

NITIN SPINNERS LTD.



REF: NSL/SG/2024-25
Date : 21.08.2024

BSE Ltd.

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Company Code – 532698

National Stock Exchange of India Limited

Exchange Plaza,
Bandra Kurla Complex
Bandra (E),
Mumbai – 400 051.

Company ID - NITINSPIN

Sub. : Notice for 32nd Annual General Meeting and Annual Report 2023-24

Dear Sir,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the Annual Report of the Company for the financial year 2023-24 along with the Notice convening the 32nd Annual General Meeting scheduled to be held on Monday, 16 September, 2024 at 03:00 PM (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The notice convening the 32nd AGM and Annual Report 2023-24, are being sent to the members by email whose email addresses are registered with the Company/ RTA/Depository participant(s). The Annual Report & Notice for AGM are also uploaded on the website of the Company at www.nitinspinners.com.

The details such as manner of casting vote through e-voting and attending the AGM through VC/OAVM has been set out in the Notice of the AGM.

This is for your information and records please.

Thanking you,

Yours faithfully,

For- Nitin Spinners Ltd.

(Sudhir Garg)

Company Secretary & VP (Legal)

M.No. ACS 9684

CIN. : L17111RJ1992PLC006987

Regd. Office & Plant : 16-17 Km. Stone, Chittor Road, Hamirgarh, Bhilwara (Raj.) 311 025
Tel. : 286110 to113, E-mail : nsl@nitinspinners.com, Website : www.nitinspinners.com

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NITIN SPINNERS LIMITED

CIN: L17111RJ1992PLC006987

Regd. Office: - 16-17 Km. Stone, Chittor Road, Hamirgarh, Bhilwara-311025

Phone: 01482-286110-113

Website: -www.nitinspinners.com • E-Mail:- investorrelations@nitinspinners.com

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the Shareholders of **NITIN SPINNERS LIMITED** will be held on **Monday, 16th September, 2024 at 03.00 P.M. (IST)** through Video Conference (VC)/Other Audio Visual Means ("OAVM"), to transact following business:-

Ordinary Business:-

Item No. 1 Adoption of Audited Financial Statements

To adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2024 together with the Board's and Auditors' Reports thereon.

Item No. 2 Declaration of Final Dividend

To declare Final Dividend of Rs.2.50 per Equity Shares for the financial year ended 31st March, 2024.

Item No. 3 Re-Appointment of a Director liable to retire by rotation

To appoint a Director in place of Shri Dinesh Nolkha (DIN:00054658) who retires by rotation and being eligible offers himself for re-appointment.

Special Business:-

Item No. 4 Re-designation of Sh. Dinesh Nolkha as Chairman and Managing Director

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and provisions of Articles of Association and all other applicable rules, Laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions as may be required and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approval as may be applicable and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded to re-designate Sh. Dinesh Nolkha (DIN:00054658) as Chairman and Managing Director of the Company, in the category of Whole Time Director, with effect from 01.10.2024 till the end of his current tenure upto 30.09.2027 and that the other terms and conditions of his appointment including remuneration as approved at the 30th Annual General Meeting of the Company held on 15th September, 2022 and at the Extra-Ordinary General Meeting held on 27th December, 2023 shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

Item No. 5 Appointment of Shri Nitin Nolakha as Managing Director

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment thereof for the time being in force) and provisions of Articles of Association and all other applicable rules, laws and acts, if any, subject to all other requisite approvals, permissions, sanctions, as may be required, and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approval as may be applicable and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Shri Nitin Nolakha (DIN 00054707) be and is hereby appointed as Managing Director of the Company for a period of 5 (Five) years with effect from 01st October, 2024 to 30th September, 2029 on following terms & conditions, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under this resolution and under the Companies Act, 2013 and/or statutory modification(s) or re-enactment(s) thereof :-

- I. **Basic Salary:** Rupees 4,00,000/- (Rupees Four Lakhs only) per month with an annual increase of Rupees 50,000/- (Rupees Fifty Thousand Only) in the month of October every year.
- II. **Commission:** In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission as may be decided by the Board of Directors from time to time but not exceeding 1% of the net profit of the company in a financial year as computed under section 198 of the Companies Act, 2013 subject to necessary approvals as may be required.
- III. **Perquisites:** In addition to the above basic salary and commission Shri Nitin Nolakha shall be entitled for the following perquisites and allowances:-

The perquisites are classified into following three categories A, B and C :-

Category "A"

1. **Housing I:** The appointee shall be provided with free furnished residential accommodation with free Gas, Electricity and Water. The expenditure incurred by the company on hiring of accommodation for him shall be subject to a ceiling of 60% of the salary over and above 10% payable by him.

Housing II: In case the Company owns the accommodation, the company shall deduct 10% of the salary

Housing III: In case the company provides no accommodation; house rent allowance as per rules of the Company shall be paid.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Act, 1961.

1. **Medical Reimbursement:** For self and family subject to a ceiling of one month's salary in a year or five months salary over a period of five years.
2. **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules prescribed by the Company.
3. **Club Fees:** Fees of clubs subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.
4. **Personal Accident Insurance:** Actual premium paid subject to maximum limit of Rs. 20000/- in a year.

Category "B"

1. **Provident Fund:** Company's contribution to provident fund shall be as per the scheme of the Company.
2. **Superannuation/Annuity Funds:** Company's contribution to superannuation/annuity fund shall be in accordance with the scheme of the Company.
3. **Gratuity:** As per the rules of the Company, payable in accordance with the approved fund at the rate of half a month salary for each completed year of service.

The above Contribution to provident fund, superannuation / annuity fund and Gratuity will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Category "C"

1. **Car:** Facility of car shall be provided for business use of the Company. The Company shall bill use of car for private purposes separately.
2. **Telephone:** Free telephone facility at residence including internet connection. The Company shall bill personal long distance calls.

Sitting Fee

No sitting fee shall be paid to Shri Nitin Nolakha, Managing Director for attending the Meeting of Board of Directors or any committee thereof.

Shri Nitin Nolakha, Managing Director shall not be liable to retire by rotation.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government in the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the Company and Shri Nitin Nolakha, Managing Director, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

Item No. 6 Appointment of Sh. Pratyush Nolakha as Executive Director

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provisions of section 149,152, 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and provisions of Articles of Association and all other applicable rules, Laws and acts, if any, subject to all other requisite approvals, permissions, sanctions, as may be required, and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approval as may be applicable and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Sh. Pratyush Nolakha (DIN 10704970) who was appointed as an Additional Director (Executive) of the Company by the Board of Directors with effect from 22.07.2024 and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director of the company be and is hereby appointed as Whole Time Director designated as an Executive Director of the Company to hold for a period from 22.07.2024 to 30.09.2027 on terms & conditions as set out below with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and /or remuneration, subject to the same not exceeding the limits specified under this resolution and under the Companies Act, 2013 and/or statutory modification(s) or re-enactment(s) thereof :-

- I. **Basic Salary :** Rs. 2,00,000/-(Rs. Two Lakhs only) per month with an annual increase of Rs 40,000/- (Rs. Forty Thousand only) in the month of October every year from the year 2025.
- II. **Perquisites:** In addition to the above basic salary Sh. Pratyush Nolakha shall be entitled for the following perquisites and allowances:-

The perquisites are classified into following three categories A, B and C :-

Category "A"

- Housing I:** The appointee shall be provided with free furnished residential accommodation with free Gas, Electricity and Water. The expenditure incurred by the company on hiring of accommodation for him shall be subject to a ceiling of 60% of the salary over and above 10% payable by him.
Housing II: In case the Company owns the accommodation, the company shall deduct 10% of the salary
Housing III: In case the company provides no accommodation; house rent allowance as per rules of the Company shall be paid.
The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Act, 1961.
- Medical Reimbursement:** For self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules prescribed by the Company.
- Club Fees:** Fees of clubs subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.
- Personal Accident Insurance:** Actual premium paid subject to maximum limit of Rs. 20000/- in a year.

Category "B"

- Provident Fund:** Company's contribution to provident fund shall be as per the scheme of the Company.
- Superannuation/Annuity Funds:** Company's contribution to superannuation/annuity fund shall be in accordance with the scheme of the company.
- Gratuity:** As per the rules of our Company, payable in accordance with the approved fund at the rate of half a month salary for each completed year of service.
The above Contribution to provident fund, superannuation / annuity fund and gratuity will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Category "C"

- Car:** Facility of car shall be provided for business use of the Company. The Company shall bill use of car for private purposes separately.
- Telephone:** Free telephone facility at residence including internet connection. The Company shall bill personal long distance calls.

Sitting Fee

No sitting fee shall be paid to Sh. Pratyush Nolakha, Whole Time Director designated as an Executive Director for attending the Meeting of Board of Directors or any committee thereof.

Shri Sh. Pratyush Nolakha, Whole Time Director designated as an Executive Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government in the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limit or ceiling and the agreement between the Company and Sh. Pratyush Nolakha, Whole Time Director designated as an Executive Director, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

Item No. 7 Appointment of Smt. Vibha Aren as Independent Director

To consider and if thought fit, to pass, the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Regulation 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Smt. Vibha Aren (DIN : 07028020), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 22.07.2024 and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director of the company and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and regulation 16(1)(b) of the Listing Regulations be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from 22.07.2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

Item No. 8 Authorization to Board of Director to borrow money under Section 180(1)(c) of the Companies Act, 2013

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Special Resolution passed by the members of the Company at the 26th Annual General Meeting held on 22nd September, 2018 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herein after called "the Board" which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing for the purpose of business, from time to time, any sum or sums of money on such terms and conditions with or without security as the Board of Directors may think fit, which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) and being borrowed by the Board at any time shall not exceed in the aggregate at any time Rs. 2000.00 Crores (Rupees Two Thousand Crores only) in Indian Rupees or equivalent thereof in any foreign currency(ies) irrespective of the fact that such aggregate amount of borrowings outstanding at any time may exceed the aggregate for the time being of the paid-up capital of the Company, securities premium and its free reserves that is to say reserves not set apart for any specific purpose."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute the requisite agreement, documents, deeds and writings and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution."

Item No. 9 Authorization to Board of Director for Creation of Security on increased Borrowing Power under Section 180(1)(a) of the Companies Act, 2013

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Special Resolution passed by the members of the Company at the 26th Annual General Meeting held on 22nd September, 2018 and pursuant to Section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herein after called "the Board" which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to mortgage and/or create charge on all or any one or more of the movable/immovable properties or such other assets of the Company, where so ever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of the lenders to secure any fund based and/or non fund based facilities not exceeding Rs. 2000.00 Crores (Rupees Two Thousand Crores only) together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or redemption, cost charge(s) expenses and all other monies payable by the Company to such lenders under the respective loan/other agreement(s) entered/to be entered into between the Company and the lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the Lenders the requisite agreement, documents, deeds and writings for borrowing and/or for creating together aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution".

Item No. 10 Ratification of Remuneration of Cost Auditors for the Financial Year 2024-25

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the payment of the remuneration of Rupees 1,00,000/- (Rupees One Lakhs only) plus applicable taxes and reimbursement of actual out of pocket expenses, to M/s. Vivek Laddha & Associates, Cost Accountants (Firm Registration No. 103465) who were appointed by the Board of Directors of the Company as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for financial year 2024-25, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By order of the Board of Directors
For Nitin Spinners Limited**

**Place: Hamirgarh, Bhilwara
Date: 22nd July, 2024**

**(Sudhir Garg)
Company Secretary & VP (Legal)
M. No. ACS 9684**

**Regd. Office
16-17 KM Stone, Chittor Road
Hamirgarh, Bhilwara - 311025**

NOTES:

1. The Ministry of Corporate Affairs (MCA) has vide General Circular 09/2023 dated 25.09.2023 and earlier circulars issued in this regard (collectively referred to as "MCA Circulars") and SEBI vide Circular No SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07.10.2023 and earlier circulars issued in this regard (collectively referred to as "SEBI Circulars") allowed the Companies to hold AGM/EGM through Video Conference (VC)/Other Audio Visual Means (OAVM) without physical presence of the Members at common venue upto 30th September, 2024. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA and SEBI Circulars the 32nd AGM of the Company is being held through Video Conference (VC)/Other Audio-Visual Mode (OAVM), without physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING("AGM/ Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA AND SEBI CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA AND SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
3. In terms of aforesaid "MCA and SEBI Circulars", the Company is sending this AGM Notice along with the Annual Report -2023-24 in electronic form only to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the AGM and the Annual Report-2023-24 has been uploaded on the website of the Company at www.nitinspinners.com and can also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Ltd. ("NSE") at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also available on the website of CDSL at www.evotingindia.com. However, physical copy of Annual Report 2023-24 will be sent to members on their request at company's mail id investorrelations@nitinspinners.com
4. Pursuant to Section 102 of the Act, the explanatory statement setting out the material facts concerning each item of Special Business to be conducted at the 32nd AGM is annexed hereto. Pursuant to regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") the brief profile and other additional information of Directors seeking appointment/re-appointment/change in designation is annexed hereto.
5. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members and other non-individual members intending to appoint their authorized representatives to attend the AGM through VC or OAVM and to vote thereat through remote e-Voting/e-Voting are requested to send a certified copy of the Board Resolution/ Power of Attorney to the Scrutinizer by e-mail at cs.vmanda@gmail.com with a copy marked to investorrelations@nitinspinners.com.
6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, 10th September, 2024 to Monday, 16th September, 2024** (both days inclusive) for the purpose of determining the entitlement of Dividend, if declared at the AGM.

