-20 and the report is attached to this Directors' Report vide **ANNEXURE-1**.

**VIGIL MECHANISM:**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a vigil Mechanism for directors and employees to report genuine concerns has been established. The company has not denied access to any personnel to approach the management on any issue.

**LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186:**

Details of Loans, Guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The information required pursuant to section 197 of the of the Companies Act, 2013 read with Rule 5(1) of the companies (Appointment and Remuneration of Managing personnel ) Rules, 2014 and companies (particulars of employees) Rules, 1975, in respect of employees of the company and Director is given in a separate annexure to this report vide **ANNEXURE-2**.

Particulars of employees as per the Rule-5(2) of the companies (Appointment and Remuneration of Managerial personnel) Rule, 2014, are not applicable as there is no employee who was in receipt of remuneration in excess of the limits specified.

**CONVERSATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information required under section 134(3) (m) of the of the Companies Act, 2013 read with Rule 8 of the companies (Accounts) Rules, 2014 is given in **ANNEXURE-3**.

**RISK MANAGEMENT POLICY:**

The Company has been addressing various risks impacting the company and the policy of the company on risk management is set out in the Management Discussion and Analysis which forms part of this report.

**BOARD EVALUATION:**

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance report section in this Annual Report. The Board approved the evaluation results as collated by the nomination and remuneration committee. None of the Independent Directors are due for re-appointment.

**EXTRACT OF ANNUAL RETURN:**

The Annual Return of the company has been placed at the website of the company and can be accessed at <http://adityaspINNERS.net/Admin/Files/ASL-%20ANNUAL%20RETURN%20-%202019-20pdf> the details forming part of the extract of the Annual Return in Form MGT-9 is at **ANNEXURE-4**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under the Listing Regulations a statement on the Management Discussion and Analysis Report is attached to this Report vide **ANNEXURE-5**.

**CORPORATE GOVERNANCE REPORT:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A report on the Corporate Governance is included as a part of this report. Certificate from the Statutory Auditors of the company M/s. T Mohan & Associates, Chartered Accountants, confirming the compliance with the conditions of Corporate Governance as stipulated under above regulations is included as part of this report vide **ANNEXURE-6**.

Your Directors state that no disclosure or reporting is required in respect of the following items as they are not apprised there were no transactions on these items during the year under review.

- Details relating to deposits covered under chapter 5 of the Act.
- No significant or material orders were passed by the Regulators or courts or tribunal which impact two going concern status and the companies operations in future.
- No cases were filed pursuant to the sexual harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013 as per the internal complaints committee (ICC).
- No Dividend was recommended by the Board.
- Issue of equity shares with differential rights as to Dividend, voting or otherwise.
- Issue of shares to employees of the company under any revenue.
- Corporate social responsibility policy not applicable for the year under report.
- There is no change in the nature of the business of the company during the year under report.
- There were no such companies which have come or ceased to be the company's subsidiaries, joint ventures or associate companies during the year.
- There were no significant material events occurred between the closure of the books of accounts for the year **2019-20** and the date of this report.
- The company has adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020 based on the internal controls over financial reporting.

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their sincere appreciation for the support and co-operation received from the various departments of the Government, Bankers, suppliers, customers and shareholders. The Directors also wish to place on record, their appreciation for the committed services of the company's employees.

For and on behalf of the board

**N. Krishna Mohan**  
Chairman

**K Vijay Kumar**  
Managing Director

Place: Hyderabad,  
Date: 31.07.2020



## ANNEXURE –1

## Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

To  
The Members of  
M/s Aditya Spinners Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by M/s Aditya Spinners Limited (hereinafter called “the Company”). Secretarial Audit was conducted in manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year commencing from 1<sup>st</sup> April, 2019 and ended 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Aditya Spinners Limited (“The Company”) for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:
  - ❖ The Companies Act, 2013 (the Act) and the Rules made there under;
  - ❖ The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
  - ❖ The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - ❖ Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment(FDI) and Overseas Direct Investment and External Commercial Borrowings;
  - ❖ The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) were not applicable to the Company under the financial year under report:-
  - ❖ The Securities and Exchange Board of India(Issue of Capital and Disclosures Requirements) Regulations, 2009;
  - ❖ The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - ❖ The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - ❖ The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - ❖ The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - ❖ The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 2014;
3. We have also examined compliances with the applicable clauses of the following:
  - ❖ Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 1956; and
  - ❖ **Applicable Laws specifically to the company:**
    - National Textile Policy, 2000, (b) The Textile Committee Act, 1963 (c) The Textile Undertakings Act, 1995 (d) Textiles (Development and Regulation) Order, 2001.
4. During the financial year under report, the Company has complied with the provisions of the Acts to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:
 

**DURING THE PERIOD UNDER REPORT, IT IS OBSERVED THAT:**

  - ❖ As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:



- External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
  - Overseas Direct Investment by Residents in Joint Venture/ Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
- ❖ As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under Report.
5. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company as stated under para-3 above.
6. **We further report that:**
- ❖ Based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/Company Secretary/ CEO taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like labour laws, competition law and environment laws.
  - ❖ The Compliance by the Company of applicable financial laws like direct and indirect laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
  - ❖ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
  - ❖ Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - ❖ All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
7. **We further report that:**
- ❖ There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
  - ❖ there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

**For Puttaparthi Jagannatham and Co.  
Company Secretaries**

**Place: Hyderabad  
Date: 31.07.2020  
UDIN: F009896B000540580**

**Navajyoth Puttaparthi  
M.No. F9896  
CP.No. 16041**





## 'ANNEXURE A'

To,  
The Members  
Aditya Spinners Limited  
Hyderabad.

Our Secretarial Audit Report of even date is to be read along with this letter.

**1. REPORT ON THE SECRETARIAL AUDIT:**

- ❖ We have audited the statutory and company secretarial books, papers, minutes books, forms and returns and other records maintained by M/s Aditya Spinners Limited (the Company) for the year ended 31<sup>st</sup> March, 2020 pursuant to the various Acts, Rules, Regulations and Guidelines applicable to the company as specified in our Report accompanying this letter.

**2. MANAGEMENT'S RESPONSIBILITY:**

- ❖ The Company's Management is the responsible to maintain and keep various statutory and secretarial books, records and registers as stated under the provisions of Section 85(1), 88(1), 94(1), 118(1), 119(1), 128(1) to 128 (5), 170(1), 186(9) and (10), 189(1) and 190 (1) of the Companies Act, 2013 and the relevant Rules made thereunder and further in accordance with the Secretarial Standards issued by the Institute of Company Secretaries of India as notified under the Companies Act, 2013. It is the responsibility of the management of the company to ensure proper compliance with the provisions of all applicable laws, rules, guidelines and regulations.

**3. AUDITOR'S RESPONSIBILITY:**

- ❖ We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- ❖ Our Responsibility is to express an opinion on these Secretarial records, standards and procedure followed by the company with respect to the secretarial compliances.
- ❖ We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- ❖ Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- ❖ We believe that audit evidence and information provided by the company's management is adequate and appropriate for us to provide a basis for our opinion.

**4. DISCLAIMER:**

- ❖ The accompanying Secretarial Audit Report is neither an assurance as to the futures viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Puttaparthi Jagannatham and Co.  
Company Secretaries

Place: Hyderabad  
Date: 31.07.2020  
UDIN: F009896B000540580

Navajyoth Puttaparthi  
M.No. F9896  
CP.No. 16041

\*This report is to be read with our letter with given date which is annexed as 'Annexure A' and forms an integral part of this report.



## ANNEXURE-2

**Statement of Disclosure of Remuneration under section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- ❖ Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the company for the financial year 2019-20, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2019-20.

S.No.	Name of Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	R. Shiv Kumar	Executive Vice Chairman	1:10.9	Nil
2	K. Sriram	Executive Director	1:27.25	Nil
3	P. Ramamoorthy	CFO	1:3.3	Nil
4	P Venkata Subba Rao	Company Secretary	1:3.86	Nil

**Note:**

- The Non-Executive Directors of the Company are entitled for sitting fee and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy as detailed in the said report. the ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.
  - Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration committee of the Company during the financial year 2019-2020.
  - Employees for the purpose above includes all employees excluding employees governed under collective bargaining.
- ❖ The percentage increase in the median remuneration of Employees for the financial year was 5 %
  - ❖ The company has 360 permanent Employees on the rolls of Company as on 31<sup>st</sup> March, 2020.
  - ❖ **Relationship between average increase in remuneration and company's performance:**  
Every year, the salary increase for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organisations. The final salary increases given are a function of Company's market competitiveness in this comparator group as well as overall business affordability. During the year, similar approach was followed to establish the remuneration increases to the Employees Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increase during the year was in line with Company's performance as well as pre Company's market competitiveness.
  - ❖ **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**  
In line with Company's reward philosophy, merit increase and annual bonus pay-outs of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the business. Given the superior business performance and the performance rating of the Key Managerial Personnel, appropriate reward by way of merit increase or variable pay have been awarded to the Key managerial Personnel for the current year. This was duly reviewed and approved by the Nomination and Remuneration Committee of the Company.
  - ❖ Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 5% whereas the increase in the managerial personnel remuneration was NIL. The average increases every year is an outcome of Company's market competitiveness as against its peer group companies.
  - ❖ **The key parameters for any variable component of remuneration:**  
Package for all Employees including Executive Directors, Annual Bonus is directly linked to an individual performance rating and business performance. At the start of the year, every Employee (including Executive Directors), have key targets assigned for the year in addition to their job fundamentals. These are drawn from the organisational strategic plan and are then reviewed for consistency and stretch, Business targets are a combination of goals such as Underlying Volume Growth, Underlying Sales Growth, Core Operating Margin etc.
  - ❖ The ratio of the remuneration of the highest and Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year is not applicable.
  - ❖ It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



## ANNEXURE –3

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.