9. The Dividend as recommended by the Board, if declared at the Meeting, will be paid, after deduction of applicable tax (TDS), within 30 days of the date of declaration i.e. 16th September, 2024 to those Members :-
- (a) who hold shares in physical form and whose names appear as Members in the Register of Members of the Company on **09th September, 2024**, however Company do not have any shareholder who is holding shares in physical form and
 - (b) who hold shares in dematerialization form and whose names appear as Beneficial Owners in the list of Beneficial Owners on **09th September, 2024** to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
10. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) under the link **<https://www.bigshareonline.com/InvestorRegistration.aspx>** and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 2024-25 does not exceed Rs. 5000/-. Shareholders are requested to note that in case they do not have PAN or PAN is not linked with their Aadhar number, the tax will be deducted at a higher rate of 20%.
11. A Resident individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending mail to the Company's RTA namely at **tds@bigshareonline.com** latest by **Monday, September 09, 2024**. The Tax related forms can be downloaded from the link **<https://www.bigshareonline.com/Resources.aspx>**
12. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending the mail to the Company's RTA namely at **tds@bigshareonline.com** latest by **Monday, September 09, 2024**. The Tax related forms can be downloaded from the link **<https://www.bigshareonline.com/Resources.aspx>**
13. In case the shareholders have not updated the Bank Account mandate for receipt of dividend online through ECS or any other electronic mode, the following instructions are to be followed :-
- (i) Visit the website of RTA, Bigshare Services Pvt. Ltd. HYPERLINK **www.bigshareonline.com** under Investor Services>E-Mail/Bank detail registration under link **<https://www.bigshareonline.com/InvestorRegistration.aspx>**. Fill the details and upload required documents.
 - (ii) In case shares are held in dematerialization form, such shareholders, alternatively, can contact Depository Participants (DP) and register/update bank account details in their DEMAT Account as per process followed/advised by the DP.
 - (iii) In order to provide protection against fraudulent encashment of dividend warrants, members are requested to intimate the Company's Registrar and Share Transfer Agent "Bigshare Services Private Limited", particulars of their Bank Account viz. Name of Bank, Name of Branch, Complete address of the Bank with Pin Code Number, Bank Account Number and IFS Code.
14. In case the Company is unable to pay dividend to any Member directly in their Bank account through Electronic Clearing Services or any other electronic means due to any reasons, the Company shall dispatch the dividend warrants to such members at their registered address.

15. Pursuant to Master Circular dated 7th May, 2024 and Circular dated 10th June, 2024 issued by the Securities and Exchange Board of India ('SEBI'), Members holding shares in physical form shall be entitled to receive dividend only through electronic mode w.e.f. 1 April 2024 upon furnishing of PAN, Contact details (Postal Address with PIN and Mobile Number), Bank Account details and Specimen Signature for their corresponding folio numbers. However, Company does not have any shareholder who is holding shares in Physical form.
16. Pursuant to the provisions of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The details of unpaid or unclaimed shares are available on the website of the company **i.e. www.nitinspinners.com** under "Investor Relation" Members wishing to claim dividends that remain unclaimed are requested to correspond with the Company/ the Company's RTA.

Any Member, who has not claimed the final dividend for the financial year 2016-2017 is requested to approach the Company/the Company's RTA for claiming the same as early as possible but not later than 09th October, 2024. Thereafter, the same shall be transferred to IEPF Authority.
17. Shares in respect of which dividend remains unclaimed for seven consecutive years are also required to be transferred to the IEPF as per Section 124 of the Act and the relevant Rules thereunder. The details of such equity shares to be transferred to the IEPF Authority are uploaded on the website of the Company at **www.nitinspinners.com** under "Investor Relations" section. Shareholders are requested to approach the Company/the Company's RTA for claiming the same as early as possible, but not later than 09th October, 2024. The Company has already sent reminders to all such Members at their registered addresses in this regard.
18. Members desiring inspection of the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act during AGM may send their request in writing to the Company at **investorrelations@nitinspinners.com**
19. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to **investorrelations@nitinspinners.com** up to the date of the AGM.
20. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer of shares can be processed in DEMAT form, transmission and transposition of securities held in physical or DEMAT form shall be effected only in dematerialized form.

However, no share of the Company is held in Physical form.
21. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. However, no share of the Company is held in Physical form.
22. Queries, if any, on accounts and operations may please be sent to the company seven days in advance of the meeting from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, so as to reach the Company's e-mail address at **investorrelations@nitinspinners.com** on or before Monday, September 09, 2024. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

- 23.** Members are requested to :
- (a) Notify the change in address, update nominee details, if any, immediately to the Company (in case Shares held in physical mode). However, no share of the Company is held in Physical form.
 - (b) Quote their regd. Folio Number/DP and client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
- 24.** CS Manoj Maheshwari, FCS 3355 and failing him CS Priyanka Agarwal, FCS 11138 Practicing Company Secretaries and Partners of M/s V. M. & Associates, Company Secretaries have been appointed as the Scrutinizers to scrutinize the remote e-voting and e-voting process to be carried at the AGM in a fair and transparent manner.

Instructions for Voting through electronic means

- 1.** The general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- 2.** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (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 during the AGM will be provided by CDSL.
- 3.** 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 will be made available to 1000 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, Scrutinizers etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 4.** Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
- Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
- (i) The voting period begins on **12.09.2024 at 9.00 A.M. (IST) and ends on 15.09.2024 at 5.00 P.M. (IST)** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **09.09.2024** 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 through e-voting system would not be entitled to vote at the meeting venue, however, they shall be entitled to attend the Meeting. 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.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 under Regulation 44 of the Listing Regulations listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:-

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/Easi Registration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on

Type of shareholders	Login Method
	<p>www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLoginThe system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 21 09911.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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"> • 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.
Dividend Bank Details OR 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"> • 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.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Nitin Spinners Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to the scrutinizer for verification.
- (xvii) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is mandatory that 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 mandatory 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; cs.vmanda@gmail.com with a copy marked to investorrelations@nitinspinners.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting during the AGM same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 i.e. by 09th September, 2024** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). 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 by 09th September, 2024** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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 update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 or call on 1800 21 09911.

ANNEXURE TO NOTICE**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of the Listing Regulations****Item No. 4**

Shri Dinesh Nolkha was re-appointed as Managing Director at the 30th Annual General Meeting ("AGM") of the Company held on 15th September, 2022 for five years from 01.10.2022 to 30.09.2027. Further, at the Extra-Ordinary General Meeting held ('EGM') on 27th December, 2023, his terms of appointment were partially modified to the extent that his office was made liable to retire by rotation. The Company does not have regular Chairman after sad demise of Sh. Ratan Lal Nolkha and therefore based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, subject to the approval of members of the Company, has considered and approved to re-designate Sh. Dinesh Nolkha as Chairman and Managing Director, in the category of Whole Time Director, with effect from 01.10.2024 for remaining tenure of the current appointment up to 30.09.2027 on the same terms and conditions as approved at 30th AGM held on 15th September, 2022 and EGM held on 27th December, 2023

Sh. Dinesh Nolkha, has confirmed that he has not been disqualified under section 164 and Schedule V of the Companies Act, 2013 and also given a declaration that he has not been disqualified or debarred from being appointed or continuing Director of the Company by virtue of any SEBI order or any other authority.

The brief profile of Sh. Dinesh Nolkha in terms of Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, is annexed as Annexure - 1 hereto and forms a part of this Notice.

Save and except Shri Dinesh Nolkha, being appointee and Shri Nitin Nolakha, Shri Pratyush Nolakha being relatives of the appointee and their other relatives, none of the other Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 of the notice.

The Board of Directors recommends the Ordinary Resolution as set out at item no. 4 of the Notice for approval by the shareholders.

Item No. 5

The Board of Directors appointed Sh. Nitin Nolakha, Whole Time Director designated as Joint Managing Director for a period of 3 (Three) years w.e.f. 01.10.2021 at the 29th Annual General Meeting of the Company held on 18th September, 2021. His tenure will expire on 30.09.2024. Sh. Nitin Nolakha is one of the promoters and contributor to the growth and development of the Company and he is focused in the execution of Mission and Vision of the Company. During his tenure, the Company has achieved decent growth. He is responsible for overall strategic planning and business development of the Company. After considering his performance, the Nomination and Remuneration Committee, at their meeting held on 22nd July, 2024 reviewed the performance of Sh. Nitin Nolakha and recommended his appointment as Managing Director with effect from 01.10.2024 for a period of 5 (Five) years, for the approval of the Board. Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 22nd July, 2024 have approved, subject to approval of members of the Company, the proposal for appointment of Sh. Nitin Nolakha as Managing Director of the Company with effect from 01.10.2024 for a period of 5 (Five) years at the terms and conditions of his appointment mentioned in the resolution.

Sh. Nitin Nolakha has confirmed he has not been disqualified under section 164 and Schedule V of the Companies Act, 2013 and also given declarations that he does not suffer from any disqualifications for his appointment or continuing as Director and has not been debarred from holding the office of Director by virtue of any SEBI order or any other such Authority.

The brief profile of Sh. Nitin Nolakha in terms of Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, is annexed as Annexure - 1 hereto, and forms a part of this Notice.

Save and except Shri Nitin Nolakha, being appointees and Shri Dinesh Nolkha being relative of the appointee and their other relatives, none of the other Directors/Key Managerial Personnel (KMP) of the Company/their

relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the notice.

The Board of Directors recommends the Ordinary Resolution as set out at item no. 5 of the Notice for approval by the shareholders.

Item No. 6

Based on the recommendation of the Nomination & Remuneration Committee (NRC) and pursuant to the provisions of Section 161 of the Companies, 2013 ('the Act'), the Board of Directors at its meeting held on 22nd July, 2024, appointed Sh. Pratyush Nolakha (DIN: 10704970) as an Additional Director (Executive) of the Company with effect from 22nd July, 2024 and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company he holds office upto the date of this 32nd Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Sh. Pratyush Nolakha (DIN :10704970) for the office of Director of the Company. He has conveyed his consent to act as a Director of the Company.

Sh. Pratyush Nolakha has confirmed that he has not been disqualified under section 164, satisfy the conditions under section 196(3) and Schedule V of the Companies Act, 2013 and also given declarations that he does not suffer from any disqualifications for his appointment or continuing as Director and has not been debarred from holding the office of Director by virtue of any SEBI order or any other such Authority.

The brief profile of Sh. Pratyush Nolakha in terms of Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, is annexed as Annexure - 1 hereto, and forms a part of this Notice. Having regard to qualifications, knowledge and experience of Sh. Pratyush Nolakha his appointment on the Board of the Company as Whole Time Director designated as Executive Director will be in the interest of the Company.

Accordingly, it is proposed to appoint Sh. Pratyush Nolakha as Whole Time Director designated as an Executive Director of the Company, liable to retire by rotation, on the Board of the Company for a period from 22.07.2024 to 30.09.2027. As per Section 149 and 152 of the Act and the rules thereunder, a Director can be appointed with the approval of the Members and accordingly, the Board of Directors recommends passing of the Ordinary Resolution at Item No. 6 of the Notice.

Save and except Shri Pratyush Nolakha, being appointees and Shri Dinesh Nolkha being relative of the appointee and their other relatives, none of the other Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the notice.

Item No. 7

Based on the recommendation of the Nomination & Remuneration Committee (NRC) and pursuant to the provisions of Section 161 of the Companies Act, 2013 ('the Act'), the Board of Directors at its meeting held on 22nd July, 2024, appointed Smt. Vibha Aren (DIN: 07028020) as an Additional Director (Independent) of the Company with effect from 22nd July, 2024 and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company she holds office upto the date of this 32nd Annual General Meeting.

Smt. Vibha Aren has a vast experience of about 40 years in banking/international banking field. She retired from Punjab National Bank as General Manager on 31.01.2023.

The brief profile of Smt. Vibha Aren in terms of Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard-2, is annexed as Annexure - 1 hereto, and forms a part of this Notice.

The Company has received a notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Smt. Vibha Aren for the office of Director of the Company. Smt. Vibha Aren has conveyed her consent to act as a Director of the Company. The Company has also received

necessary disclosures and declarations that she meets the criteria of independence and does not suffer from any disqualifications for her appointment as Director and has not been debarred from holding the office of Director by virtue of any SEBI order or any other such authority. Smt. Vibha Aren has also confirmed that she is not aware of any circumstances or situation which exists or may reasonably be anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company. Further, Smt. Vibha Aren has confirmed that she is registered with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Smt. Vibha Aren fulfills the specified conditions under the Listing Regulations and Companies Act, 2013 for appointment as an Independent Director and is independent of the management. The Nomination and Remuneration Committee has identified amongst others, expertise in Finance, Legal, Management and Administration and diversity of perspective as the skills required for the role. The Nomination and Remuneration Committee and Board of Directors are of the view that Smt. Vibha Aren possesses the requisite skills and capabilities as identified above.

In the opinion of the Board, the appointment of Smt. Vibha Aren as an Independent Director of the Company would be in the interest of the Company.

Accordingly, it is proposed to appoint Smt. Vibha Aren as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 (Five) consecutive years on the Board of the Company w.e.f. 22nd July, 2024. As per Section 149 and 152 of the Act and the rules thereunder, a Director can be appointed with the approval of the Members and as per the Listing Regulations an Independent Director can be appointed with the approval of the Members by way of Special Resolution. Accordingly, approval of the Members is sought for the appointment of Smt. Vibha Aren as a Director and an Independent Director of the Company.

Your Directors recommend the Resolution at Item No. 7 for approval by the Members by way of a Special Resolution. Except Smt. Vibha Aren and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice.

Item No. 8 & 9

As per provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the Members in General Meeting, borrow monies in excess of the aggregate of the paid-up Capital of the Company, Securities Premium and its Free Reserves. Further, the borrowings of the Company are, generally, required to be secured by suitable charge and/or mortgage over the moveable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the Lender(s).

The Company may undertake further expansion etc. for which additional borrowings shall be required and therefore it is proposed to increase borrowings powers of the Company which would necessitate revision of the borrowing limits by authorizing the Board of Directors to borrow moneys which may exceed at any time aggregate of the paid-up Capital of the Company, Securities Premium and its Free Reserves, but not exceeding Rs. 2000 Crores (Rs. Two Thousand Crores) (in place of existing limit of Rs. 1500 Crores) with a matching authorization for Creation of Charge and/or mortgage over the movable and/or immovable properties of the Company as Security. These upward revisions in the borrowing limits and Creation of Securities by way of Charge and/or Mortgage would require your approval under the provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 respectively.

None of the Directors /Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 8 & 9 of the Notice.

The Board of Directors recommends the Special Resolutions as set out at item no. 8 & 9 of the Notice.

**Item No. 10**

The Board of Directors on the recommendation of the Audit Committee have appointed, M/s. Vivek Laddha & Associates, Cost Accountants, Bhilwara (Firm Reg. No. 103465) as Cost Auditors of the Company for the Financial Year 2024-25 at a Remuneration of Rupees 1,00,000/- (Rupees One Lakhs only) plus applicable taxes and reimbursement of actual out of pocket expenses. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the Remuneration payable to the Cost Auditors is required to be ratified by the Members.

None of the Directors /Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 10 of the Notice. The Board of Directors recommends the Ordinary Resolution as set out at item no. 10 of the Notice.

**By order of the Board of Directors
For Nitin Spinners Limited**

Place: Hamirgarh, Bhilwara

Date: 22nd July, 2024

Regd. Office

16-17 KM Stone, Chittor Road

Hamirgarh, Bhilwara - 311025

**(Sudhir Garg)
Company Secretary & VP (Legal)
M. No. ACS 9684**

Annexure-1 to Notice for AGM date 22.07.2024

Details of Directors Seeking Appointment/Re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings)

Name of Director	Sh. Dinesh Nolkha	Sh. Nitin Nolkha	Sh. Pratyush Nolkha	Smt. Vibha Aren
Date of Birth	13.10.1970 (Age around 53 years)	26.01.1976 (Age around 48 years)	01.10.1998 (Age around 25 years)	01.02.1963 (Age around 61 years)
Category of Director	Promoter-Executive	Promoter-Executive	Promoter-Executive	Independent Non-Executive
DIN	00054658	00054707	10704970	07028020
Nationality	Indian	Indian	Indian	Indian
Qualification	B.Com, FCA & FCMA	B.Com & MBA	B.Com & MBA	B.A. (Hons) & M.A. (Economics)
Date of First appointment on the Board	15.10.1992	01.10.1998	22.07.2024	22.07.2024
Date of Re-Appointment	01.10.2022	01.10.2021	N.A.	N.A.
Expertise/Experience in specific functional areas	He has vast experience of more than thirty two years in Textile Industries. His functional experience covers Plant Operations, Administration, Marketing, Commercials and Finance.	He has vast experience of more than twenty six years in Textile Industry. His functional experience covers Plant Operations, Marketing, Administration, Commercials and Management.	He has completed graduation from Shri Ram College of Commerce, Delhi in the year 2019 and Master of Business Administration from Indian Institute of Management, Ahmedabad in the year 2023. He has worked with Boston Consulting Group for around six months & joined Company w.e.f. 29.02.2024 as Executive Manager (Operation & Strategies)	She has rich experience of around 40 years of handling various stream of banking business from basic branch operations to specialised fields such as Treasury, HRD and International Banking Division (IBD). She has headed various positions i.e Circle, Zonal, and Administrative head of IBD & GBMD.
Skills and capabilities required for the role and the manner in which the proposed Independent Director meets such requirements	N.A.	N.A.	N.A.	She has vast experience of around 40 years in banking field. She has also served as Nominee Director during her tenure in banking service. She has expertise in Finance, Legal, Management, Administration and diversity of perspective as the skills required for the role. Her qualification, skill, experience and expertise will benefit the Company.
Directorship held in other Companies	Redial Trading and Investment Pvt Ltd. Nitin Finance and Investment Pvt. Ltd. Nitin Infra Developers Private Limited Confederation of Indian Textile Industry Textile Sector Skill Council	Redial Trading and Investment Pvt Ltd. Nitin Finance and Investment Private Limited Nitin Infra Developers Private Limited	Nil	Nil
Listed entities from which resigned in past three years	Nil	Nil	Nil	Nil
Relationship with other Directors, Manager and other KMP of the Company	Related to Sh. Nitin Nolkha, Jt. Managing Director and Sh. Pratyush Nolkha, Additional Director (Executive) of the Company.	Related to Sh. Dinesh Nolkha, Managing Director of the Company.	Related to Sh. Dinesh Nolkha, Managing Director of the Company.	Not related to any other Director and KMP of the Company.
Terms and conditions of appointment/continuation of Directorship	As per Resolution passed at the 30th AGM held on 15.09.2022 and at EGM held on 27.12.2023.	As per Resolution proposed in the Notice of AGM at item no. 5	As per Resolution proposed in the Notice of AGM at item no. 6	As per Resolution proposed in the Notice of AGM at item no. 7
Details of last Remuneration drawn (F.Y. 23-24)	Rs. 247.90 Lakhs	Rs. 234.46 Lakhs	N.A.	N.A.
Details of proposed Remuneration	As per Resolution passed at the 30th AGM held on 15.09.2022	As per Resolution proposed in the Notice of AGM at item no. 5	As per Resolution proposed in the Notice of AGM at item no. 6	Sitting Fee for attending Board & Committee Meeting there of as may be decided from time to time.
Number of Meetings of the Board attended during the year 2023-24	Held 4 Attended 4	Held 4 Attended 4	N.A.	N.A.
Chairman / Member of the Committee of the Board of Directors of this Company	Chairman " Corporate Social Responsibility Committee " Risk Management Committee Member " Stakeholders Relationships Committee	Member " Stakeholders Relationships Committee " Corporate Social Responsibility Committee	N.A.	Chairperson " Stakeholders Relationships Committee Member " Audit Committee " Nomination & Remuneration Committee
Committee Membership in other Companies	Nil	Nil	Nil	Nil
Shareholding in the Company as on June 30, 2024	1165000 equity shares	1850000 equity shares	260000 equity shares	Nil

**By order of the Board of Directors
For Nitin Spinners Limited**

**Place: Hamirgarh, Bhilwara
Date: July 22, 2024**

**(Sudhir Garg)
Company Secretary & VP (Legal)
M. No. ACS 9684**

Annual Report
2023-24



Innovation. Agility. Growth.

A Sustainable Textile Company

What's inside

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Our Stakeholders



Shareholders



Customers



Employees



Business Associates



Communities



Environment



Scan this QR code or visit us at: <https://nitinspinners.com>

Forward Looking Statements

Some information in this report may contain forward looking statements. We have based these statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by futuristic words such as 'believe', 'plan', 'anticipate', 'continue', 'estimate', 'expect', 'may', 'will' or other similar words. These statements may include assumptions or basis underlying the futuristic statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that these statements might vary from actual results, and the differences between the results implied by the statements and actual results can be material, depending on the circumstances.





Innovation. Agility. Growth.

Sustainability has evolved from being a buzzword to an essential trait sought after by organisations today. It has become an important element for businesses. The convergence of innovation and sustainability is vital to achieve business objectives and generate positive socio-economic outcomes.

At Nitin Spinners, we embody the principles of innovation, agility and growth as it drives us to revolutionise the textile industry with the adoption of cutting-edge technology. Our commitment to innovation enables us to stay ahead of the curve, meeting customer expectations consistently. Agility is at the heart of our operations, allowing us to respond swiftly to the changing market demands and environmental needs. We continue to assess and improve our production processes, ensuring minimal waste and reducing our carbon footprint. Our flexible approach enables us to capitalise on new opportunities and stay true to our promise of a sustainable tomorrow. Through our pursuit of innovation and agility, we drive growth that benefits our business and the environment.

Weaving Innovation

Nitin Spinners was established in 1992 at Bhilwara, Rajasthan. Our Company has grown into a globally renowned international producer of cotton yarn, blended yarn, knitted fabric and finished woven fabric.

With more than three decades of experience, we capitalise on growing opportunities and strengthen our presence in more than 50 countries across the globe. Our advanced infrastructure and manufacturing facilities use cutting-edge technology to achieve excellence throughout our processes, enabling us to consistently meet the highest quality standards. We started our journey with Open-end spinning and later expanded to Ring spinning. In due course of time we have put forward integration capabilities by expanding our operations into knitted-fabrics, value-added yarns and woven fabrics. We continuously utilize our core expertise to establish new benchmarks and enhance relationships with globally recognized textile brands.



Our Company has received an ISO 9001:2008 certification. Our goal is to produce and deliver high-quality products across the globe. We continue to introduce a wide variety of textiles to our domestic and international customers. Our Company leverages its high-end infrastructure and manufacturing facilities to ensure perfection in all our operations while meeting the quality standards.

Our objectives include formulating an operational strategy that enables us to drive our top-line growth and fostering business expansion. This integrated approach lies on four essential pillars, all centred on prioritising the customer.



OUR VISION

- To be the most reliable supplier across the textile value chain
- To provide superior quality products at competitive prices and establish a brand value in the international arena
- To exceed industry standards with exceptional customer and technical service
- To maintain our competitive strategic position through cutting edge technology
- To promote partnerships with government agencies and institutions of international recognition
- To provide a safe, fulfilling and rewarding work environment for employees
- To provide training to our employees for their future development



OUR MISSION

- Become an integrated textiles manufacturer by forward and vertical integration
- Remain at the forefront in high-quality textile products manufacturing
- Create value for shareholders and allied industries
- Increase foreign exchange earnings by being the preferred international supplier
- Stay effective and proactive in developing new markets and products
- Endeavour for the ultimate satisfaction of our allied partners with
- The Right Technology
- The Right Raw Material
- The Right People and above all
- The Right Attitude



OUR CUSTOMER-CENTRIC APPROACH

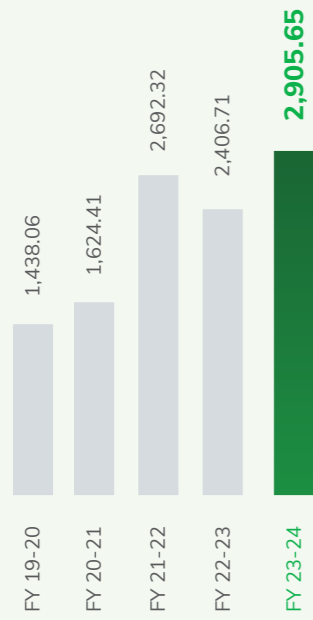
- Focus on the market
- Accelerate innovation
- Portfolio expansion
- Integrated solutions



Our Five-Year Financial Performance

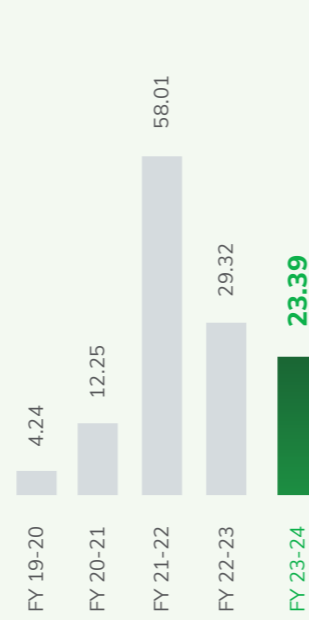
Net sales

(INR crores)



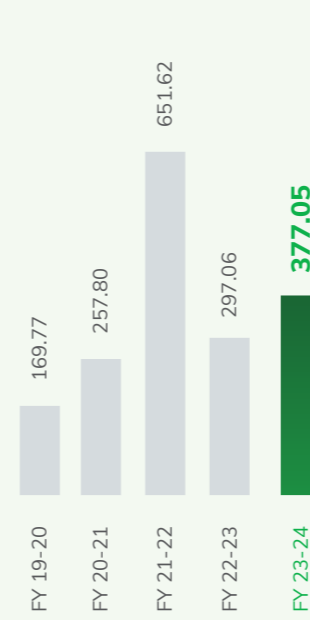
EPS

(INR crores)



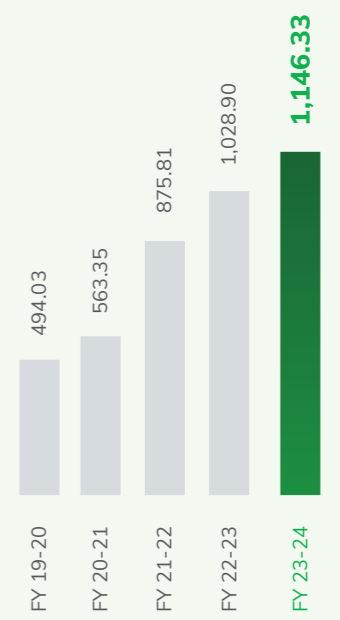
EBITDA

(INR crores)



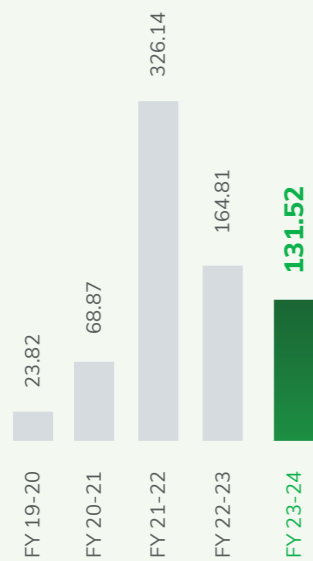
Net worth

(INR crores)



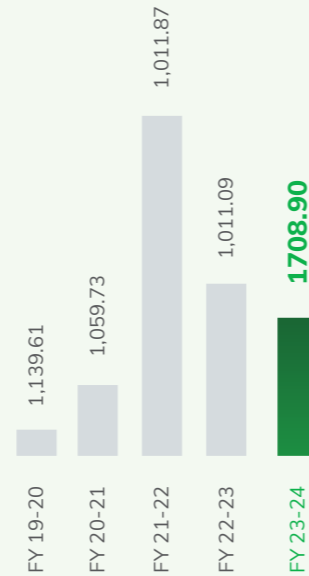
Net Profit

(INR crores)



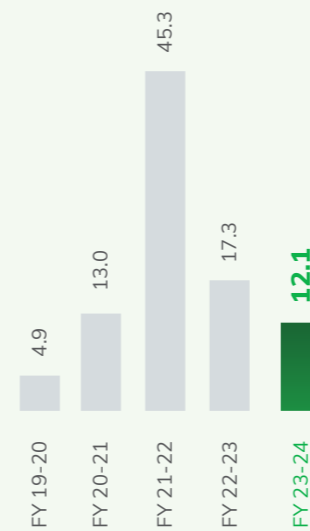
Net Fixed asset

(INR crores)



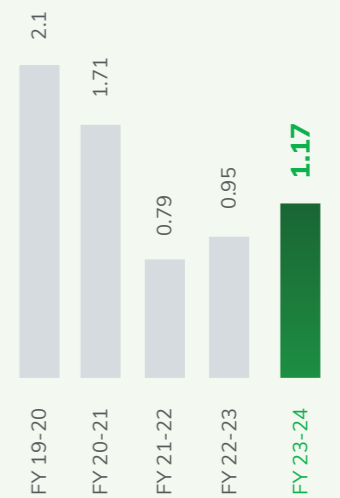
Return on Average Equity

(in %)



Debt Equity ratio

(in times)



Managing Director's Message



“
Our commitment towards sustainability has encouraged us to incorporate organic cotton, along with recycled fibres, into our product lines, promoting eco-friendly practices. We have created a diversified product portfolio to cater to varied product requirement of our valued customers.
 ”

DEAR SHAREHOLDERS,

At Nitin Spinners, we embody the belief that hardwork paves the path for success. As I present to you the Annual Report for the financial year 2023-24, I am thrilled to announce that we have concluded yet another successful year of setting new benchmarks, pursuing sustainable growth and moving ahead with agility and determination. With the commitment to provide exceptional services and the zeal to constantly innovate to reach excellence, we have set the stage for a promising future.

With the textile industry undergoing a phase of consolidation, characterised by strategic execution of expansion plans to drive significant revenue growth, we have steadily strengthened our capabilities to capitalise on the lucrative opportunities and fortify our market presence. Our unwavering focus on optimising our capacity resulted in improved efficiencies throughout the organisation.