Information conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are given in the Annexure B to this report.

❖ **Conservation of Energy:**

- ❖ Energy Conservation Measures taken regular energy audits are being internally conducted and efforts to improve the DG sets performance and being undertaken with help of suitable additives.
- ❖ Additional investment and proposals, if any, being implemented for reduction in consumption of energy:- Nil-
- ❖ 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.
- ❖ 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

Particulars	As at 31 March 2020	As at 31 March 2019
A. Power and Fuel Consumption:		
Electricity:		
a) Purchases (Units in Lakhs)	149.30	144.82
Total Amount (Rs. In Lakhs)	925.90	935.85
Rate per Unit in (Rs.)	6.20	6.46
b) Own Captive Generation:	NIL	NIL
B. Consumption per unit of production:		
Yarn production (in MTS.)	2454.02	2504.13
Energy consumption (KWH) per kg. of yarn	6.08	5.78

❖ **TECHNOLOGY ABSORPTION:**

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

- ❖ **FOREIGN EXCHANGE EARNINGS : NIL**
- ❖ **FOREIGN EXCHANGE OUT GO : 13.88 lakhs.**



## ANNEXURE -4

## EXTRACT OF ANNUAL RETURN

## FORM MGT 9

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

Financial Year ended on 31.03.2020

I. REGISTRATION & OTHER DETAILS:		
i	CIN	: L40300AP1991PLC012337
ii	Registration Date	: 14/02/1991
iii	Name of the Company	: ADITYA SPINNERS LIMITED
iv	Category/Sub-category of the Company	: Public Limited Company
v	Address of the Registered office & contact details	: Perindesam Village, KVB Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh-517643
vi	Whether listed company	: Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	: M/s. Venture Capital & Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad-500 018.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No	Name & Description of main products/services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Synthetic Yarn products	17303	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES: NIL

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)										
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual /HUF	10160640	-	10160640	60.70	10160640	-	10160640	60.70	-	-
c) Bodies Corporate	-	950000	950000	5.67	-	950000	950000	5.67	-	-
<b>SUB TOTAL: (A) (1)</b>	10160640	950000	11110640	66.37	10160640	950000	11110640	66.37	-	-
<b>(2) Foreign</b>	NIL									
<b>SUB TOTAL: (A) (2)</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter</b>	10160640	950000	11110640	66.37	10160640	950000	11110640	66.37	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	40	88240	88280	0.53	40	88240	88280	0.53	-0.05 -0.15
b) Banks/Fl	7661	40	7701	0.05	80	40	120	0.00	
<b>SUB TOTAL: (B) (1)</b>	7701	88280	95981	0.58	120	88280	88400	0.53	
<b>(2) Non Institutions</b>									
a) Bodies Corporate	144525	73540	218605	1.31	131913	70160	202073	1.21	-0.10
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs.	1321206	3188970	4510176	26.94	1322255	3139890	4462145	26.65	-0.29
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs.	519311	157366	676677	4.04	645875	157366	803241	4.80	0.76
<b>Any others:</b>									
Clearing Member	44865	-----	44865	0.27	360	-----	360	0.00	0.00
Trust	440	7	447	-----	440	7	447	0.00	0.44
NRIs	75060	-----	75060	0.45	73582	-----	73582	0.44	
<b>SUB TOTAL: (B) (2)</b>	2105407	3419883	5534267	33.06	2174425	3367423	5541848	33.10	
<b>Total Shareholding of Public</b>	2121545	3508703	5630248	33.63	2174545	3455703	5630248	33.63	
<b>Total Shareholding</b>	<b>13232185</b>	<b>3508703</b>	<b>16740888</b>	<b>100</b>	<b>13285185</b>	<b>3455703</b>	<b>16740888</b>	<b>100</b>	

**(ii) SHAREHOLDING OF PROMOTERS:**

SI No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of shares pledged/encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of shares pledged/encumbered to total Shares	
1.	K. Vijay Kumar	5080320	30.35	-	5080320	30.35	-	-
2.	K V Nagalalitha	5080320	30.35	-	5080320	30.35	-	-
3.	Envean Leasing and Investment Limited	950000	5.67	-	950000	5.67	-	-
<b>Total</b>		<b>11110640</b>	<b>66.37</b>	<b>-</b>	<b>11110640</b>	<b>66.37</b>	<b>-</b>	<b>-</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING: No Change**

**(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):**

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mahendra Girdharilal	164099	0.98	219872	1.31
2.	Maruthi Latha Ponugoti	122392	0.73	167974	1.00
3.	T.Jayachandran	116360	0.69	116360	0.69
4.	Mega Resources Limited	85360	0.51	76736	0.46
5.	Dilip C Patel	59960	0.36	59960	0.36



6.	CH.V.Satyanarayana	20422	0.12	49502	0.29
7.	Rajendra Naniwadekar	39044	0.23	35073	0.21
8.	Indian Bank A/C Indian bank Mutual Fund	25840	0.15	25840	0.15
9.	Vedmehta	23520	0.14	23520	0.14
10.	Dharmesh R Shah	20880	0.12	20880	0.12

**(V) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	K. Vijay kumar	5080320	30.35	5080320	30.35
2.	K.V.Nagalalitha	5080320	30.35	5080320	30.35
3.	R. Shivkumar	22800	0.14	22800	0.14

**VI. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	1025.74	892.38	-	1918.12
ii. Interest due but not paid	-	0.83	-	0.83
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1025.74</b>	<b>893.21</b>	<b>-</b>	<b>1918.95</b>
Change in indebtedness during the financial year				
• Addition	424.95	-	-	424.95
• Reduction	126.97	135.17	-	262.14
<b>Net Change</b>	<b>297.98</b>	<b>(135.17)</b>	<b>-</b>	<b>162.81</b>
Indebtedness at the end of the financial year				
i. Principal Amount	1323.72	742.41	-	2066.13
ii. Interest due but not paid	-	15.63	-	15.63
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1323.72</b>	<b>758.04</b>	<b>-</b>	<b>2081.76</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

(A) Remuneration to Managing Director, Whole-time Director and/or Manager:

Sl. No.	Particulars of Remuneration	R. Shiv Kumar (Rs. In lakhs)	K. Sriram (Rs. In lakhs)	Total Amount (Rs. In lakhs)
1.	Gross Salary			
	a) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961	11.85	29.61	41.46
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	<b>Total (A)</b>	<b>11.85</b>	<b>29.61</b>	<b>41.46</b>

(B) Remuneration to Key Managerial Personnel other than MD/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary (Rs. In lakhs)	CFO (Rs. In lakhs)	Total Amount (Rs. In lakhs)
1.	Gross Salary			
	c) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961	4.20	3.60	7.80
	<b>Total (A)</b>	<b>4.20</b>	<b>3.60</b>	<b>7.80</b>

**VIII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NONE**

For and on behalf the Board

Place: Hyderabad  
Date: 31.07.2020.N. Krishna Mohan  
ChairmanK. Vijay Kumar  
Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. INDUSTRY STRUCTURE & DEVELOPMENTS:

The Textile Industry is one of the oldest industry in the country and plays an important role in the country's economy in terms of Industrial Production, Employment and foreign exchange earnings. The Textile Industry has achieved a good growth in last two decades in terms of installed spindles and yarn production. This could happen due to buoyant domestic and international demand, conducive Government Policies. Indian Textile sector contributes to 4% to the country's Gross Domestic Product (GDP), accounting for 14% of Industrial Production, 17% to the country's exports, In addition, this industry provides indirect employment to large number of workforce and also helps to develop many related ancillaries which generates further employment. It is the second largest employment provider after the agricultural sector.

It is hoped that textile industry may perform better in the years to come provided the raw material prices are stable. These are favourable indicators for the reasonable growth of textile industry in the country.

### MARKETING :

Your Company is constantly focussing 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, WEAKNESS 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 ensuing value addition in the proud range.
- Natural demand drivers including rising income levels, increasing urbanisation and growth of the purchasing population drive domestic demand.

#### WEAKNESSES:

- 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:

- Change in Government policies may affect the industry.

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

The company is mainly engaged in the business of manufacturer 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:

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.



**Key elements of the Internal Control Systems are as follows:**

- Existence of Authority Manuals and periodical updating of the same for all Functions.
- Existence of clearly defined organisational structure and authority.
- Existence of corporate policies for Financial Reporting and Accounting.
- Existence of Management information system updated from time to time as may be required.
- Existence of Annual Budgets and Long Term Business Plans.
- Existence of Internal Audit System.
- Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in All the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

Nominal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are carried out periodically.