OUR SECTOR AT A GLANCE

The Indian textile industry navigated the various challenges of the yesteryear resiliently and emerged stronger than ever, driven by stable raw material prices and a gradual increase in demand. Despite ongoing geopolitical headwinds resulting in increased freight costs and longer transit times, India's cotton textile exports recorded a healthy rebound. In addition to this, rising demand from downstream markets further contributed to the stability of the cotton spinning sector.

After experiencing significant fluctuations in cotton prices over the past year, the prices have recently stabilised and currently, Indian cotton is the reasonably priced as compared to global prices. These developments hold a positive outlook for the future of the Indian textile industry and for your Company as a more favourable environment for growth and sustainability is on the horizon.

OUR ROBUST PERFORMANCE

With the effective implementation of our expansion strategy, we have recorded significant revenue growth for FY 2024. Our revenue reached INR 2,906 crores, marking a 21% increase compared to the previous year. Simultaneously, EBITDA also saw a rise of 27%, reaching INR 377 crores, while Profit After Tax (PAT) stood at INR 132 crores. I am pleased to announce that board of directors has recommended a dividend of Rs 2.50 per equity share.

Our strategic focus on leveraging technology, optimising processes, enhancing capacity and investing in our workforce has led to a notable improvement in our operating margins. In addition to this, we also optimised capacity utilisation across all segments to ensure efficient resource allocation. As we adjusted our sales mix towards higher value-added products, we augmented our profitability and gained a competitive advantage over our peers.

Our commitment towards sustainability has encouraged us to incorporate organic cotton, along with recycled fibres, into our product lines,

promoting eco-friendly practices. We have created a diversified product portfolio to cater to varied product requirement of our valued customers. Our deep industry expertise and unwavering focus on innovation enables us to achieve operational excellence while expanding into sustainable, value-added segments.

COMMITTED TO A BETTER TOMORROW

In our quest to achieve operational excellence, we ensure we do not deviate from our path of community development and environment sustainability. We have implemented robust ESG initiatives in our daily operations to empower our communities and achieve holistic growth and development through our various CSR initiatives.

We also ensure that we take responsible steps towards creating a greener tomorrow. With the installation of a state-of-the-art zero liquid discharge system, sewage water treatment plant and effective rainwater harvesting systems, we have ensured our initiatives in conserving water. Simultaneously, we have installed Solar roof top plants to produce green energy and also incorporated various energy-saving measures to further our commitment to sustainable practices.

WAY FORWARD

As we look ahead, our primary focus remains on fortifying our position in the industry. We are committed to sustaining our growth trajectory while simultaneously exploring opportunities to increasing the proportion of

value-added and niche products in our portfolio. As we shift towards higher-margin offerings, we believe it will be instrumental in delivering greater value to our stakeholders and drive sustainable growth. Through the implementation of prudent strategies and the adoption of best practices, we are confident in our ability to optimise our resources, enhance overall productivity while contributing our bit to build a better tomorrow.

VOTE OF THANKS

Lastly, I would like to express my heartfelt gratitude to our valued shareholders for your continued support and trust. Together, we will continue to pave the way for a brighter future for our Company, our community and our planet.

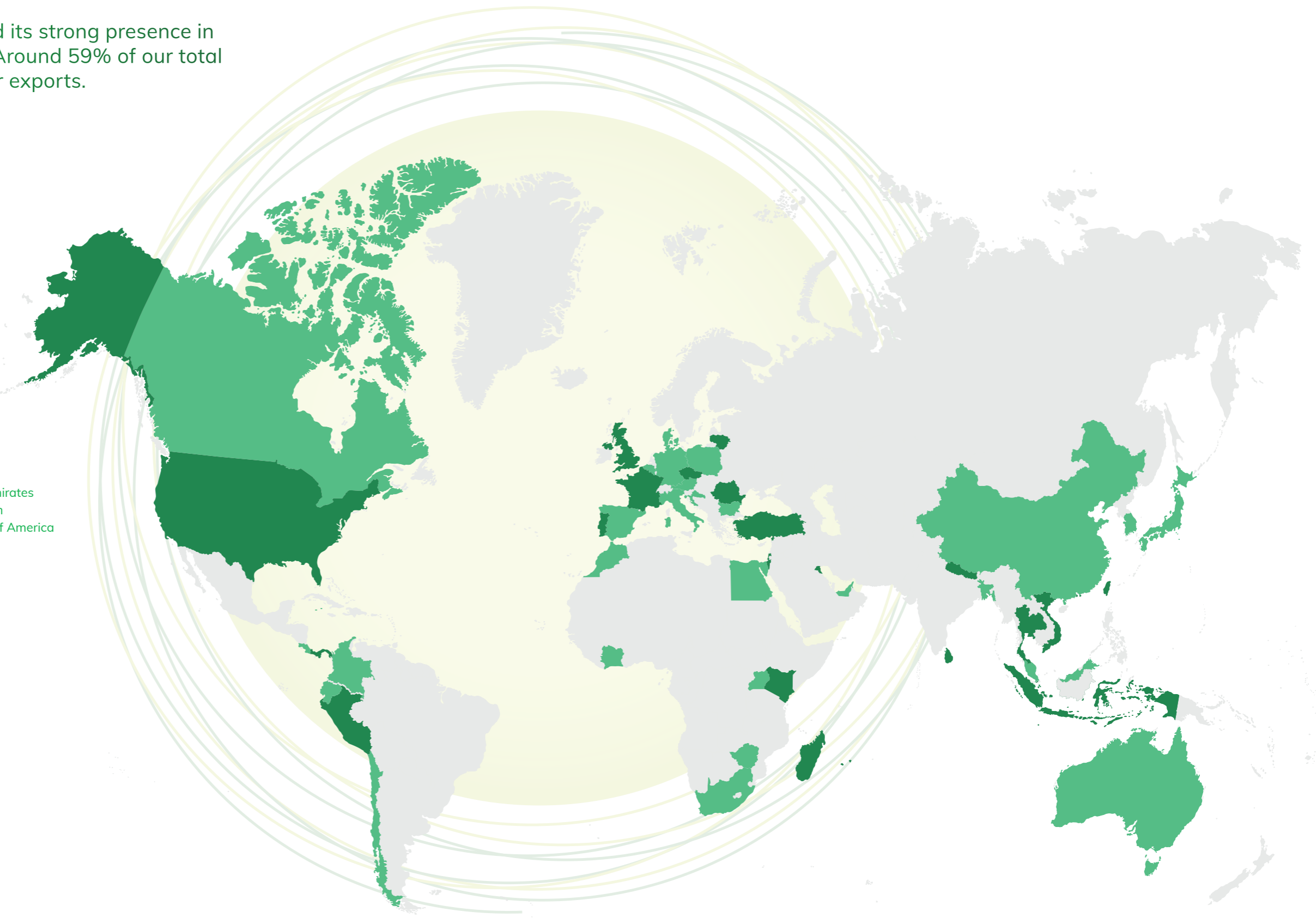
Warm Regards,

Dinesh Nolkha
 Managing Director

Expanding Our Reach with Agility

Our Company has established its strong presence in India and across its borders. Around 59% of our total revenue is generated from our exports.

- Austria
- Australia
- Bangladesh
- Belgium
- Bulgaria
- Canada
- Cayman Islands
- Chile
- China
- Colombia
- Costa Rica
- Cote d'Ivoire
- Croatia
- Czech Republic
- Denmark
- Ecuador
- Egypt
- France
- Germany
- Hong Kong
- Indonesia
- Israel
- Italy
- Japan
- Kenya
- Kuwait
- Lithuania
- Madagascar
- Malaysia
- Mauritius
- Morocco
- Nepal
- Panama
- Peru
- Poland
- Portugal
- Romania
- Singapore
- South Africa
- South Korea
- Spain
- Sri Lanka
- Taiwan
- Turkey
- Thailand
- Uganda
- United Arab Emirates
- United Kingdom
- United States of America
- Vietnam
- Zimbabwe



41%

Domestic Revenue

59%

Revenue from Exports

Products We Offer



YARN

PRODUCT

- 100% Cotton and Blended yarns with Count Range 6 to 100 s.
- Ring Spun Combed and Carded Yarns.
- Open end yarns
- Compact yarns
- Slub yarns
- Core spun yarns
- Multifold yarns
- Yarns made from Supima Giza, Organic, BCI cotton, etc.
- Gassed Yarn
- Yarns made from recycled fibres

APPLICATIONS

- Woven apparel
- Knitted apparel
- Furnishing fabrics
- Denims
- Terry towels
- Medical fabrics
- Tea bags
- Bed Linen





KNITTED FABRIC

PRODUCT

- Single Jersey
- Open width with Elastene
- 3 t fleece
- Interlock
- Rib
- Pique Structures

APPLICATIONS

- Inner wear
- Comfort wear
- Sports wear
- Baby wear
- Winter wear



FINISHED WOVEN FABRIC

PRODUCT

- 100% Cotton, Cotton Spandex Fabrics
- Poly/Cotton, Poly/Cotton Spandex Fabrics.
- RFD, Bleached, Dyed, Print and Yarn Dyed Fabrics with Various Special Finishes like, Teflon, Wrinkle Free
- Water Repellent, Nano Care, Soil Release, Anti Bacteria Finish, Aero Finish, Bio Polish etc.
- Various Weaves -Twill, Gabardines, Broken Twill, Ripstop, Canvas, Mattie's, Ducks, Plain Tussore, Dobby, Cord, Ottoman, etc.
- Health and Eco-Friendly Fabric made from BCI/ Organic Cotton

APPLICATIONS

- Fashion and image wear
- Formal wear
- Uniform
- Health care apparel
- Hotel apparel
- Industrial and protective wear
- Defence wear



Showcasing Our Potential

INPUTS

Financial Capital

- Equity: **INR 56.22 crores**
- Net Worth: **INR 1146.33 crore**

Manufacturing Capital

- Manufacturing plants: **2**
- Annual Capacity
 - ▶ Yarn: **110000 MT**
 - ▶ Knitted fabric: **11000 MT**
 - ▶ Finished woven fabric: **40 million mtrs**
- Gross block value: **INR 2486 crores**

Intellectual Capital

- R&D Units: **8**
- R&D Team Strength: **172**
- Total R&D spend: **INR 9.27 crore**

Human Capital

- Number of employees: **7390**
- Welfare measures
 - ▶ Healthcare
 - ▶ Health and accidental insurance
 - ▶ Residential accommodation
 - ▶ Transport facility

Social and Relationship Capital

- CSR spend: **INR 5.22 crore**
- Areas of spend
 - ▶ Promoting girls education
 - ▶ Encouraging advance studies
 - ▶ Development of under-privileged students
 - ▶ The welfare of old people
 - ▶ Water conservation and infrastructure development in rural areas
 - ▶ Healthcare measures

Natural Capital

- Water treatment and zero liquid discharge system
- Rooftop Solar Power Plant: **18.8MW (AC)**
- Use of sustainable fibres
- Rain Water harvesting

VALUE CREATION PROCESS



OUTPUT

Financial Capital

- Revenue: **INR 2,905.65 crore**
- EBITDA: **INR 377.05 crore**
- PAT: **INR 131.52 crore**
- EPS: **INR 23.39**

Manufacturing Capital

- Total Production:
 - ▶ Yarn: **91504 MT**
 - ▶ Knitted fabrics: **5060 MT**
 - ▶ Woven fabrics-grey: **35.7 million mtrs**
 - ▶ Woven fabrics-finished: **31.7 million mtrs**
- Business Segment-wise sales volume:
 - ▶ Yarn: **73843 MT**
 - ▶ Knitted fabrics: **5018 MT**
 - ▶ Woven fabric sales: **35.79 million mtrs**

Intellectual Capital

- Development of new products, quality improvement and Continuous monitoring of quality parameters of raw materials, process goods and finished goods

Human Capital

- Cordial human relations with uninterrupted production

Social and Relationship Capital

- Creating positive impact on various sections of society

Natural Capital

- Use of sustainable raw material: **36%**
- Solar power generation: **164 lakh KWH**
- Water recycled: **98%**

STAKEHOLDERS IMPACTED



STRENGTHS

- Fully equipped R&D facility and pilot plants to add customer value
- Diverse product mix and innovative offerings
- Cost-efficient operations
- Focus on sustainable products and processes
- Preferred international supplier
- Strong financial position

CURRENT PRODUCTION CAPACITY



1,10,000 Tons
Yarn

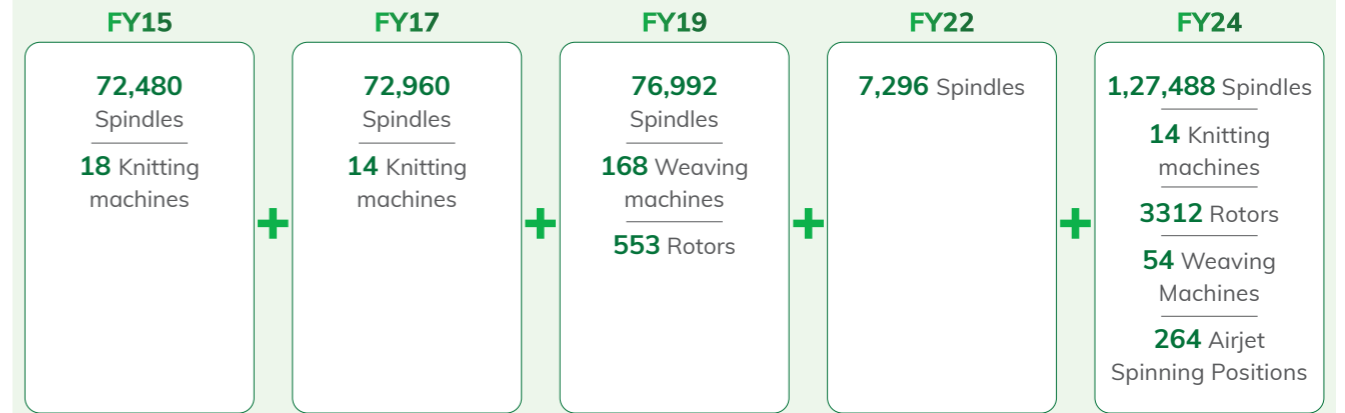


11,000 Tons
Knitted fabric

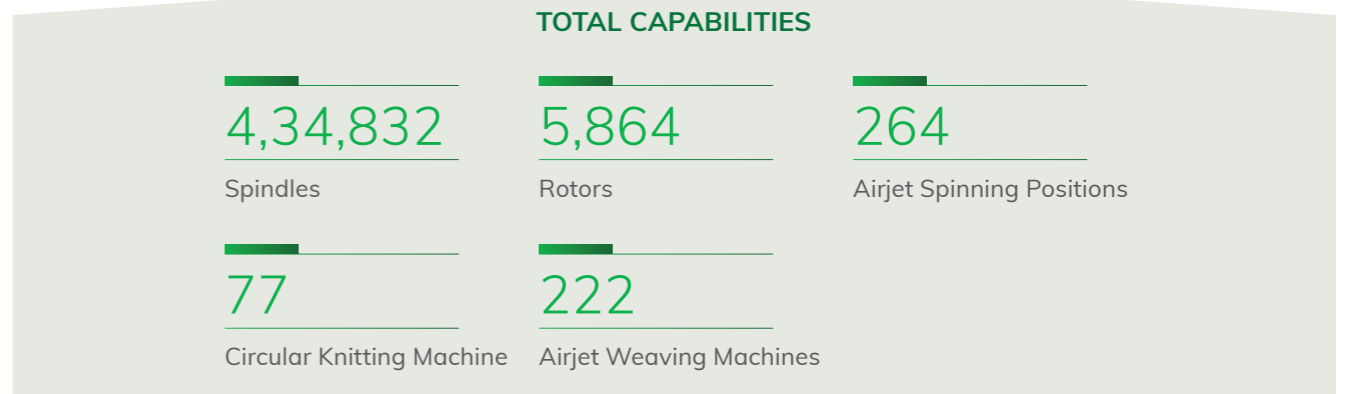


40 Mn Mtr
Woven Fabric

SEAMLESS EXECUTION OF OUR CAPACITY EXPANSION



=



CONCLUDING FY24 WITH RESOUNDING STRENGTH

- Achieved ₹ 955 crores capex as per the designated timelines showcasing consistent and dependable project execution capabilities
- Optimized capacity utilization across all segments, ensuring efficient resource allocation and operational excellence
- Transitioned sales mix towards higher value-added products, enhancing market competitiveness and profitability
- Expanded product diversity, offering a comprehensive bouquet of solutions to meet diverse consumer needs
- Emphasized sustainability by integrating Organic and BCI cotton, Recycled fibres into product lines, promoting eco-friendly practices

Taking Bold Steps Towards Sustainability

Our Corporate Social Responsibility (CSR) activities are deeply integrated into our culture and is designed to make a positive impact on the community and our environment. We take responsibility for our actions, understand the importance of sustainable practices, ethical business conduct and give back to communities in which we operate.

INITIATIVES FOR A GREENER ENVIRONMENT

Water conservation

- Zero Liquid Discharge system (ZLD): Our Company implemented the ZLD system that prevents liquid discharge and enables us to recycle and reuse water. During the year under review, we have treated 5.35 lac KL water with our ZLD system.
- Sewage water treatment plant: A sewage water treatment plant of 490 KLD was established to recycle water generated from our manufacturing facilities.
- Rainwater harvesting: We have implemented projects to store rainwater runoff from rooftops for use in irrigation and industrial operations. Plans for rainwater harvesting are also being developed to establish a dependable supply of drinking water.

Use of renewable energy

- Solar rooftop plant: An 18.8 MW solar rooftop plant was renewed to harness and use solar energy at our facilities and manufacturing plants. During the year under review, we have generated under 164 lakh units through the solar plant.
- Solar water heaters: Solar water heaters are being installed to reduce carbon footprint and not rely on conventional sources of energy.

Energy management

- Energy-efficient equipment: Installation of appliances and devices which use renewable sources of energy has led to reduced consumption of conventional sources of energy, thereby reducing consumption and promoting the use of sustainable energy.
- Energy-saving measures: Our Company has implemented various initiatives to ensure proper insulation, efficient lighting and smart energy management systems to save energy and reduce wastage.

Utilising sustainable cotton and fibres

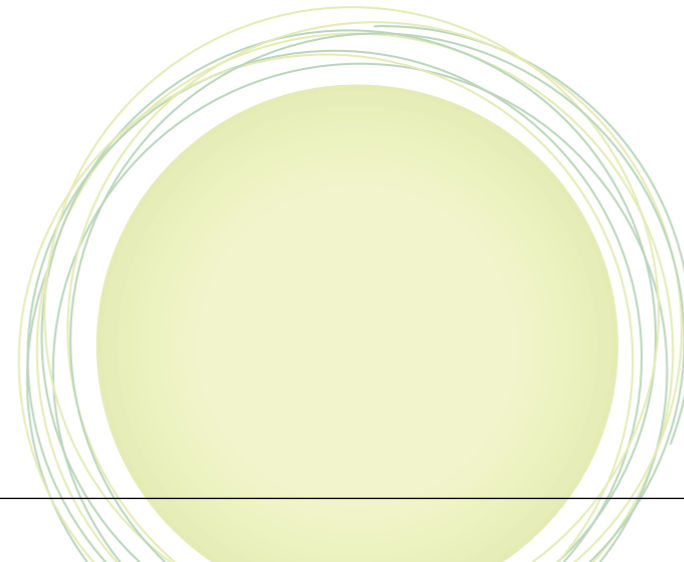
- Responsible sourcing: Our Company sources cotton and fibres that adhere strictly to sustainability measures. This shows our dedication to fulfilling our responsibility to the environment.
- Conservation of natural resources: Our Company promotes the conservation of natural resources in the production of textiles, thus adhering to our sustainability goals.

SOCIAL

We aim to participate in community development initiatives by building infrastructure, promoting education, empowering marginalised groups and fostering research and development through CSR initiatives.

Projects undertaken under CSR

- Construction of Women's Hostel in Bhilwara.
- Contribution to cotton research and development.
- Construction of roads, drainage systems and water harvesting systems in rural areas.
- Promoting the education of differently-abled children, construction of rooms in school.
- Contribution to the Construction of Hostel for Higher Studies.



Our Achievements

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL (TEXPROCIL) AWARDS



Gold Trophy for Highest Exports of Cotton Yarn of Counts 50s and below in Category III for the year 2022-2023

Gold Plaque for Highest Exports of Cotton Yarn of Counts 51s and above in Category I for the year 2022-2023

Silver Trophy for Second Highest Exports of Cotton Yarn of Counts 50's and below in Category III for the year 2021-22 and 2019-20 and bronze trophy under category II for the year 2015-16

Silver Trophy for Second Highest Exports in the category of Grey Fabrics for the years 2006-07, 2007-08 and 2017-18 and Bronze Trophy for the years 2010-11, 2014-15 and 2015-16

Gold Trophy for Highest Employment Generation (Overall) for the year 2022-23

Gold Trophy for the highest export performance in Cotton Yarn-Counts 51s and above under Category I for the year 2020-21

Gold Trophy for the highest export performance in Grey fabrics- under Category II for the year 2020-21

STATE EXPORT AWARDS

State Award for "Excellence in Exports" for the years 2020-21, 2016-17, 2013-14, 2010-11 and 2007-08 by the Government of Rajasthan

ENERGY CONSERVATION AWARDS

Rajasthan Energy Conservation Award - first prize in large scale spinning for the years 2021-22, 2015-16 and 2014-15 and second prize in the year 2017-18 and 2018-19

SAFETY AWARD

Safety Award for 2022 under Rajasthan Factory Safety Award Scheme

Certifications

- ISO 9001:2015
- ISO 50001
- ISO 14001:2015
- OHSAS 18001
- SA 8000 AND OTHER QUALITY CERTIFICATIONS



In Memoriam

The values you cultivated in the Company will always remain with us.



Late Shri Ratan Lal Nolkha
(08.05.1946 to 12.08.2023)

- Our beloved Founder Promoter & Chairman Sh. Ratan Lal Nolkha, left for his heavenly abode on 12th August, 2023
- A visionary leader, who looked into the future.
A Karmayogi who performed all through his life.
- We are proud to be guided by your thoughts, vision and philosophy.
We pray your legacy will continue to inspire & guide us.

Board of Directors



Shri Dinesh Nolkha
Managing Director



Shri Nitin Nolkha
Joint Managing Director



Shri Rohit Swadheen Mehta
Independent Director



Smt. Aditi Mehta
Independent Director



Dr. R. Chattopadhyay
Independent Director



Shri R C Lodha
Independent Director



Smt. Vibha Aren
Additional Director (Independent)



Shri Pratuys Nolkha
Additional Director (Executive)

Corporate Information

BOARD OF DIRECTORS

SHRI DINESH NOLKHA

Managing Director

SHRI NITIN NOLAKHA

Joint Managing Director

SHRI ROHIT SWADHEEN MEHTA

Independent Director

SHRI R.C. LODHA

Independent Director

SMT. ADITI MEHTAIndependent Director
(till 27/7/2024)**DR. R. CHATTOPADHYAY**Independent Director
(till 27/7/2024)**SMT. VIBHA AERAN**Additional Director (Independent)
(wef 22/7/2024)**SHRI PRATYUSH NOLKHA**Additional Director (Executive)
(wef 22/7/2024)

KEY EXECUTIVES

SHRI SANDEEP GARG

President & Chief Operating Officer

SHRI P. MAHESHWARI

President & Chief Financial Officer

SHRI UMESH TOSHNIWAL

Joint President (Marketing)

SHRI ANIL JAIN

Joint President

SHRI SUDHIR GARG

Vice President (Legal) & Company Secretary

BANKERS

Punjab National Bank
State Bank of India
Bank of Baroda
Union Bank of India

AUDITORS

M/S. KALANI & CO.

Chartered Accountants

SECRETARIAL AUDITOR

M/S V. M. ASSOCIATES

Company Secretaries

COST AUDITORS

VIVEK LADHA & ASSOCIATES

Cost Accountants

REGISTERED OFFICE

16-17 Km. Stone, Chittor Road,
Hamirgarh, Bhilwara - 311025
(Rajasthan)CIN: L17111RJ1992PLC006987
Telephone: 01482 - 286110 - 113
Fax: 01482-286117
Email: nsl@nitinspinners.com
Website: www.nitinspinners.com

WORKS

16-17 Km. Stone, Chittor Road,
Hamirgarh, Distt Bhilwara - 311025
(Rajasthan)Chittor - Kota N.H. 27, Village
Bhanwaria kalan, Tehsil - Begun Distt
Chittorgarh - 312023 (Rajasthan)

Board's Report

To
The Members

Your Directors have pleasure to present the 32nd Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended 31st March, 2024.

FINANCIAL RESULTS

The Financial Results of the Company's performance for the year under review and those of the previous year are as follows: -

(₹ in crores)

Particulars	Current Year 2023-24	Previous Year 2022-23
Revenue From Operations	2905.65	2406.71
Gross Profit Before Finance Cost, Depreciation & Exceptional item	379.30	300.37
Finance Cost	83.30	37.68
Profit before Depreciation, Exceptional items and Tax	296.00	262.69
Depreciation	118.47	86.81
Exceptional items	-	-
Profit before Taxation	177.53	175.88
Provision for Taxation - Current Tax	27.34	43.33
- Deferred Tax	18.67	(32.27)
Profit after Tax	131.52	164.81
Other Comprehensive Income/(Loss) net of Income Tax	(0.04)	2.34
Total Comprehensive Income for the period	131.48	167.15
Earnings Per Share	23.39	29.32

OPERATIONAL PERFORMANCE

(i) REVENUE FROM OPERATIONS

Your Company has registered highest ever Revenue during the year under review as the Revenue from Operations has increased from ₹ 2406.71 crores in the previous year to ₹ 2905.65 crores during the current year registering an increase of 20.73%. The revenue of Yarn increased by 26.74% during current year from ₹ 1593.59 crores to Rs 2019.76 crores. The revenue from Yarn constitutes 69.51% of the total revenue. Revenue of Fabric has increased from ₹ 654.42 crores in the previous year to ₹ 716.67 crores during year under review and registered growth of 9.51%. The Fabric revenue constitutes 24.66% of the total revenue from operations. The completion of expansion project resulted increase in turnover.

(ii) EXPORTS

There is significant increase in Exports of the Company as it has increase to ₹ 1704.29 crores in the current year from ₹ 1356.33 crores in the previous year registering an increase of 25.65%. The Exports constituted 58.65% of the total revenue during the year.

(iii) PROFITABILITY

The Operating Profit (EBIDTA) of your Company has increased by 26.28%, from ₹ 300.37 crores in the previous year to ₹ 379.30 crores in current year. As percentage to revenue from operations, the Operating Profits (EBIDTA)

marginally increased from 12.48% in previous year to 13.05% in current year. However, due to significant increase in Interest & Depreciation cost on account of implementation of expansion project the Company has reported Net Profit of ₹ 131.52 crores in the current year against ₹ 164.81 crores in the previous year.

DIVIDEND

Your Directors are pleased to recommend final Dividend of 25% i.e. ₹ 2.50 per Equity Shares on the fully paid-up Equity Share of ₹ 10/- each for the financial year 2023-24 subject to approval of shareholders at the ensuing Annual General Meeting. Accordingly, total outflow towards dividend on Equity Shares for the year under review would be ₹ 14.06 crores. In terms of provisions of Income Tax Act, 1961, payment of Dividend shall be subject to deduction of Tax at source.

The Board continues to support a steady dividend policy and recommended dividend in accordance with the Dividend Distribution Policy of the Company which is available on website of the Company at <https://nitinspinners.com/wp-content/uploads/2024/02/Dividend-Distribution-Policy.pdf>

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for FY 2023-24 in the profit and loss account and no amount is proposed to be transferred to reserves.

Board's Report (Contd..)

EXPANSION PROJECTS

During the year your Company has successfully implemented expansion project for installation of 94848 Compact Spindles and 3312 Rotors at Hamirgarh Plant (Bhilwara District) & 32640 Compact Spindles and 264 Airjet Spinning positions at Bhanwaria Kalan (Chittorgarh District) Plant. The commercial production was commenced on 28.09.2023 & 30.11.2023 respectively. The expansion projects of Weaving & Knitting capacity were completed during the FY 2022-23. The total cost of expansion projects was ₹ 859.53 crores.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for improvement in quality of life and betterment of society through its CSR related initiatives in the local areas where it operate. The CSR policy is available at the website of the Company under the link <https://nitinspinners.com/wp-content/uploads/2024/02/CSR-Policy.pdf>

During the current year, the Company has incurred expenditure of ₹ 237.31 lakhs on CSR activities during the F.Y. 2023-24 against obligation of ₹522.21 lakhs (after setting of excess expenditure of ₹ 2.46 lakhs during the F.Y. 2022-23). The Company has under taken ongoing project for construction of school and pursuant to section 135(6) of the Companies Act, 2013 the unspent amount of ₹ 284.90 lakhs towards CSR obligation for the F.Y. 2023-24 was transferred to "Nitin Spinners Limited - Unspent CSR Account 2023-24" on 29.04.2024. The Annual Report on CSR Activities pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure – I** hereto and form part of this report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Ratan Lal Nolkha (DIN:00060746) ceased to be Non-Executive Chairman of the Company w.e.f. 12.08.2023 due to his sad demise. The Board place on record the valuable contributions made by him in growth of the Company and pray to almighty God for peace of his holy soul.