**6. FINANCIAL AND OPERATIONAL PERFORMANCE:**

Please refer Director's Report on performance review.

**7. HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS:**

The Company has constituted an Internal Complaint Committee (ICC) in pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for prevention, prohibition and Redressal of complaints / grievances on sexual harassment of women at work places.

The Company continued the welfare activities for the employees, which include Medical Care, Group Insurance, and Canteen Facility. To enrich the skills of employees and enrich their experience, the Company arranges Practical Training Courses by Internal and External Faculty.

**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 the Board

Place: Hyderabad  
Date: 31.07.2020

N. Krishna Mohan      K. Vijay Kumar  
Chairman                  Managing Director





## ANNEXURE—6

## REPORT ON CORPORATE GOVERNANCE

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, your Company is complying with the guidelines. The report for current year is as follows:

**1. COMPANY'S PHILOSOPHY:**

The company's policies, practices and philosophy adopted since inception are in line with ethical Corporate Governance Practices. 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 Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors, who have in-depth of business knowledge of business, in addition to the expertise in their areas of specialisation. The Board of the Company comprises eight Directors that include one Women Director.

❖ **The composition and category of Directors as on 31<sup>st</sup> March, 2020 are follows:**

Category	Name of Director	Designation
Non promoter Director	Sri. N. Krishna Mohan	Chairman
Promoter and Executive Directors	Sri. R. Shiv Kumar	Executive Vice Chairman
	Sri. K. Vijay Kumar	Managing Director
	Sri. K. Sriram	Executive Director
Promoter and Non executive Director	Smt. K. V. Nagalalitha	Director
Independent and Non-Executive Director	Sri. K. V. Prasad	Director
	Sri. M. Narasimha Rao	Director
	Sri. Nemani Gopal	Director

❖ **Number and date of Board Meetings held and attendance of each Director at the Board Meetings and at the last AGM:**

During the year 2019-20 the Board met four times on 30-05-2019, 14-08-2019, 01-11-2019 and 04-02-2020. The following table shows details of Directors attendance 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 of the Director	No. of Board Meetings attended	Last AGM attended Yes/No
Sri. N. Krishna Mohan	04	No
Sri. R. Shiv Kumar	04	Yes
Sri. K. Vijay Kumar	04	No
Sri. K. Sriram	03	No
Smt. K. V. Nagalalitha	02	No
Sri. K. V. Prasad	04	YES
Sri. M. Narasimha Rao	04	NO
Sri. N. Gopal	03	Yes

❖ **Particulars of Directorships of other Companies**

**OTHER DIRECTORSHIPS**

Name of the Director and Designation	Name of the Company	Position
➤ Sri. N. Krishna Mohan Chairman	South India Cements Limited	Director
	Sri Chakra Cement Limited	Chairman & MD
	Krishna Rama Industrial Investment Limited	Director
	Jitharam Finance and Investment Limited	Director
	Sri Narasimha Cements and Power Limited	Director
	Saketh IT Solutions Private Limited	Director



➤ Sri. K. Vijay Kumar	Prabhu Cements Limited Envean Leasing and Investment Limited Sri Bhava Steel and Power Limited Sri Chakra Cement Limited Saketh IT Solutions Private Limited	Director Wholetime Director Director Managing Director Director
➤ Sri. R. Shiv Kumar	Nil	Nil
➤ Sri. K. Sriram	Envean Leasing and Investments Limited	Director
➤ Smt. K.V. Nagalalitha	Prabhu Cements Limited Envean Leasing and Investment Limited Krishna Rama Industrial Investment Limited Sri Chakra Cement Limited	Director Managing Director Director Director
➤ Sri. K. V. Prasad	Sarika Parboiled Rice Mill Private Limited	Director
➤ Sri. M. Narasimha Rao	Nil	Nil
➤ Sri. Nemani Gopal	Nil	Nil

❖ **No. of other Board Committees they are members/Chairman:**

Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee
Sri. M. Narasimharao Chairman	Sri. N. Krishna Mohan, Chairman	Sri. M. Narasimharao, Chairman	Sri. N. Krishna Mohan, Chairman
Sri. K.V. Prasad, Member	Sri. M. Narasimharao Member	Sri. N. Krishna Mohan, Member	Smt. K.V.Nagalalitha, Member
Smt. K.V. Nagalalitha, Member	Smt. K.V.Nagalalitha, Member	Sri K.V. Prasad, Member	Sri. M.Narasimharao, Member

**3. INDEPENDENT DIRECTORS:**

The Board hereby confirms that independent directors fulfil the conditions specified in SEBI Regulations and are independent of the management.

❖ **Confirmation and Declarations:**

The Company has complied with the definition of Independence as per Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

❖ **Training of Independent directors:**

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organisation structure, our business, constitution, board procedures, our major risks and management strategy.

❖ **Performance Evaluation of non-executive and Independent Directors**

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

❖ **Separate Meeting of the Independent Directors:**

The Independent Directors held a meeting on 31<sup>st</sup> March, 2020, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

- 1) Renewed the performance of non-Independent directors and the Board as a whole.
- 2) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- 3) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



#### 4. AUDIT COMMITTEE:

➤ **Terms of reference:**

The Audit Committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, financial results, effectiveness of internal audit processes and the Company's risk management strategy. It reviews the Company's established systems and the Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of Listing Regulations, 2015.

➤ **Composition:**

The Audit Committee of the Company consists of two Independent Directors and one Non- Executive Director. The Chairman of the Audit committee is financially literate and majority of them having accounting or related financial management experience. Representative of Statutory Auditor is permanent invitee. Company Secretary acts as Secretary to the Committee.

➤ **No. of Meetings held during the year:**

During the year the Committee had four Meetings held on 25-05-2019, 14-08-2019, 01-11-2019, and 04-02-2020.

➤ **Composition, name of Members and attendance during the year:**

Name of the Director	Position	Held	Attended
Sri. M. Narasimha Rao	Chairman	04	04
Sri. K. V. Prasad	Member	04	04
Smt. K.V.Naga lalitha	Member	04	02

The chairman of the Audit Committee was present at the last Annual General Meeting.

#### 5. NOMINATION AND REMUNERATION COMMITTEE:

i) **Terms of Reference:**

This Committee shall identify the persons who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, Independence of the Directors and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

ii) **Composition:**

The Nomination and Remuneration Committee of the Company consists of one independent director and two non-executive directors.

iii) **No. of Meetings held during the year:**

During the year the committee had one meeting held on 25-05-2019.

iv) **Composition, name of Members and attendance during the year:**

Name of the Director	Position	held	Attended
Sri. M. Narasimharao,	Chairman	01	01
Sri. N. Krishna Mohan,	Member	01	01
Sri. K.V.Prasad,	Member	01	01

#### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

i) **Terms of reference:**

This Committee formulate and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on CSR activities. Committee framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitor CSR policy from time to time.

ii) **Composition:**

The CSR Committee of the Company consists of one independent director and one executive and one non-executive director.

iii) **No. of Meetings held during the year:**

During the year the committee had a meeting held on 25-05-2019.



**iv) Composition, name of Members and attendance during the year:**

Name of the Director	Position	held	Attended
Sri. N. Krishna Mohan	Chairman	01	01
Smt. K.V.Nagalalitha	Member	01	01
Sri. M.Narasimharao	Member	01	01

**7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

**i) Terms of reference:**

This Committee focuses primarily on monitoring expeditious Redressal of investors / stakeholders grievances and also function in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

**ii) Composition:**

The Nomination and Remuneration Committee of the Company consists of one independent director and two non-executive directors.

**iii) No. of Meetings held during the year:**

During the year the committee had one meeting held on 25-05-2019

**iv) Composition, name of Members and attendance during the year:**

Name of the Director	Position	held	Attended
Sri. N. Krishna Mohan	Chairman	01	01
Smt. K.V.Nagalalitha	Member	01	01
Sri. M.Narasimharao	Member	01	01

**8. SHARE TRANSFER COMMITTEE:**

**i) Terms of reference:**

This Committee approves share transfers, issue of duplicate certificates, share transmission, share transposition and related matters.

**ii) Composition:**

The Nomination and Remuneration Committee of the Company consists of one executive director and one non-executive director.

**iii) No. Of Meetings held during the year:**

During the year the committee met 20 times held during the year 2019-2020.

**iv) Composition, name of Members and attendance during the year:**

Name of the Director	Position	held	Attended
Sri. K. Vijay Kumar	Chairman	20	20
Smt. K.V.Nagalalitha	Member	20	20
Sri. K. Sriram	Member	20	14

**iv) Name and Designation of Compliance Officer:**

**Mr. P. V. Subbarao, Company Secretary and Compliance Officer.**

**9. GENERAL BODY MEETINGS:**

The last three Annual General meetings of the Company were held as under:

Perindesam Village KVB Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh .

Financial Year	Date	Time	No. of Special Resolutions Passed
2018-19	24.09.2019	11.30 A.M.	Nil
2017-18	22.09.2018	11.30 A.M.	Nil
2016-17	22.09.2017	10.00 A.M	1

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



#### 10. 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
- The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. The vigil mechanism Policy / Whistle blower policy is available on the portal of the Company and the company confirms that no personnel has been denied access to the Audit Committee.
- During the year, the Board had accepted all the recommendations of its committees.
- The Company has complied with all the mandatory requirements of SEBI Regulations.
- No Complaints were filed during the year in relation to the Sexual harassment of Women at Work Place
- During the year, no shares of the company were lying in the demat suspense account or unclaimed suspense account.

**i. Related Party transactions there are no materials, Significant related party transactions that have potential conflict with the interests of the company at large. Suitable disclosures have been made in the Annual Report**

#### ii. Relationship between Directors inter se:

Sl.No.	Name of the Director	Relationship with other Directors
1	Sri. N. Krishna Mohan	Related to Sri. K. Vijay Kumar, Smt. K.V.Nagalalitha & Sri K Sriram
2.	Sri. K. Vijay Kumar	Related to Sri.N.Krishna Mohan,Smt.K.V.Nagalalitha & Sri K Sriram
3.	Smt. K. V. Nagalalitha	Related to Sri. N. Krishna Mohan, Sri. K.Vijay Kumar & Sri K Sriram
4.	Sri. K. Sriram	Related to Sri N.Krishna Mohan, Sri K.Vijay kumar & Smt. K.V.Nagalalitha
5.	Sri. R. Shiv Kumar	None
6.	Sri. K. V. Prasad	None
7.	Sri. M. Narasimha Rao	None
8.	Sri. Nemani Gopal	None

#### 11. MEANS OF COMMUNICATION:

- ❖ In compliance with the requirements of the Listing Regulations, 2015, the company regularly intimates un audited as well as audited financial results to the Stock Exchange immediately after they are taken on record by the Board.
- ❖ The financial results are generally published in the daily newspapers viz., Indian Express and Surya.
- ❖ Management Discussion and Analysis forms part of the annual report is posted to the shareholders of the company.

The results and official news releases of the Company are also made available on the Company's website i.e. [www.adityaspinnners.net](http://www.adityaspinnners.net)

#### 12. SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)

SEBI has initiated SCORES processing the investor complaints in a centralised web redressal system and online Redressal of all the shareholders complaints. The company is in compliance with the SCORES and Redressed the shareholders complaints well within the stipulated time.

**13. GENERAL SHAREHOLDER INFORMATION:**

- ❖ Annual General Meeting  
Day and Date : 19<sup>th</sup> September 2020.  
Time : 11.00 A.M.  
Venue Registered Office : **Video Conferencing ("VC") /Other Audio Visual Means ("OAVM")**  
Financial Year : 01.04.2019 to 31.03.2020
- ❖ Book Closure Date : 13<sup>th</sup> September,2020 To 19<sup>th</sup> September,2020 ( Both Days Inclusive)
- ❖ Dividend payment date : Not applicable
- ❖ ISIN : INE8122D01026

**14. Listing with Stock Exchanges** : BSE Limited

**REGISTRAR AND TRANSFER AGENTS** : M/s. Venture Capital & Corporate Investments Private Limited,  
12-10-167, Bharat Nagar Colony, Hyderabad- 500 018.  
Tel.No040-23818475/76, Fax No.04023868024  
Email ID: [info@vccilindia.com](mailto:info@vccilindia.com)

**15. SHARE TRANSFER SYSTEM:**

Demat Requests are normally confirmed within 10days of receipt subject to the documents being valid and complete in all respects.

**16. 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, 2020 approximately 13285185 shares are dematerialised representing 79.36 % of the total issued capital.

**17. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2020:**

Category	No. of Share Holders	No. of Shares Held	% of Share Holding
Promoters, Directors and their relatives	3	11110640	66.37
Mutual Funds	7	88280	0.53
NRIs/OCBs	122	73582	0.44
Banks, Financial Institutions	2	120	0.00
Private Corporate Bodies	118	202880	1.21
Individuals	45400	5265386	31.45
<b>Total</b>	<b>45652</b>	<b>16740888</b>	<b>100.00</b>

**18. Outstanding GDRs/ADRs/Warrants or any convertible Instruments, conversion date and likely impact on equity** : NIL

**19. PLANT LOCATION** : Perindesam Village, K. V. B. Puram Mandal,  
Near Srikalahasti, Chittoor District, Andhra Pradesh.

**20. ADDRESS FOR CORRESPONDENCE** : M/s. Venture Capital & Corporate Investments Private Limited,  
12-10-167, Bharat Nagar Colony, Hyderabad- 500 018  
Tel: 40-23818475/76, Fax: 040-23868024 Email ID:info@vccilindia.com

**21. CODE OF CONDUCT:****DECLARATION**

A Code of Conduct for the Directors and Senior Management Personnel had already been approved by the Board of Directors of the Company. As stipulated under the provisions of Regulation 17(5) read with Schedule V(Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended 31<sup>st</sup> March, 2020.

**Place: Hyderabad,**  
**Date: 31.07.2020.**

**K. Vijay Kumar**  
**Managing Director**



**CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
ADITYA SPINNERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **M/s. Aditya Spinners Limited** for year ended 31<sup>st</sup> March, 2020 as stipulated in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the 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 Listing Agreements and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For PUTTAPARTHI JAGANNATHAM & CO.,  
COMPANY SECRETARIES**

**NAVAJYOTH PUTTAPARTHI  
PARTNER  
FCS 9896  
CP NO 16041**

**Place: Hyderabad  
Date: 31.07.2020**



**CEO AND CFO CERTIFICATION  
(Pursuant to Regulation 17(8) of Listing Regulations, 2015)**

We, K. Vijay Kumar, Managing Director and P. Ramamoorthy, Chief Financial Officer responsible for the finance function and certify that:

- ❖ We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and behalf.
- ❖ These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- ❖ 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.
- ❖ There are, to the best of our 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.
- ❖ We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we 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.
- ❖ We have indicated to the Auditors and the "Audit Committee"
  - There has not been any significant change in internal control over financial reporting during the year under reference.
  - There has not been any significant Changes in accounting policies during the year requiring disclosure in the notes to the financial statements and
  - We are 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.

**Place: Hyderabad  
Date : 31.07.2020**

**K. Vijay Kumar  
Managing Director**

**P. Ramamoorthy  
Chief Financial Officer**

**No Disqualification certificate form Company Secretary in Practice**

To  
The Members  
Aditya Spinners Limited

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Aditya Spinners Limited having CIN: L4000AP1991PLC012337 having its Registered Office at Perindesam Village, K.V.B. Puram Mandal, Near Srikalahasti, Chittoor District, Andhra Pradesh, produced before us by the Company for the purpose of issuing their certificate in accordance with Regulation 34 (3 ) read with Schedule V- Para C- Clause 10(i) of the SEBI ( Listing obligations and Disclosure Requirements) Regulations, 2015.

After verification as considered necessary, we hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI Regulations, Ministry of Corporate Affairs or any such other Statutory Authority

**For Puttaparthi Jagannatham and Co.  
Company Secretaries**

**Place: Hyderabad  
Date: 31.07.2020  
UDIN: F009896B000540580**

**Navajyoth Puttaparthi  
M.No. F9896  
CP.No. 16041**





## INDEPENDENT AUDITOR'S REPORT

To the Members of M/s Aditya Spinners Limited

Report on the Audit of the Standalone Financial Statements

**Opinion**

We have audited the accompanying standalone financial statements of **M/s Aditya Spinners Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Revenue Recognition:</b></p> <p>The Company recognizes revenue based on the terms of sales agreed, which varies with the customers, i.e., upon transfer of control over goods sold.</p> <p>For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of the goods have been transferred to the customers. As revenue recognition is subject to management's judgement on whether the control of the goods has been transferred, we consider cut-off of revenue as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>We obtained an understanding of the revenue recognition process and tested the company's controls around the timely and accurate recording of sales transactions. We have obtained an understanding of a sample of customer contracts.</p> <p>We tested the access and change management controls of the relevant information technology system in which delivery is recorded.</p> <p>Our test of revenue samples focused on sales recorded immediately before the yearend, obtaining evidence to support the appropriate timing of revenue recognition, based on terms set out in sales orders and delivery documents.</p>
<p><b>Expected Credit Loss:</b></p> <p>The valuation of trade receivables requires management judgement due to the credit risks associated with each individual trade receivable.</p> <p>Management assesses the recoverability of trade receivables by reviewing customers' aging profile, credit history and status of subsequent settlement, and determines whether an impairment provision is required.</p> <p>The determination of Expected Credit Loss (ECL) is highly subjective and requires management to make significant judgements and assumptions.</p>	<p><b>Principal Audit Procedures:</b></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the Company's credit control procedures and assessing the design, implementation and operating effectiveness of key internal controls over granting of credit to customers.</li> <li>• Testing a sample of the data used in the model to the underlying accounting records.</li> <li>• Evaluating the ECL model calculations, agreeing the data inputs and checking the mathematical accuracy of the calculations.</li> <li>• Comparing the Company's definition of default, as outlined in the accounting policy against the definition that Company uses for credit risk management.</li> <li>• Assessing whether the disclosures in the financial statements are adequate.</li> </ul>

**Emphasis of matter**

We draw your attention to end note of the Financial Statements, dealing with uncertainties due to COVID-19 wherein the management's analysis and estimates were made on impact of COVID-19 on financial reporting, receivables, assets and future operations of the company. The actual impact of the pandemic situation may differ from the estimates made by the management.