Sh. Nitin Nolakha (DIN : 00054707), Jt. Managing Director, retired by rotation & re-appointed at the 31st Annual General Meeting held on 18.09.2023.

Shri Rishabh Chand Lodha (DIN : 07177605), was appointed as an Additional Director (Independent) at the Board Meeting held on 09.11.2023 with immediate effect and he was appointed as Non- Executive Independent Director for first consecutive term of five years w.e.f. 09.11.2023 at the Extra-Ordinary General Meeting held on 27.12.2023.

No other changes have taken place in composition of Board of Directors and Key Managerial Personnel of the Company during the year under review.

Further, Shri Dinesh Nolkha (DIN : 00054658), Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. On recommendation of Nomination and Remuneration Committee, the Board recommends his re-appointment for consideration of members of the Company at the ensuing Annual General Meeting. It is also proposed to re-designate him as Chairman & Managing Director with effect from 01.10.2024 till the end his current tenure of appointment upto 30.09.2027 without any change in other terms and conditions of his appointment as approved at the 30th Annual General Meeting of the Company held on 15th September, 2022 and at the Extra-Ordinary General Meeting held on 27.12.2023. On recommendation of Nomination and Remuneration Committee, the Board recommends his re-designation for consideration of members of the Company at the ensuing Annual General Meeting.

Tenure of Shri Nitin Nolakha, Jt. Managing Director is expiring on 30.09.2024. Based on performance evaluation and recommendation of Nomination and Remuneration Committee, the Board recommends for the approval of the Members elevating his designation and appointing him as Managing Director for a period of five years with effect from 01.10.2024 at the ensuing Annual General Meeting.

Smt. Vibha Aren (DIN : 07028020) on recommendation of Nomination and Remuneration Committee (NRC) was appointed as an Additional Director (Independent) by the Board of Directors at its Meeting held on 22.07.2024 with immediate effect for first consecutive term of five years subject to approval of shareholders at the ensuing AGM. The Board recommends for the approval of the Members, the appointment of Smt. Vibha Aren as a Non-Executive Independent Director of the Company for a term of five consecutive years with effect from 22.07.2024. She has the required integrity, expertise, experience and proficiency for appointment as a Non-Executive Independent Director of your Company.

Sh. Pratyush Nolakha (DIN : 10704970), on recommendation of Nomination and Remuneration Committee (NRC), was appointed as an Additional Director (Executive) by the Board of Directors at its Meeting held on 22.07.2024 with immediate effect subject to approval of shareholders at the ensuing AGM. The Board recommends for the approval of the Members, the appointment of Sh. Pratyush Nolakha as Executive Director of your Company for a period from 22.07.2024 to 30.09.2027.

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulations 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulations 16(1) (b) of the Listing Regulations. The Independent Directors have complied with the Code for Independent Directors prescribed under Schedule IV of the Companies Act, 2013 and the Listing Regulations. The Board is of the opinion that the Independent

Board's Report (Contd..)

Directors of the Company possess requisite qualifications, experience (including proficiency) and expertise and they hold highest standards of integrity. Further, Independent Directors fulfill the conditions of appointment as specified in the Listing Regulations and in the Companies Act, 2013 and are Independent of the Management. The names of Independent Directors are included in Independent Director's data bank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and also passed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required.

None of the Directors are disqualified for being appointed as Director as specified in Section 164(1) & (2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and disqualified or debarred from being appointed or continuing Director of the Company by virtue of any SEBI order or any other authority.

All the Directors, Key Managerial Personnel and Senior Management Personnel have confirmed compliance of "Code of Conduct for Directors and Senior Management Personnel". A declaration by the Managing Director in this regard is enclosed to this Report.

AUDITORS

STATUTORY AUDITORS

M/s Kalani & Co., Chartered Accountants (Firm Registration No. 000722C) were re-appointed as Statutory Auditors at the 30th Annual General Meeting held on 15th September, 2022 for second term of consecutive five years from conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting to be held in the calendar year 2027. Accordingly, they have conducted Statutory Audit for the F.Y. 2023-24 and shall continue to be Statutory Auditors for the Financial Year 2024-25. They have confirmed their eligibility to continue as Statutory Auditors of the Company for the F.Y. 2024-25 under section 141 of the Companies Act, 2013 and rules framed there under.

The Audit Report on the Financial Statements for the Financial Year ended on 31st March, 2024, issued by M/s Kalani & Co., Chartered Accountants, is unmodified and do not contain any qualifications, reservations or adverse remarks. The information referred in Auditor's Report are self explanatory and hence do not require any further clarification.

SECRETARIAL AUDITORS

The Board of Directors has appointed M/s. V. M. & Associates, Company Secretaries (Firm Registration No. P1984RJ039200), to conduct Secretarial Audit for the Financial Year 2023-24 under the provisions of Section 204 of the Companies Act, 2013. Accordingly, they have conducted Secretarial Audit for the Financial Year 2023-24 and Secretarial Audit Report in Form MR-3 is enclosed herewith. Pursuant to provisions of Regulation 24A of Listing Regulations the Secretarial Auditors have also

issued Annual Secretarial Compliance Report for the F.Y. 2023-24. Both the reports do not contain any qualification, reservation or adverse remark.

The Board of Directors, on recommendation of Audit Committee, at their meeting held on 09.05.2024 has re-appointed M/s V. M. & Associates, Company Secretaries (Firm Registration No. P1984RJ039200) to conduct Secretarial Audit for the Financial Year 2024-25 under the provisions of Section 204 of the Companies Act, 2013. They have confirmed their eligibility for the said re-appointment and Regulation 24A of Listing Regulations.

COST RECORDS AND COST AUDITORS

The Company is required to maintain cost records, as specified by the Central Government, in terms of Section 148(1) of the Companies Act, 2013 and the rules framed there under, accordingly, the Company has maintained such cost records.

The Board of Directors, on recommendation of Audit Committee, has appointed M/s. Vivek Laddha & Associates, Cost Accountants (Firm Registration No. 103465) to conduct Cost Audit of the Cost Records maintained by the Company for the Financial Year 2023-24. Accordingly, they have conducted Cost Audit for the Financial Year 2023-24 and their report does not contain any qualification, reservation or adverse remark.

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors, on recommendation of Audit Committee, at their Meeting held on 09.05.2024 have re-appointed M/s. Vivek Laddha & Associates, Cost Accountants (Firm Registration No. 103465) as Cost Auditors to conduct Cost Audit of the Cost Records of the Company for the Financial Year 2024-2025. They have given their consent and confirmed their eligibility for the said re-appointment. The remuneration of Cost Auditors is proposed to be ratified by the Shareholders at the ensuing Annual General Meeting.

INTERNAL AUDIT

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, Mr. Ankit Jain, Manager (Internal Audit) of the Company has conducted internal audit of your Company for the financial year 2023-24.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors, Internal Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

CORPORATE GOVERNANCE

The Company is committed to maintain the high standards of Corporate Governance and adhere to the requirements set out in Companies Act, 2013 and Listing Regulations. Pursuant to regulation 34(3) of the Listing Regulations, the Reports on

Board's Report (Contd..)

Corporate Governance and Management Discussions & Analysis have been incorporated in the Annual Report and form an integral part of the Board's Report. A Certificate from Statutory Auditors confirming compliance to conditions of Corporate Governance as stipulated under Listing Regulations forms part of this Annual Report.

AWARDS AND RECOGNITION

Your Company has been conferred with the following awards and recognition during the year under review:-

- (A) The Cotton Textiles Export Promotion Council (TEXPROCIL) has conferred following awards to the Company :-
- Year 2021-22 : - Silver Trophy** for second Highest Exports of Cotton Yarn of Counts 50s and below in Category -III
 - Year 2022-23 : -**
Gold Trophy for Highest Exports of Cotton Yarn of Counts 50s and below in Category – III
Gold Plaque for Highest Exports of Cotton Yarn of Counts 51s and above in Category – I
Gold Trophy for Highest Employment Generation (Overall)
- (B) **Safety Award by Government of Rajasthan:** Third position for safety, health & welfare of workers in the category of Large Industries.

HUMAN RESOURCE DEVELOPMENT

Industrial relations continued to be cordial during the period under review. Your Company firmly believes that a dedicated work force constitutes the primary source of sustainable competitive advantage. Accordingly, human resource development received focused attention. The Company has in house skill training centre and imparts on the job training to its manpower on continuous basis.

Your Directors wish to place on record their appreciation for the dedicated services rendered by the work force during the year under review.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Directors inform the members that the Company continuously looks out for energy conservation measures in all areas of operations across its both the Units. Similarly, your Company endeavors to lookout for up-gradation and absorption of technology. Your Company also spends continuously on research and development. Your Directors are glad to inform the members that your Company is a net foreign exchange earner. The relevant details as required to be disclosed with respect to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)

(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in **Annexure – II** and forms integral part of this Report.

NUMBER OF BOARD MEETINGS

During the year 2023-24, the Board of Directors met four times on 06.05.2023, 05.08.2023, 09.11.2023 and 29.01.2024. The details of number of Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of the Board's Report. The frequency and intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, Listing Regulations and Secretarial Standards-1 issued by the Institute of Company Secretaries of India (ICSI).

COMMITTEES

The Company has constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The details of the committees have been given in the Corporate Governance Report which is integral part of the Board's Report. All the recommendations of the Audit Committee were accepted by the Board. No employee was denied access to the Chairperson of Audit Committee.

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions during FY are provided in note no. 32 of financial statements. All the related party transactions entered during the FY are entered on arm's length basis and in the ordinary course of business. During the period under review, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy on Materiality of and Dealing with Related Party Transactions. The Company has complied with all the applicable provisions of the Companies Act, 2013 and Listing Regulations in this regard. There were no transactions requiring disclosure under Section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this Annual Report.

The Policy on Related Party transactions is available at the website of the Company under the link <https://nitinspinners.com/wp-content/uploads/2024/02/Related-Party-Transaction-Policy.pdf>

LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has neither given any Loan, Guarantee or provided security in connection with a loan nor has made any Investments under Section 186 of the Companies Act, 2013.

PUBLIC DEPOSITS

During the period under review, your Company has not accepted any public deposit within the meaning of provisions of section

Board's Report (Contd..)

73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there is no outstanding deposit due for re-payment.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In pursuance of Section 177 (9) of the Companies Act, 2013 and the regulation 22 of the Listing Regulations and with the objective of pursuing the business in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior and to encourage and protect the employees who wish to raise and report their genuine concerns about any unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct, the Company has adopted a Whistle Blower Policy. The policy has been disclosed on the website of the Company under the link <https://nitinspinners.com/wp-content/uploads/2024/02/Vigil-Mechanism-Whistle-Blowed-Policy.pdf>

During the year under review, there was no instance of fraud and no whistle blower event was reported.

NOMINATION, REMUNERATION & EVALUATION POLICY AND EVALUATION

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Schedule II Part D of the Listing Regulations the Board of Directors have approved Nomination, Remuneration & Evaluation Policy inter-alia containing the criteria for appointment, remuneration & evaluation of the Directors, Key Managerial Personnel & Senior Management Personnel. During the year, the Nomination and Remuneration Committee reviewed the performance of Individual Directors. The Board reviewed the performance of Individual Directors, Committees and Board itself and expressed its satisfaction on the same. The Independent Directors in their separate meeting have reviewed the performance of non-independent directors, Chairperson and Board as a whole along with review of quality, quantity and timeliness of flow of information between Board and management and expressed their satisfaction over the same. The manner in which evaluation has been carried out is explained in the Corporate Governance Report which is integral part of this report. The Nomination, Remuneration & Evaluation Policy is available under the link <https://nitinspinners.com/wp-content/uploads/2024/02/Nomination-Remuneration-and-Evaluation-Policy.pdf> During the year no amendment was made in the Policy.

In terms of provisions of section 178(4) of the Companies Act, 2013 the Salient features of the Policy are given in Corporate Governance Report which is integral part of the Annual Report.

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy with the objective of ensuring sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The detailed Risk Management framework has been provided

in the Management Discussion and Analysis Report of the Company which is integral part of the Annual Report. The Policy is available under the link <https://nitinspinners.com/wp-content/uploads/2024/02/Risk-Management-Policy.pdf>

PARTICULARS OF EMPLOYEES & ANALYSIS OF REMUNERATION

The information about employees and analysis of remuneration as required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure - III**

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website under the link <https://nitinspinners.com/wp-content/uploads/2024/06/MGT-7-2023-24.pdf>

INTERNAL FINANCIAL CONTROL

The Company has laid down Internal Financial Controls that include a risk-based framework to ensure orderly and efficient conduct of its business, safeguarding of its assets, accuracy and completeness of the accounting records and assurance on reliability of financial information. The Company maintains adequate and effective internal control systems commensurate with its size and complexity. An independent internal audit function is an important element of the Company's internal control systems. This is executed through an extensive internal audit programme and periodic review by the management and the Audit Committee.

The Audit Committee has satisfied itself on the adequacy and effectiveness of the internal financial control systems laid down by the management. The Statutory Auditors have confirmed the adequacy of the internal financial control systems over financial reporting.

Further, details of internal control systems are given in the Management Discussion and Analysis which forms part of this Annual Report.

COMPLIANCE WITH THE PROVISIONS OF SEXUAL HARSSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on sexual harassment of women at workplace and constituted an internal complaints committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints regarding sexual harassment of women at workplace. The committee has informed that during the year it has not received any complaint under the said Act, no complaint was pending at the beginning of the year and no complaint was pending at the end of year under review.

Board's Report (Contd..)

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations the Business Responsibility and Sustainability Report for the financial year ended 31st March, 2024 is attached herewith and forms part of the report.

OTHER DISCLOSURES

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year and the date of the report.

There is no change in the nature of business of the Company during the year under review.

The Company has complied with all the applicable Secretarial standards issued by the Institute of Company Secretaries of India.

The Company does not have any subsidiary, joint venture & associate company.

No significant and material order has been passed during the year by the regulators or courts or tribunals which can impact the going concern status and Company's operations in future.

No unclaimed dividend or shares are due for transfer to Investor Education & Protection Fund (IPEF) in terms of provisions of Companies Act, 2013. The year wise details of Unclaimed/Unpaid Dividend are available at the website of the Company under link <https://nitinspinners.com/unclaimed-and-unpaid-amounts/>

The authorized share capital of the Company is ₹ 60 crores and paid-up Equity Share Capital as on March 31, 2024 was ₹ 56.22 crore and there was no change in the Share Capital of the Company during the Financial Year 2023-24.