Our opinion is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and Management discussion and analysis report including Annexures, Corporate Governance and Shareholder's information but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Individual Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- e. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with in this report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. Based on the Written Representation received from the directors as on March 31, 2020, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has no pending litigations on its financial position in its financial statements.
  - ii. There is no requirement for any provision as required by any act or Indian Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There are no amounts which are required to be transferred to Investor Education and protection fund.

**For T MOHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 0012482S

Place: Hyderabad  
Date: 31.07.2020

**MOHAN REDDY T**  
Partner  
Membership No. 239635  
UDIN: 20239635AAAABN1536



## Annexure-A to the Auditors' Report

**Annexure referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of the Independent Auditor's Report of even date of M/s Aditya Spinners Limited, on the financial statements for the year ended March 31, 2020.**

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state the following:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 

(b) The company has a regular program of physical verification of fixed assets by which fixed assets were verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is considered reasonable having regard to the size of the company and its operations.

(c) According to information and explanation given to us, and based on our examination of the relevant records and documents we report that the title deeds of immovable properties are held in the name of the company.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed during such physical verification.
- iii. The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the company.
- iv. The Company has not made any transactions in the nature of loans, investments, guarantees, and security, where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Thus, paragraph 3(iv) of the Order is not applicable to the Company.
- v. The company has not accepted any deposits, within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable to the company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, and any other material statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

Details of dues of Income-tax, which have not been deposited as on March 31, 2020 on account of disputes, are given below:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Period to which the said amount relates	Amount involved (Rs In Lakhs)	Amount unpaid (Rs In Lakhs)
Income Tax Act, 1961	Income Tax	Commissioner Appeals	A.Y 2015-16	117.21	31.41

- viii. In our opinion and according to information and explanations given to us, the company has not defaulted in payment of dues to Banks, Government, Financial institutions and Debenture holders.
- ix. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. According to information provided to us term loans availed during the reporting period was utilized for the purposes for which those were raised.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.



- xi. According to information and explanation given to us, the company has provided managerial remuneration in accordance with Section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable for the company.
- xiii. In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Ind AS Financial statements of the company as required by applicable Accounting Standards.
- xiv. According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to information and explanation given to us, the company has not entered into non-cash transactions with directors or any persons connected with him. Thus, paragraph 3(xiv) of the Order is not applicable to the company.
- xvi. In our opinion, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934. Thus, paragraph 3(xv) of the Order is not applicable to the company.

**For T MOHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 0012482S

Place: Hyderabad  
Date: 31.07. 2020

**MOHAN REDDY T**  
Partner  
Membership No. 239635  
UDIN: 20239635AAAABN1536



## Annexure - B to the Auditors' Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s Aditya Spinners Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For T MOHAN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 0012482S

Place: Hyderabad  
Date: 31.07.2020

**MOHAN REDDY T**  
Partner  
Membership No. 239635

UDIN: 20239635AAAABN1536



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**1. a) Corporate Information**

Aditya Spinners Limited ("The Company") was incorporated on 14th February 1991 as a public limited company. Its shares are listed on Bombay Stock Exchange. The Company is engaged in the business of manufacture and sale of yarn.

**b) Significant accounting policies****Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India (SEBI).

**Basis of preparation and presentation**

The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**Use of estimates**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in following notes:

Useful lives of property, plant and equipment and intangible assets

Assets and obligations relating to employee benefits

Evaluation of recoverability of deferred tax assets

Financial instruments

Measurement of recoverable amounts of cash generating units

Provisions and contingencies

Expected credit losses

**Revenue recognition**

Effective April 1, 2018, the Company has applied Ind AS 115 – Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue from sale of products is recognized when the products are dispatched to customers, all significant contractual obligations have been satisfied and the collection of the resulting receivable is reasonably expected. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of customer returns, trade allowance, rebates, goods and services tax and amount collected on behalf of third parties.

Accumulated experience is used to estimate and provide for the discounts and returns. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

**Interest income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Employee benefits**

Employee benefits include provident fund, gratuity fund and compensated absences.

**Defined Contribution Plans**

The company's contributions to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.



#### Defined Benefit Plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);  
net interest expense or income; and  
re-measurement

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### Taxation

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss

#### Current tax

Current income taxes are determined based on respective taxable income of each taxable entity.

#### Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unused tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits could be utilized.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

#### Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and borrowings costs attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Freehold land is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives.

Depreciation on property, plant and equipment is provided on the straight line method based on the useful life, in accordance with Schedule II of the Companies Act, 2013.

Depreciation on the revalued assets is adjusted against revaluation reserve without debiting to Statement Profit & Loss. Depreciation on the revalued assets in accordance with INDAS is adjusted against Other Comprehensive Income without debiting to Statement Profit & Loss.

#### Inventories

Inventories are valued at the lower of cost and net realizable value. Costs of inventories are ascertained on a weighted average basis. Cost of work in progress and finished goods include appropriate allocation of overheads cost. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

#### A Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand, in bank and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.





Cash flows are reported using indirect method whereby profit/ (loss) after tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts and payments.

The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

## Financial Instruments

### Initial recognition

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### Subsequent measurement

#### Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### b. Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### c. Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### D. Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## De-recognition of financial assets and liabilities

### a. financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

### b. Financial liabilities:

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

## Impairment of assets

### a. Financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL loss allowance (or reversal) during the year is recognized in the statement of profit and loss.

**b. Non-financial assets:****Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

**Earnings per share**

Basic earnings per share is computed by dividing the net profit / (loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) attributable to the equity holders of the company as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares

**Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



Balance Sheet as at 31st March, 2020

₹ in lakhs

PARTICULARS	Note	As at 31st March'2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	3803.95	2655.63
(b) Deferred Tax Asset		429.69	-
(c) Financial Assets			
- Other Financial Assets	4	93.27	79.28
<b>Total Non - Current Assets (1)</b>		<b>4326.91</b>	<b>2734.91</b>
<b>Current Assets</b>			
(a) Inventories	5	396.88	365.46
(b) Financial Assets			
(i) Trade Receivables	6	386.55	437.46
(ii) Cash and Cash Equivalents	7 (i)	8.33	7.24
(iii) Other Bank Balances (Not Specified In (ii) Above)	7 (ii)	7.38	-
(iv) Loans And Advances	8	2.46	7.26
(C) Other Current Assets	9	119.46	188.00
<b>TOTAL CURRENT ASSETS (2)</b>		<b>921.06</b>	<b>1,005.42</b>
<b>Total Assets (1+2)</b>		<b>5247.97</b>	<b>3740.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	1674.09	1674.09
(b) Other Equity	11	1060.52	(200.00)
<b>Total Equity (1)</b>		<b>2,734.61</b>	<b>1,474.09</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	1427.35	1250.44
(ii) Others	13	70.14	102.29
(b) Provisions	14	116.39	42.36
(C) Deferred Tax Liabilities (Net)		-	25.14
<b>Total Non - Current Liabilities (2)</b>		<b>1613.87</b>	<b>1420.23</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	482.03	451.75
(ii) Trade Payables	16	102.85	64.15
(iii) Others	17	290.11	292.57
(B) Other Current Liabilities	18	24.50	37.54
<b>Total Current Liabilities (3)</b>		<b>899.49</b>	<b>846.01</b>
<b>Total Equity and Liabilities (1+2+3)</b>		<b>5247.97</b>	<b>3740.33</b>
Significant Accounting Policies	1		
Notes to the Financial Statements	2		

The accompanying notes form an integral part of financial statements  
In terms of our report attached

For and On behalf of the Board  
For Aditya Spinners Limited

For. T Mohan & Associates,  
Chartered Accountants  
(FRN No 012482S)  
Sd/-  
Mohan Reddy T  
Partner  
M No: 239635

Place: Hyderabad  
Date: 31.07.2020

Sd/-  
N Krishna Mohan  
Director  
DIN: 00698772

Sd/-  
P Venkata Subba Rao  
Company Secretary

Sd/-  
K Vijay Kumar  
Managing Director  
DIN: 00769568

Sd/-  
P Ramamoorthy  
Chief Financial Officer



## Statement of Profit and Loss for the year ended 31.03.2020

₹ in lakhs

PARTICULARS	Note	As at 31st March'2020	As at 31 March 2019
<b>Revenue</b>			
Revenue from Operations	19	5696.54	6087.00
Other Income	20	64.85	50.65
<b>Total Income</b>		<b>5761.39</b>	<b>6137.65</b>
<b>Expenses</b>			
Cost of Materials Consumed	21	2599.94	3050.44
Changes in Inventories of Finished Goods & Work-in-progress	22	(24.22)	96.72
Employee Benefit Expenses	23	1084.85	984.43
Finance Cost	24	198.74	186.83
Depreciation and amortization expenses		178.48	162.09
Other Expenses	25	1615.56	1586.86
<b>Total Expenses</b>		<b>5653.34</b>	<b>6067.37</b>
<b>Profit before Exceptional Items and Tax</b>		<b>108.05</b>	<b>70.28</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>108.05</b>	<b>70.28</b>
<b>Tax Expense:</b>			
(1) Current Tax		-	13.52
(2) Less: Mat Credit		-	(13.52)
(3) Deferred Tax		(454.83)	(20.67)
<b>Profit for the year (A)</b>		<b>562.88</b>	<b>90.95</b>
<b>Other Comprehensive Income/ Expenses</b>			
<b>(a) Items that will not be reclassified to Profit or Loss</b>			
Actuarial gain/( loss) on obligations (Gratuity)		(0.10)	1.00
Revaluation of Land & Buildings		858.72	-
<b>Other Comprehensive Income / (Expense) for the year (B)</b>		<b>858.62</b>	<b>1.00</b>
<b>Total Comprehensive Income / (Expense) for the year (A+B)</b>		<b>1421.50</b>	<b>91.95</b>
<b>Basic and Diluted Earnings per Equity Share</b>		<b>3.36</b>	<b>0.54</b>
[Nominal value per share Rs 10 (previous year Rs 10)]			
Significant accounting policies	1		
Notes to the financial statements	2		