The detail of Credit Rating and Familiarization Programs has been given in Corporate Governance Report.

No application is made and no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC Code) and there is no instance of one-time settlement of the Company with any bank or financial institution.

Certain disclosures are common under Companies Act, 2013 and Listing Regulations and the same are disclosed in the Corporate Governance Report forming part of this Report.

The disclosures other than made above are either nil or not applicable on the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section 3 (c) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) they have taken 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 frauds and other irregularities,
- (iv) they have prepared the Annual Accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank all stakeholders including Members, Bankers, Business Partners/Associates, Central and State Governments for their consistent support and co-operation extended to the Company. We also acknowledge the significant contribution made by the employees by their dedication and hard work and trust reposed on us. We look forward to have the same support in our endeavor to help the Company to grow faster.

For and on Behalf of the Board of Directors

Place : Hamirgarh, Bhilwara
Date : 22nd July, 2024

Dinesh Nolkha
Managing Director
(DIN – 00054658)

Nitin Nolkha
Joint Managing Director
(DIN – 00054707)

Registered Office :

16-17 KM Stone, Chittor Road,
Hamirgarh, Bhilwara - 311025

Annexure - I

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

CSR is strongly connected with the principles of sustainability; an organization should make decisions based not only on financial factors but also on the social and environmental consequences. Hence, it is core responsibility of the Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting interests of stakeholders. The Company recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objectives.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sh. Ratan Lal Nolkha (upto 12.08.2023)	Chairman-Non Executive Director	2	-
2.	Sh. Dinesh Nolkha (Chairman w.e.f. 09.11.2023)	Chairman - Executive Director	2	2
3.	Smt. Aditi Mehta	Member - Independent Director	2	2
4.	Sh. Rohit Mehta	Member - Independent Director	2	2
5.	Sh. Nitin Nolakha (w.e.f. 09.11.2023)	Member- Executive Director	2	-

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR Committee - <https://nitinspinners.com/committee-of-directors>

CSR Policy - <https://nitinspinners.com/wp-content/uploads/2021/10/CSR-Policy.pdf>

CSR Projects - <https://nitinspinners.com/csr-environment-2>

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. Not Applicable

5. (a)	Average net profit of the company as per section 135(5)	-	₹ 26233.57 lakhs
(b)	Two per cent of average net profit of the company As per section 135(5)	-	₹ 524.67 lakhs
(c)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years.	-	Nil
(d)	Amount required to be set off for the financial year, if any	-	₹ 2.46 lakhs
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	-	₹ 522.21 lakhs
6. (a)	Amount spent on CSR Projects		
	Ongoing Project	-	₹ 4.40 lakhs
	Other than Ongoing Project	-	₹ 232.91 lakhs
(b)	Amount spent in Administrative Overheads	-	Nil
(c)	Amount spent on Impact Assessment, if applicable	-	N.A.
(d)	Total amount spent for Financial Year [(a)+(b)+(c)]	-	₹ 237.31 lakhs

Annexure - I (Contd..)

(e) CSR amount spent or unspent for the Financial Year :

Total Amount Spent for the Financial Year. (₹ in lakhs)	Amount Unspent (₹ in lakhs) – 284.90				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 237.31	284.90	29.04.2024		Not Applicable	

(f) Excess amount for set off, if any -

Sr. No.	Particulars	Amount (₹ In lakhs)
(I)	Two percent of average net profit of the company as per section 135(5)	524.67
(II)	Total amount spent for the Financial Year	237.31
(III)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(IV)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(V)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years : Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year :

Yes No

If, Yes, enter the number of Capital assets acquired - 1

Sr. No.	Short particulars of the Property or assets including complete address and location of the property	Pin code of the Property or assets	Date of Creation	Amount of CSR amount Spent	Details of Entity beneficiary of the registered owner		
					CSR Regd. No.	Name	Registered Address
1	Purchase of Land for ongoing Project at Moja Mandna Patwar Halka Swania Tehsil Begun Distt. Chittorgarh	312023	20.03.2024	₹ 4.40 lakhs	CSR00012936	Shri Sojiram Ratan Lal Nolakha Charitable Trust	B-86 Shastri Nagar, Bhilwara-311001

9. Specify the reason (s), if the company has failed to spend two percent of the average net profit as per section 135(5) –The Company has undertaken ongoing project for construction of School and therefore unspent amount of ₹ 284.90 lakhs have been transferred to “Nitin Spinners Limited –Unspent CSR Account 2023-24”. There was no amount remaining unspent in respect of CSR for the F.Y. 2023-24, other than ongoing project.

For and on Behalf of the Board of Directors

Dinesh Nolkha

Managing Director &
Chairman of CSR Committee)
(DIN – 00054658)

Nitin Nolakha

Joint Managing Director &
Member of CSR)
(DIN – 00054707)

Place : Hamirgarh, Bhilwara

Date : 09th May, 2024

Annexure - II

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Rule 8 (3) of the Companies (Accounts) Rules, 2014 under Section 134 (3) of the Companies Act, 2013 and forming part of Board's Report for the year ended 31st March, 2024.

A. Conservation of Energy

(i) The steps taken or impact on Conservation of Energy - The Company gives high priority for conservation of energy in all fields. The Company has taken following measures for energy savings in the previous year :

- Replacement of Old type motors with Energy efficient Motors.
- Installation of New AFBC Thermo pack in place of Bubbling Bed Thermo pack for coal & Power saving
- Installation of centrifugal compressor in place of screw type compressor and reduced air pressure of compressors.
- Installation of variable frequency drive in humidification plant
- Installation of one Boiler of 14.5 TPH in place of two small boilers
- Setting Parking Time at Overhead Blower
- Optimizing WCS Suction Pressure of Machines

(ii) Steps taken by the Company for utilizing alternate sources of energy -

As renewable/green energy initiatives, the Company has installed total 18.80 MW Roof Top Solar Power Plant for captive consumption of Solar Power at Hamirgarh & Begun Units. During the year Company has installed 10.40 MW Roof Top Solar Power Plant for captive consumption of Solar Power at Hamirgarh & Begun Units.

(iii) Capital Investments on energy conservation equipments

During the year estimated expenditure on energy conservation equipment is ₹ 5830.90 lakhs.

B. Technology Absorption

(1) The efforts made towards technology absorption :-

The technology is being used for development of new products and for improvement in the production process and quality of products.

(2) Benefits derived like product improvement, cost reduction, product development or import substitute:-

The Company has been continuously improving the quality of its existing products at reduced cost and developed new products from time to time.

(3) No technology has been imported during the last three years. Hence, other disclosures are not applicable.

(4) Expenditure incurred on Research and Development during the year is as follows :

(₹ in lakhs)		
Particulars	Current Year	Previous Year
(a) Capital	788.37	-
(b) Recurring	926.79	510.63
Total (a+b)	1715.16	510.63
% to total turnover	0.59%	0.21%

C. Foreign Exchange Earnings and Outgo

(₹ in lakhs)		
Particulars	Current Year	Previous Year
(a) Earnings (Exports on FOB Value)	160808.51	126412.85
(b) Outgo - Capital Goods	10887.62	12845.23
- Recurring :-		
- Components, Spares Parts	4435.46	3018.27
- Raw Materials	17809.68	27868.37
- Sales Commission, Overseas Freight & Others	1579.01	2335.34
- Travelling	4.43	5.52

For and on Behalf of the Board of Directors

Dinesh Nolkha

Managing Director
(DIN – 00054658)

Nitin Nolkha

Joint Managing Director
(DIN – 00054707)

Place : Hamirgarh, Bhilwara

Date : 22nd July, 2024

Registered Office :

16-17 KM Stone, Chittor Road,
Hamirgarh, Bhilwara - 311025

Annexure - III

Statement of Particulars of Employees pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of Top Ten Employees in terms of Remuneration drawn

Name of Employee	Designation	Remuneration (₹ lakhs)	Qualifications	Experience Years	Commencement of employment	Whether Permanent/ Contractual	Age Years	Last Employment
Sh. Dinesh Nolkha	Managing Director	247.90	FCA, FCMA	29	01.01.1996	Contractual	53	-
Sh. Nitin Nolakha	Jt. Managing Director	234.46	B.Com., MBA	24	01.10.1998	Contractual	48	-
Sh. Sandeep Kumar	President & COO	57.71	B. Tech	32	01.04.2007	Permanent	53	ST Cotex
Sh. Umesh Toshniwal	Jt. President (Mktg.)	45.28	B.Com	30	01.04.1993	Permanent	52	-
Sh. Ramesh Chand Mishra	Vice President (Processing)	45.13	M. Tech	37	01.11.2021	Permanent	60	Morarjee Textiles
Sh. Purushottam Maheshwari	President & CFO	44.08	B.Com, FCA	39	01.08.2006	Permanent	62	BSL Ltd.
Sh. Anil Kumar Jain	Jt. President	41.57	B.Sc, CMA,CS	34	03.03.2018	Permanent	58	Sutlej Textiles
Sh. Vijay Kumar Chandulal Dave	G M (Finish Fabric)	33.36	M.Sc Chemistry	31	17.06.2019	Permanent	55	Alok Industries
Sh. Inderjeet Singh	G M (Spinning)	33.03	B. Tech. (Tex.)	27	29.06.2018	Permanent	51	Welspun India
Sh. Vivek Tripathi	Vice President (Technical)	32.64	M. Tech. (Tex.)	25	09.01.2010	Permanent	49	Nahar Fibres

Sh. Dinesh Nolkha and Sh. Nitin Nolakha are related to each other and none of the other employees are related to any Director or manager of the Company.

Notes:

- None of the employees of the Company are covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as none of the employee is in receipt of remuneration in excess of remuneration drawn by Managing Director & Whole Time Directors and holding whether by himself or along with his spouse and dependent children, equal to or more than 2% of the paid-up capital of the Company.
- Except above, none of the person was employed for the full year and was in receipt of remuneration of ₹ 102.00 lakhs or more per annum and employed for part of the year and was in receipt of remuneration aggregating to ₹ 8.50 lakhs or more per month.

Analysis of Managerial Remuneration

Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the statistical analysis of the remuneration paid to Directors and Key Managerial Personnel (KMP) as against other employees of the company and with respect to the performance of the company (PAT) is given below:-

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2023-24 :-

Name of Directors	Ratio
Executive Directors :-	
Sh. Dinesh Nolkha, Managing Director	103.46:1
Sh. Nitin Nolakha, Jt. Managing Director	97.85:1
Non Executive Directors :-	
Sh. Ratan Lal Nolkha, Non-Executive Chairman (upto 12.08.2023)	0.21:1
Non Executive Independent Directors :-	
Smt. Aditi Mehta	1.36:1
Dr. Rabisankar Chattopadhyay	1.67:1
Sh. Rishabh Chand Lodha (w.e.f. 09.11.2023)	0.42:1
Sh. Rohit Swadheen Mehta	1.67:1

Non-Executive Independent Directors and Non-Executive Directors are being paid only Sitting Fee.

Annexure - III (Contd..)

2. The percentage increase/(Decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2023-24:-

Name of Directors & KMP	% increase/(Decrease) in remuneration
Executive Directors :-	
Sh. Dinesh Nolkha, Managing Director	67.44
Sh. Nitin Nolkha, Jt. Managing Director	70.36
Non Executive Directors :-	
Sh. Ratan Lal Nolkha, Non-Executive Chairman (upto 12.08.2023)	(99.59)
Non Executive Independent Directors :-	
Smt. Aditi Mehta	8.33
Sh. Rishabh Chand Lodha (w.e.f. 09.11.2023)	NA
Dr. Rabisankar Chattopadhyay	(5.88)
Sh. Rohit Swadheen Mehta	14.29
CFO & Company Secretary :-	
Sh. P. Maheshwari, Chief Financial Officer	10.26
Sh. Sudhir Garg, Company Secretary & VP (Legal)	12.18

3. The percentage increase in the median remuneration of employees in the financial year 2023-24 :- 4.26
4. The number of permanent employees on the rolls of company:- 7390
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :-

Average % increase in the salary of employees other than Managerial Personnel: - 2.82

Average % increase/(Decrease) in the Salary of the Managerial Personnel :- 18.77

The variable component of Salary i.e. Commission of Executive Directors increased due to increase in percentage of commission from 0.50 % of Net Profit in the previous year to 1% of the Net Profit in the current year as per terms of their appointment. This resulted higher increase in the salary of Managerial Personnel in comparison to other employees.

6. The Company affirms that the remuneration paid to Directors and employees are as per the remuneration policy of the company.

For and on Behalf of the Board of Directors

Place : Hamirgarh, Bhilwara

Date : 22nd July, 2024

Dinesh Nolkha

Managing Director

(DIN – 00054658)

Nitin Nolkha

Joint Managing Director

(DIN – 00054707)

Registered Office :

16-17 KM Stone, Chittor Road,

Hamirgarh, Bhilwara - 311025

Business Responsibility and Sustainability Report

Message from the Managing Director

As we embark on a new phase in our journey as Nitin Spinners Limited, I would like to take a moment to reflect on the importance of sustainability and reaffirm our commitment to building a greener and more environmentally responsible future. Last year, we proudly published our Business Responsibility and Sustainability Report (BRSR) for the FY22-23 on a voluntary basis, a year ahead of the SEBI mandate. Sustainability has remained a top priority for our organization, and this year, as we publish our report for the FY23-24, I am pleased to share with you the key findings and initiatives taken in this regard.

Environmental Responsibility

We have continued to focus on cotton development and research, with a long-term focus on rural development. Our efforts in energy efficiency have led to the implementation of energy-efficient technologies and processes across our manufacturing facilities. Robust water management practices have been adopted, including the implementation of recycling and reuse systems. Our waste management programs have been successful in minimizing waste generation and promoting recycling and responsible disposal. We have also installed a water harvesting system at both the facilities

Supply Chain Sustainability

We are actively engaged in sourcing sustainable raw materials, promoting fair trade practices, and ensuring transparency and ethical standards throughout our supply chain. We have been procuring BCI Cotton, Organic Cotton, Recycled Cotton Fiber, regenerative cotton and Recycled Polyester Fiber from pet bottles. We are working closely with our suppliers to promote responsible practices, encourage continuous improvement, and create a sustainable supply chain ecosystem.

Social Responsibility

We continue to prioritize the well-being and professional development of our employees. We have implemented various programs to enhance their health, safety, and work-life balance. We promote fair labor practices and actively engage with local communities, supporting social initiatives, education programs, and community development programs. Some of our initiatives include the construction of a women's hostel in Bhilwara, construction of classrooms in a school, water cooler in a government school, and construction of toilets as part of the

Swachh Bharat Abhiyan. We also provide vocational training to underprivileged students and contribute to building construction for old age homes.