The accompanying notes form an integral part of Financial Statements  
In terms of our report attached

For and On behalf of the Board  
For Aditya Spinners Limited

For. T Mohan & Associates,  
Chartered Accountants  
(FRN No 0124825)  
Sd/-  
Mohan Reddy T  
Partner  
M No: 239635

Place: Hyderabad  
Date: 31.07.2020

Sd/-  
N Krishna Mohan  
Director  
DIN: 00698772

Sd/-  
P Venkata Subba Rao  
Company Secretary

Sd/-  
K Vijay Kumar  
Managing Director  
DIN: 00769568  
  
Sd/-  
P Ramamoorthy  
Chief Financial Officer



## Statement of changes in Equity for the year ended March 31, 2020

## A. Equity Share Capital

₹ in lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the reporting year	1,674.09	1,674.09
Changes in equity share capital during the year	-	-
Balance at the end of the reporting Year	1,674.09	1,674.09

## B. Other Equity

₹ in lakhs

Particulars	Reserves and surplus			Other Comprehensive income	Total
	Retained Earnings	Revaluation Reserve	Capital Subsidy		
<b>Balance as at 01 April 2018</b>	(518.77)	372.81	15.00	-	<b>(130.96)</b>
Profit or Loss for the year	90.95	-	-	-	<b>90.95</b>
Other Comprehensive Income	-	-	-	1.00	<b>1.00</b>
Depreciation on Revalued Assets	-	(160.99)	-	-	(160.99)
<b>Balance as at March 31, 2019</b>	<b>(427.82)</b>	<b>211.82</b>	<b>15.00</b>	<b>1.00</b>	<b>(200.00)</b>
Profit or Loss for the year	562.88	-	-	-	562.88
Other Comprehensive Income	-	-	-	858.63	858.63
Depreciation on Revalued Assets	-	(160.99)	-	-	(160.99)
<b>Balance as at March 31, 2020</b>	<b>135.05</b>	<b>50.84</b>	<b>15.00</b>	<b>859.63</b>	<b>1,060.52</b>

Significant Accounting Policies 1

Notes to the Financial Statements 2

In terms of our report attached

For. T Mohan &amp; Associates

Chartered Accountants

(FRN No 012482S)

Sd/-

Mohan Reddy T

Partner

M No: 239635

Place: Hyderabad

Date: 31.07.2020

For and On behalf of the Board

For Aditya Spinners Limited

Sd/-

N Krishna Mohan

Director

DIN: 00698772

Sd/-

P Venkata Subba Rao

Company Secretary

Sd/-

K Vijay Kumar

Managing Director

DIN: 00769568

Sd/-

P Ramamoorthy

Chief Financial Officer



## Cash Flow Statement for the year ended March 31, 2020

₹ in lakhs

Particulars	2020	2019
<b>a. Cash Flow From Operating Activities:</b>		
Net Profit before tax	108.05	70.28
Adjustments for :		
Add: Depreciation	178.48	162.10
Add: Interest and Finance Charges	198.74	186.83
Operating Profit before Working Capital Changes	485.27	419.21
Changes in Working Capital		
- (Increase) / Decrease in Inventories	(31.42)	123.24
- (Increase) / Decrease in Other Bank Balances	(7.38)	-
- (Increase) / Decrease in Trade Receivables	50.90	(112.24)
- Increase / (Decrease) in Current Liabilities	38.70	1.86
Net Cash Flow from Operating Activities	536.08	432.06
<b>b. Cash Flow from Investing Activities:</b>		
Inflow/(Outflow)		
Net Purchase of Fixed Assets	(629.16)	(197.97)
(Increase) / Decrease in Loans and Advances	59.36	(75.51)
	(569.81)	(273.48)
<b>c. Cash Flow From Financing Activities:</b>		
Inflow/(Outflow)		
Proceeds/ (Repayment) from Non-Current Borrowing	218.78	17.65
Net Increase / (Decrease) in Current Borrowings	14.78	8.73
Remeasurement of Employee Benefit Plan	-	1.00
Interest Paid	(198.74)	(186.83)
Net Cash Flow from Financing Activities	34.82	(159.45)
<b>d. Net Increase / (Decrease) in Cash and Cash Equivalents:</b>	1.09	(0.86)
Cash and Cash Equivalents at the Beginning of the Year	7.24	8.10
Cash and Cash Equivalents at the Closing of the Year	8.33	7.24

In terms of our report attached

For and On behalf of the Board  
For Aditya Spinners Limited

**For. T Mohan & Associates**  
Chartered Accountants  
(FRN No 012482S)  
Sd/-  
Mohan Reddy T  
Partner  
M No: 239635

Sd/-  
N Krishna Mohan  
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DIN: 00698772

Sd/-  
K Vijay Kumar  
Managing Director  
DIN: 00769568

Sd/-  
P Venkata Subba Rao  
Company Secretary

Sd/-  
P Ramamoorthy  
Chief Financial Officer

Place: Hyderabad  
Date: 31.07.2020



## Notes to the financial statements for the year ended March 31, 2020

## 3 Property, plant and equipment As at March 31, 2020

₹ in lakhs

Particulars	Land & Site Development	Buildings	Plant and Machinery	Office Equipment	Furniture & Fixtures	Computers	Vehicles	Total	
<b>Gross carrying amount (Deemed cost)</b>									
Cost as at 1 April 2019	88.98	1492.76	4391.05		26.63	21.85	31.66	11.83	6064.75
Additions	-	-	571.04		1.33	-	0.40	-	572.76
Disposals	-	-	109.58	4852.50	-	-	-	-	109.58
Revaluation of Assets	-	-	1016.75	1016.75	-	-	-	-	1016.75
Additions - Revaluation of Assets	425.82	459.36	-		-	-	-	-	885.19
Components and Other Apportioned Costs	-	-	185.43		-	-	-	-	185.43
Add: Components and Other Apportioned Costs	-	-	69.38	254.81	-	-	-	-	69.38
<b>Balance as at March 31, 2020</b>	<b>514.80</b>	<b>1952.13</b>	<b>6124.06</b>		<b>27.95</b>	<b>21.85</b>	<b>32.06</b>	<b>11.83</b>	<b>8684.68</b>
<b>Accumulated depreciation</b>									
Balance as at 1 April 2018	-	716.89	3501.87		17.42	19.53	30.32	2.19	4288.22
Depreciation for the year	-	37.33	281.71		1.22	0.30	1.14	1.38	323.08
Disposals	-	-	-		-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>754.23</b>	<b>3783.58</b>		<b>18.63</b>	<b>19.83</b>	<b>31.46</b>	<b>3.58</b>	<b>4611.30</b>
<b>Balance as at 1 April 2019</b>	<b>-</b>	<b>754.23</b>	<b>3783.58</b>		<b>18.63</b>	<b>19.83</b>	<b>31.46</b>	<b>3.58</b>	<b>4611.30</b>
Depreciation for the year	-	64.08	297.54		2.44	0.30	0.18	1.38	365.92
Disposals	-	-	96.50		-	-	-	-	96.50
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>818.30</b>	<b>3984.63</b>		<b>21.07</b>	<b>20.13</b>	<b>31.64</b>	<b>4.96</b>	<b>4880.72</b>
<b>Carrying Amount (Net)</b>									
<b>At March 31, 2019</b>	<b>88.98</b>	<b>738.54</b>	<b>1809.64</b>		<b>8.00</b>	<b>2.02</b>	<b>0.21</b>	<b>8.25</b>	<b>2655.63</b>
<b>At March 31, 2020</b>	<b>514.80</b>	<b>1133.82</b>	<b>2139.44</b>		<b>6.89</b>	<b>1.72</b>	<b>0.42</b>	<b>6.87</b>	<b>3803.95</b>



## Notes to the Ind AS financial statements for the year ended March 31, 2020 (continued) ₹ in lakhs

Note	Particulars	As at 31 March 2020	As at 31 March 2019
<b>4</b>	<b>Other Financial Assets</b>		
	(Unsecured, considered good)		
	Deposits with:		
	- Electricity Department	92.76	78.77
	- Others	0.51	0.51
		93.27	79.28
<b>5</b>	<b>Inventories</b>		
	(At lower of Cost and Net Realisable Value)		
	(a) Raw Materials	76.92	72.32
	(b) Work-in-progress	98.30	114.23
	(c) Finished Goods	166.27	126.11
	(d) Stores and Spares	55.39	52.80
		396.88	365.46
<b>6</b>	<b>Trade Receivables</b>		
	- Unsecured, considered good		
	- More than six months from due	2.87	2.87
	- Others	387.42	437.46
		390.29	440.33
	Less: Expected Credit Loss (provision)	3.74	2.87
	<b>Total Trade Receivables</b>	<b>386.55</b>	<b>437.46</b>

## Notes to the Ind AS financial statements for the year ended 31 March 2020 (continued)

Note	Particulars	As at 31 March 2020	As at 31 March 2019
<b>7 (i)</b>	<b>Cash and Cash Equivalent</b>		
	Cash on Hand	3.49	4.83
	<b>Balances with Banks:</b>		
	- Current Accounts	4.84	2.41
		8.33	7.24
<b>7 (ii)</b>	<b>Deposit - maturity within 12 months</b>	7.38	-
		7.38	-
<b>8</b>	<b>Current Loans and Advances</b>		
	(Unsecured, considered good)		
	Advances to staff	2.46	7.26
		2.46	7.26
<b>9</b>	<b>Other Current Assets</b>		
	(Unsecured, considered good)		
	Advances to Suppliers	38.24	96.76
	Prepaid Expenses	20.21	27.75
	Excise Department	0.38	0.38
	T D S Receivable	16.15	15.63
	Income Tax	6.00	6.00
	Incentive Receivable	11.77	20.55
	Mat Credit Entitlement	15.96	15.96
	Deposit with GST	6.55	-
	Interest Receivable	4.20	4.97
		119.46	188.00





Notes to the Ind AS Financial Statements for the year ended March 31, 2020 (continued)					
10	Share Capital	₹ in lakhs		₹ in lakhs	
	Particulars	As at March 31, 2020		As at March 31, 2019	
		Numbers	Amount	Numbers	Amount
	<b>Authorised Share Capital</b>				
	Equity shares of Rs 10 each	24000000	2400.00	24000000	2400.00
	Preference shares of Rs.10/- each	3000000	300.00	3000000	300.00
	<b>Total</b>	<b>27000000</b>	<b>2700.00</b>	<b>27000000</b>	<b>2700.00</b>
	<b>Issued, subscribed and paid-up</b>				
	Equity shares of Rs 10 each	16740888	1674.09	16740888	1674.09
	Preference shares of Rs.10/- each	0	0	0	0
	<b>Total</b>	<b>16740888</b>	<b>1674.09</b>	<b>16740888</b>	<b>1674.09</b>

(a)	Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:	₹ in lakhs		₹ in lakhs	
	NAME	As at March 31, 2020		As at March 31, 2019	
		Numbers	Amount	Numbers	Amount
	<b>(i) Equity shares with voting rights</b>				
	At the beginning of the year	16740888	1674.09	16740888	1674.09
	Issued during the year	0	0	0	0
	<b>At the end of the year.</b>	<b>16740888</b>	<b>1674.09</b>	<b>16740888</b>	<b>1674.09</b>

**(b) Terms/rights attached to equity shares)**

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.

(c)	Details of shareholders holding more than 5% equity shares in the Company:	As at March 31, 2020		As at March 31, 2019	
	NAME	Numbers	% holding	Numbers	% holding
		1. K V Naga Lalitha	5080320	30.35%	5080320
2. K Vijay Kumar	5080320	30.35%	5080320	30.35%	
		<b>10160640</b>	<b>60.69%</b>	<b>10160640</b>	<b>60.69%</b>

₹ in lakhs

Note	Particulars	As at 31 March 2020	As at 31 March 2019
<b>11</b>	<b>Other Equity</b>		
	<b>(a) Capital Subsidy</b>	<b>15.00</b>	<b>15.00</b>
		<b>15.00</b>	<b>15.00</b>
	<b>(b) Revaluation Reserve</b>		
	Opening Balance	<b>211.82</b>	372.81
	Less: Depreciation on Revalued Assets	<b>(160.99)</b>	(160.99)
	Closing Balance	<b>50.84</b>	<b>211.82</b>
	<b>(c) Retained Earnings</b>		
	Opening balance	<b>(427.82)</b>	(518.77)
	Add/(less): Profit/(loss) for the year	<b>562.88</b>	90.95
	Closing Balance	<b>135.05</b>	(427.82)
	<b>(d) Other Comprehensive Income</b>		
	Opening Balance	<b>1.00</b>	-



	Add/(less): Additions/(deductions) during the year	858.63	1.00
	Closing Balance	859.63	1.00
	<b>Total</b>	<b>1060.52</b>	<b>(200.00)</b>
<b>12</b>	<b>Non-Current Borrowings</b>		
	<b>(i) Secured, Term Loans*</b>		
	- from banks	739.45	459.52
	<b>(ii) Unsecured</b>		
	Loan from Related Parties	687.90	790.92
		<b>1427.35</b>	<b>1250.44</b>

\* (i) Term Loan represents loan from HDFC Bank which is secured by hypothecation of Plant & Machineries. 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 guaranteed by Mr.K Vijay Kumar, Managing Director and Mrs.K V Naga Lalitha, Director. The above amount is repayable in 84 monthly installments with a gestation period of 1 year. The rate of interest currently charging is 9.20% p.a.

	(ii) Rate of interest on Unsecured Loan from Related Parties is 9.50% p.a		
<b>13</b>	<b>Other Non Current Financial Assets</b>		
	Others	70.14	102.29
		<b>70.14</b>	<b>102.29</b>

#### Notes to the Ind AS financial statements for the year ended March 31, 2020 (continued)

Note	Particulars	As at March 31, 2020	As at March 31, 2019
<b>14</b>	<b>Non-Current Provisions</b>		
	Provision for employee benefits:		
	- Provision for gratuity	83.40	12.70
	Power bill payable - long term	32.99	29.65
		<b>116.39</b>	<b>42.36</b>
<b>15</b>	<b>Current Borrowings</b>		
	<b>Loans Repayable on Demand</b>		
	<b>Secured</b>		
	Cash Credits *	482.03	451.75
		<b>482.03</b>	<b>451.75</b>

\* Cash Credit Facility represents loan from HDFC 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 guaranteed by Mr.K Vijay Kumar, Managing Director and Mrs.K V Naga Lalitha, Director. The rate of interest currently charging is 9.20% p.a

<b>16</b>	<b>Trade Payables</b>		
	- Micro, small and medium enterprises	-	-
	- Others	102.85	64.15
		<b>102.85</b>	<b>64.15</b>
<b>17</b>	<b>Other Current Financial Liabilities</b>		
	Current maturities of long-term debt	102.25	114.47
	Other payables	187.86	178.09
		<b>290.11</b>	<b>292.57</b>
<b>18</b>	<b>Other Current Liabilities</b>		
	Advances from Customers	1.42	10.01
	Provision for Taxation	13.52	13.52
	Statutory Dues	9.56	14.01
		<b>24.50</b>	<b>37.54</b>



Notes to the Ind AS financial statements for the year ended March 31, 2020 (continued)			
Note	Particulars	As at March 31, 2020	As at March 31, 2019
<b>19</b>	<b>Revenue from Operations</b>		
	Sale of Goods	5696.54	6087.00
	Sale of Services	-	-
		<b>5696.54</b>	<b>6087.00</b>
<b>20</b>	<b>Other income</b>		
	(i) Interest Income	10.28	6.01
	(ii) Profit on Sale of Asset	19.30	-
	(ii) Scrap Sales	35.27	44.64
		<b>64.85</b>	<b>50.65</b>
<b>21</b>	<b>Cost of Materials Consumed</b>		
	Opening Stock	72.32	92.89
	Add: Purchases:		
	- Polyester	1515.68	1867.39
	- Viscose	1088.86	1162.47
	<b>Total</b>	<b>2676.86</b>	<b>3122.75</b>
	Less: Closing Stock	76.92	72.32
	<b>Cost of Material Consumed</b>	<b>2599.94</b>	<b>3050.44</b>
	Material Consumed Comprises:		
	- Polyester	1531.31	1938.76
	- Viscose	1068.63	1111.67
	<b>Total</b>	<b>2599.94</b>	<b>3050.44</b>
<b>22</b>	<b>Changes in Inventories of Finished Goods and Work in Progress</b>		
	Inventories at the end of the year:		
	Finished Goods	166.27	126.11
	Work-in-Progress	98.30	114.24
		<b>264.57</b>	<b>240.35</b>
	Inventories at the Beginning of the Year:		
	Finished Goods	126.11	232.50
	Work-in-Progress	114.24	104.57
		<b>240.35</b>	<b>337.07</b>
	<b>Net (increase) /decrease</b>	<b>(24.22)</b>	<b>96.72</b>
<b>23</b>	<b>Employee Benefit Expenses</b>		
	Salaries & Wages	481.26	493.22
	Stipend	405.40	363.14
	Directors Remuneration	41.46	42.00
	Contributions to Provident Fund	30.33	31.55
	Staff Welfare Expenses	55.80	48.42
	Gratuity	70.60	6.10
		<b>1084.85</b>	<b>984.43</b>



Notes to the Ind AS financial statements for the year ended March 31, 2020 (continued)			
Note	Particulars	As at March 31, 2020	As at March 31, 2019
<b>24</b>	<b>Finance costs</b>		
	Interest Expenses	182.40	165.12
	Amortised Interest Cost	14.87	7.53
	Other Borrowing Costs	1.47	14.17
		<b>198.74</b>	<b>186.83</b>
<b>25</b>	<b>Other expenses</b>		
	Consumption of Stores and Spare parts	209.38	210.14
	Power and Fuel	925.90	935.84
	Rent	13.49	13.25
	Repairs and Maintenance – Machinery	60.42	44.41
	Repairs and Maintenance – Buildings	4.57	1.45
	Repairs and Maintenance - Others	39.05	43.10
	Insurance	14.12	11.75
	Rates and taxes	3.47	4.72
	Communication	2.21	4.64
	Travelling and Conveyance	64.77	57.83
	Selling & Forwarding Expenses (Refer details (ii) given below)	219.93	190.16
	Donations and Contributions	2.01	1.76
	Legal and Professional Charges	7.50	9.67
	Security Service Charges	11.44	14.69
	Payments to Auditors (Refer details (i) given below)	1.53	1.48
	Taxes Paid	-	0.18
	Expected Credit Loss(exp)	0.87	2.87
	Miscellaneous Expenses	34.90	38.92
		<b>1615.56</b>	<b>1586.86</b>
	<b>Details to Note:</b>		
	(i) Payments to the Auditors Comprises:		
	For Statutory Audit	1.00	1.00
	For Taxation Matters	0.20	0.20
	Reimbursement of Expenses	0.33	0.28
		<b>1.53</b>	<b>1.48</b>
	(ii) Selling & Distribution Expenses:		
	- a. Freight & Forwarding	94.60	119.22
	- b. Sales Commission	120.06	69.11
	- c. Business Development & Promotion	4.91	1.81
	- d. Advertisement	0.36	0.02
		<b>219.93</b>	<b>190.16</b>

**Notes to the Ind AS financial statements for the year ended March 31, 2020 (continued)**

**Contingent liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Claims against the Company not acknowledged as debt</b>		
Income Tax related - A.Y.2015-16 (Rs.in Lakhs)	31.41	31.41


**Earnings per share (EPS)**

Earnings per share has been computed as under:

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Profit/ (Loss) for the Year (Rs.in Lakhs)	562.88	90.95
(b) Number of shares at the beginning of the year	16740888	16740888
(c) Shares issued during the year	-	-
(d) Total number of equity shares outstanding	16740888	16740888
(e) Weighted average of above (d)	16740888	16740888
(f) Earnings per share on profit for the year (face value Rs 10.00 per share)		
– Basic [(a)/(d)]	3.36	0.54
– Diluted [(a)/(e)]	3.36	0.54

**Related party disclosures:**
**I. Names of related parties and the nature of relationships:**
**(i) Key management personnel (KMP) :**

Name	Relationship
• K Vijay Kumar	Managing Director
• K Sriram	Executive Director
• P Rama Moorthy	Chief Financial Officer
• P Venkata Subba Rao	Company Secretary
• P Rajendra Babu	General Manager-Finance

**(ii) Enterprises where KMP along with their relatives have control or significant influence:**

Name	Relationship
Envean Leasing & Investments Limited	KMP along with their relatives hold 99.75% of shares of the Company
Sri Chakra Cement Limited	KMP along with their relatives hold 34.29% of shares of the Company
Krishnarama Industrial Investments Ltd	KMP along with their relatives hold 33.23% of shares of the Company

**Related party disclosures (continued)**

₹ in lakhs

**II. Related party transactions:**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Loan Taken</b>		
Envean Leasing And Investments Limited	77.50	149.00
K Vijay Kumar	323.00	355.00
<b>Loan Repayment</b>		
Envean leasing and investments limited	177.61	153.34
K Vijay Kumar	332.00	284.83
<b>Interest On Loan Taken</b>		
Envean Leasing And Investments Limited	45.79	30.18
K Vijay Kumar	16.53	9.07
<b>Purchase Of Cement</b>		
Sri Chakra Cement Limited	1.33	1.00
<b>Remuneration To KMP (Short Term Benefits)</b>		
K Sriram	29.62	30.00
R Siva Kumar	11.85	12.00


**III. Related party balances**

Particulars	As at March 31, 2020	As at March 31, 2019
Due to/(Due from) Related Parties		
Envean Leasing and Investments Limited	505.24	601.06
K Vijay Kumar	182.66	189.87

**Notes to the Ind AS financial statements for the year ended March 31, 2020 (continued)**
**Employee Benefits Obligation**
**Defined contribution plans - Provident fund:**

Contribution towards employee provident fund, which is a defined contribution plan for the period aggregated to Rs: 30.33 Lakhs charged in the statement of profit and loss.

**Defined Benefit Plan - Gratuity:**

In accordance with the 'Payment of Gratuity Act, 1972' of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such gratuity plan are determined by an independent actuarial valuation and are charged to the Statement of Profit and Loss in the period determined. The gratuity plan is administered by Life Insurance Corporation of India. ₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Change in defined Benefit Obligation		
Opening defined Benefit Obligation	74.29	168.71
Current Service Cost	11.06	3.33
Interest Cost	44.00	5.54
Actuarial Loss on Obligation	0.10	(1.00)
Benefits Paid	(7.64)	(102.29)
<b>Defined Benefit Obligation at the end of the Year</b>	<b>121.81</b>	<b>74.29</b>
Amount recognised in the balance sheet		
Defined Benefit Obligation at the end of the Year	121.81	74.29
Fair Value of Plan Assets at the end of the Year	38.41	61.59
<b>Liability Recognised in the Balance Sheet</b>	<b>83.40</b>	<b>12.70</b>

**Expense Recognised in the Statement of Profit and Loss**

Particulars	As at March 31, 2020	As at March 31, 2019
Current Service Cost	11.06	3.33
Interest Cost	44.00	5.54
Expected return on Plan Assets	15.43	(2.77)
Net Actuarial gain / (loss) Recognized in the Year	0.10	(1.00)
Net cost recognised in the statement of Profit or Loss	<b>70.60</b>	<b>5.09</b>

**Summary of actuarial assumptions:**

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	7.25%	7.50%
Salary Escalation Rate	7.00%	6.00%
Mortality table	IALM (2006-08)	IALM (2006-08)


**Notes to the Ind AS financial statements for the year ended March 31, 2020 (continued)**
**Consumption details Raw Materials & Stores & Spares**

	Raw Material				Stores & Spares			
	2019-20		2018-19		2019-20		2018-19	
	%	Rs.	%	Rs.	%	Rs.	%	Rs.
Imported	0.24%	6.13	-	-	-	-	-	-
Indigenous	99.76%	2593.80	100.00%	3050.44	100.00%	209.38	100%	210.14

**Earnings and Expenditure in Foreign Exchange**

	2019-20	2018-19
Export of goods Calculated on FOB basis	Nil	Nil
Royalty, know-how, professional and consultation fees	Nil	Nil
Interest and dividend	Nil	Nil
Other Income, indicating the nature thereof	Nil	Nil

Auditor's Remuneration	2019-20	2018-19
- Statutory Audit	1.00	1.00
- Tax Audit	0.20	0.20

The Government of India declared a lockdown on March 23rd 2020 in the light of the out break of Covid-19 on account of which the Company suspended its operations from 24th March'2020. The Company has been taking various precautionary measures to protect its employees and their families from the Covid-19 pandemic. Operations have been resumed, subsequently from 3rd June'2020, wherein the Company has taken all necessary safety measures as laid down by the Government for the purpose.

The Company has considered internal and certain external sources of information, including economic forecasts and industry reports, up to the date of approval of the financial statements in determining the possible effects on the carrying amounts of inventories, receivables, deferred tax assets and other current assets, that may result from the Covid-19 pandemic. The Company has used the elements of prudence in applying the judgements and assumptions, including sensitivity analysis, and based on current estimates expects the carrying amount of these assets will be recovered. The eventual outcome of impact of the global health pandemic may be different from these estimated as on the date of approval of these financial results.

Balances due to or due from parties are subject to confirmation

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

Figures have been rounded off to nearest rupee.

As per our report of even date

**For. T Mohan & Associates,**  
Chartered Accountants  
(FRN No 012482S)  
Sd/-  
Mohan Reddy T  
Partner  
M No: 239635

Place: Hyderabad  
Date: 31.07.2020

For and On behalf of the Board  
For Aditya Spinners Limited

Sd/-  
N Krishna Mohan  
Director  
DIN: 00698772  
  
Sd/-  
P Venkata Subba Rao  
Company Secretary

Sd/-  
K Vijay Kumar  
Managing Director  
DIN: 00769568  
  
Sd/-  
P Ramamoorthy  
Chief Financial Officer