Governance and Ethics

We maintain a high level of transparency in our reporting practices to provide stakeholders with comprehensive information on our sustainability performance. We actively engage with our stakeholders, employees, customers, and local communities to understand their expectations and incorporate their feedback into our decision-making process.

While we are proud of the progress we have achieved thus far, we acknowledge that the journey to sustainability is continuous and requires ongoing dedication. We firmly believe that embedding sustainability in our core values will not only benefit the environment but also strengthen our position in the market and foster long-term success. Looking ahead, we have set ambitious sustainability goals, including:

1. Continuous improvement in water and waste management aiming for zero waste to landfill.
2. Expansion of sustainable sourcing practices and collaboration with suppliers to promote sustainability.
3. Increase in renewable power capacity to reduce carbon footprint
4. Strengthening our social impact through targeted community development initiatives and employee welfare programs.

We will continue to explore innovative ways to further reduce our environmental impact, engage stakeholders to raise awareness about sustainable practices, and collaborate with like-minded partners to drive positive change. I am committed to providing the necessary resources and support to continue our sustainability initiatives.

I encourage each member of Nitin Spinners family to embrace sustainability in their daily actions and decisions. Thank you for your commitment to sustainability and together, we can create a more sustainable and prosperous future for ourselves and all the stakeholders.

Dinesh Nolkha
MANAGING DIRECTOR

// SECTION A: GENERAL DISCLOSURES //

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L17111RJ1992PLC006987
2.	Name of the Listed Entity	NITIN SPINNERS LIMITED
3.	Year of Incorporation	1992
4.	Registered and Corporate Office Address	16-17 Km. Stone, Chittor Road, Hamirgarh, Bhilwara – 311 025 Rajasthan
5.	E-mail id	nsl@nitinspinners.com
6.	Telephone	01482-286110-113
7.	Website	www.nitinspinners.com
8.	Financial year for which reporting is being done	FY2024 (1st April 2023 to 31st March 2024)
9.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Ltd. (NSE)
10.	Paid up Capital (INR)	₹ 5622.00 lakhs
11.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Sudhir Garg Company Secretary & VP (Legal) 01482 - 286110 - 113 sudhirgarg@nitinspinners.com
12.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The Company has no subsidiary.
13.	Name of assurance provider	Not Applicable
14.	Type of assurance provider	Not Applicable

II. Products/services

15. Details of business activities (accounting for 90% of the Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of Yarn & Fabric	The company is in the business of making cotton and blended yarn and fabric for both exports and domestic market.	100%

16. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product / Service	NIC Code	% of total contributed Turnover
1.	Yarn	13111	70%
2.	Knitted Fabric	13911	5%
3.	Woven Fabric	13121	20%

III. Operations

17. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	1 (Office is at Plant premises)	2
International*	Nil	Nil	Nil

18. Market Served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	All states of India
International (No. of Countries)	More than 50

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Export contribution of Nitin Spinners Limited is around 58.65% of the total turnover of the entity

c. A brief on type of customers

Nitin Spinners Limited provides a comprehensive range of high-quality textile products (from yarn to knitted and woven fabrics) of international standards that are innovative, sustainable, and available at a competitive price to its customers across different segments in the national and international market.

IV. Employees
19. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	684	684	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	684	684	100%	0	0%
WORKERS						
4.	Permanent (F)	6602	6458	98%	144	2%
5.	Other than Permanent (G)	104	104	100%	0	0%
6.	Total workers (F + G)	6706	6562	98%	144	2%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total employees (D + E)	1	1	100%	0	0%
Differently Abled Workers						
4.	Permanent (F)	14	14	100%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	Total employees (F+ G)	14	14	100%	0	0%

20. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	2	0	0%

21. Turnover rate for permanent employees and workers

	Turnover rate FY 2023-24			Turnover rate FY 2022-23			Turnover rate FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.40%	0	4.40%	4.1%	NA	4.1%	3.67%	NA	3.67%
Permanent Workers	21.00%	6%	23.69%	18%	0%	18%	16.35%	14%	15.18%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**22. (a) Names of holding / subsidiary / associate companies / joint ventures**

Not Applicable as the company does not have a holding, subsidiary, associate, or joint venture

VI. CSR Details**23. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes**

(ii) Turnover (in ₹): 290564.93 lakhs (FY 2023-24)

(iii) Net worth (in ₹): 114632.82 lakhs (As on 31st March'24)

VII. Transparency and Disclosures Compliances**24. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web- link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y*	-	-	-	-	-	-
Investors (Shareholder)	Y**	-	-	-	-	-	-
Shareholders	Y**	-	-	-	1	-	-
Employees and workers	Y***	-	-	-	-	-	-
Customers	Y****	-	-	-	3	-	-
Value Chain Partners	Y*****	-	-	-	-	-	-

No complaints have been received from communities, value chain partners and employees during the FY 2023-24 and FY 2022-23.

*Complaints/Grievances from Communities and Value Chain Partners are addressed by relevant departments on a case-to-case basis.

**The Company has appointed Registrar and Share Transfer Agent (RTA) Bigshare Services Pvt. Ltd. to look into the grievances/complaints of the shareholders. In addition to it the Company has designated email ID investorrelations@nitinspinners.com, where the shareholders can send their grievances/complaints. Board has constituted several Committees of Directors with adequate delegation of powers to focus effectively on issues and ensure expedient resolution of diverse matters. The Stakeholders' Relationship Committee deals with all the grievances and complaints of the Investors and Shareholders.

***The details of grievance redressal mechanism for employees and workers are provided in Principle 3, point No. 6.

**** The various mechanisms in place to receive and respond to consumer complaints and feedback are provided in Principle 9, point No. 1. Policies & grievance redressal mechanism are accessible on <https://nitinspinners.com/policies/>.

25. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying The risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implication s)
1	Natural Fiber	O	Due to increased environmental awareness, customers now prefer natural fibers due to its low lifecycle impact, we are at an advantage of manufacturing the same and making it available in the national and global market	NA	Positive
2	Energy Consumption	R	Energy consumption is an important part of our operational expenses, and we are taking precautions to ensure lower energy consumption and reduce dependence on fossil fuels	At Begun Plant we have started using biomass pellets to reduce fossil fuel consumption for boilers We have also invested in improving energy efficiency of equipment’s, enhanced our renewable energy targets, installed Solar PV power in our plants, in addition to exceeding energy efficiency targets given by BEE.	Negative
3	Lower Cotton production	R	Cotton, which is our main raw material is highly dependent on weather changes that could lower the harvest and surge the price significantly.	We have invested in Cotton research Foundation and have planned for strategic purchases to manage these risks	Negative
4	Water Consumption	R	Our operations are dependent on water consumption which is a scare resource and needs to be used most efficiently.	We have installed systems that recycle 98% of the water at our fabric plant and ensuring Zero Liquid discharge. We have also installed Sewage water treatment plant and rain water harvesting systems.	Negative

// SECTION B: MANAGEMENT AND PROCESS DISCLOSURES //

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

We have implemented following policies towards adopting National Guidelines on Responsible Business Conduct (NGRBC):

	<p>Principle P1: Transparency & Accountability</p> <ul style="list-style-type: none"> Code of Conduct for Directors and Senior Management Personnel Code of Conduct for Employees Policy on Board diversity Risk Management Policy Vigil Mechanism Policy Succession Policy Insider Trading Policy Related Party Transaction Policy 		<p>Principle P2: Product Responsibility</p> <ul style="list-style-type: none"> Integrated Management Systems Policy ISO 9001, 14001,45001 & 50001 		<p>Principle P3: Employee Development</p> <ul style="list-style-type: none"> Equal Opportunity Employer Policy Policy on Prevention of Sexual Harassment of Women at workplace SA 8000 Assessment
	<p>Principle P4: Stakeholder Engagement</p> <ul style="list-style-type: none"> Corporate Social Responsibility (CSR) Policy Dividend Distribution Policy Archival Policy 		<p>Principle P5: Human Rights</p> <ul style="list-style-type: none"> Human Rights Policy Policy on Prevention of Sexual Harassment of women at workplace 		<p>Principle P6: Environment Principle</p> <ul style="list-style-type: none"> Integrated Management Systems Policy ISO 9001, 14001, 45001, 50001
	<p>Principle P7: Policy Advocacy</p> <ul style="list-style-type: none"> Public and Regulatory Policy 		<p>Principle P8: Inclusive Growth</p> <ul style="list-style-type: none"> Corporate Social Responsibility (CSR) Policy 		<p>Principle P9: Customer Value</p> <ul style="list-style-type: none"> Customer Centricity Policy Data Privacy and Cyber Security Policy

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link* of the Policies, if available	https://nitinspinners.com/policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All the Policies has been made as per the National Guidelines on Responsible Business Conduct, 2019 released by the Ministry of Corporate Affairs, ISO 9001, ISO 14001, ISO 45001, ISO 50001, SA 8000 (Social Accountability)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our strategies, business model and operations are based on environment protection, employee, and customer safety.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The message from MD has been included at the beginning of this report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Dinesh Nolkha, Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Implementation and oversight of the Business Responsibility Policies and the decision making on sustainability related issues is the responsibility of Mr. Dinesh Nolkha, MD and the Risk Management Committee of the Company, which comprises of following members as on March 31, 2024: Mr. Dinesh Nolkha, MD Mr. Rabisankar Chattopadhyaa, NEID Mr. Rishabh Chand Lodha, NEID Mr. Purushottam Maheshwari, CFO								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	The review has been done by Managing Director and the Risk Management Committee.									The frequency of the review is Annual with Risk Management Committee and Quarterly with the Managing Director.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Compliance with the laws of the land is the first step in responsible business conduct. The compliance review with all the statutory requirements of relevance to the principles of National Guidelines on Responsible Business Conduct has been done by the respective committees of the Board.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No, the assessment / evaluation of the working of its policies is being done internally as part of the business operating policies and procedures.

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Not Applicable

// SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE //

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership.” While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

We have introduced an online Learning Management System (LMS), by mapping the learning curve of every individual to inculcate the culture of continuous learning and growth in our people.

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	All Principles	100%
Key Managerial Personnel	1	All Principles	100%
Employees other than BoD and KMPs	Multiple Training Programs	Employees have been given training on Principle 1 and other Principle as applicable to their respective functional area	100%
Workers	Multiple Training Programs	Principle as applicable to their respective functional area	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

No such fines/ penalties/ punishment/ award/ compounding fees /settlement amount paid in proceedings either by the entity or by directors or KMPs.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable as no fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings either by the entity or by directors or KMPs.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Code of Conduct Policy, Code of Conduct for Directors and Senior Management Personnel and Vigil Mechanism

covers the concerns regarding anti-corruption or anti-bribery policy. All the policies are accessible at <https://nitinspinners.com/policies/>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

No disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption against any of the Directors/KMPs/employees.

6. Details of complaints with regard to conflict of interest:

No complaint was received with regard to conflict of interest of the Directors, KMPs or any other employee.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable as no fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings either by the entity or by directors or KMPs.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	11.5 days	9.7 days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of purchases	a. Purchases from trading houses as % of total purchases	10.94%	18.01%
	b. Number of trading houses where purchases are made from	20	25
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	81.30%	78.65%
Concentration of Sales	a. Sales to dealer/distributors as % of total sales	21.54%	17.88%
	b. Number of dealers/distributors to whom sales are made	226	219
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	38.44%	31.65%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	-	-
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	-	-

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year 2023-24	Previous Financial Year 2022-23	Details of improvements in environmental and social impacts
R & D	Not Applicable	Not Applicable	
Capex	Not Applicable	Not Applicable	

The Company has taken following measures for energy savings in the previous year:

- i. Replacement of Old type motors with Energy efficient Motors.
- ii. Installation of New AFBC Thermo pack in place of Bubbling Bed Thermo pack for coal & Power saving
- iii. Installing centrifugal compressor in place of screw type compressor and reduced air pressure of compressors.
- iv. Installing variable frequency drive in humidification plant

- v. Installation of one Boiler of 14.5 TPH in place of two small boilers
- vi. Setting Parking Time at Overhead Blower
- vii. Optimizing WCS Suction Pressure of Machines
- viii. Installation of 10.40 MW Roof Top Solar Power Plant for captive consumption at Hamirgarh and Begun Plant.

During the year estimated expenditure on energy conservation equipments and installation of Solar Power Plant is ₹ 5830.90 lakhs.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
Yes
- b. If yes, what percentage of inputs were sourced sustainably?
The Company has a policy to encourage a purchase of Organic Cotton, BCI (Better Cotton Initiative) certified cotton, regenerative cotton and recycled Polyester Fiber. We also use recycled cotton fiber in our manufacturing. For the FY we have procured 36% of the raw material from responsible sources which include BCI Certified Organic and Recycled Cotton and Recycled Polyester Fiber.
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
All our natural fiber products are compostable.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
Not Applicable

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	684	684	100%	684	100%	-	-	-	-	-	-
Female	0%	0%	0%	0%	0%	-	-	-	-	-	-
Total	684	684	100%	684	100%	-	-	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

- b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	6458	6458	100%	6458	100%	NA	-	NA	-	-	-
Female	144	144	100%	144	100%	-	-	-	-	-	-
Total	6602	6602	100%	6602	100%	-	-	-	-	-	-
Other than Permanent workers											
Male	104	104	100%	104	100%	NA	NA	-	-	-	-
Female	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	104	104	100%	104	100%	NA	NA	-	-	-	-

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:-

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.34%	0.34%

2 Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI*	21%	100%	Y	19%	100%	Y

*All eligible employees are covered under ESI

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the corporate office of the entity is accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the entity does have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016 and is a part of SA8000 (Social Accountability) Assessment. Policies of the company are accessible on <https://nitinspinners.com/policies/>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Not applicable as no employee worker has taken any Parental leave during the financial year.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The company has a grievance redressal committee comprising of management representatives and worker representative and have their regular meetings. In the grievance redressal committee both the grievances and the suggestions from the employees are taken, discussed and the complaints are resolved. In every department also has separate grievance committee, presided by the departmental head, where all the complaints are resolved by mutual discussion. Company also has a suggestion/grievance box where worker can give their suggestion/grievance anonymously.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

There are no employee association(s) or unions recognized by the company.

8. Details of training given to employees and workers:

Category	2023-24					2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	684	684	100%	684	100%	654	654	100%	654	100%
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	684	684	100%	684	100%	654	654	100%	654	100%
Workers										
Male	6458	6458	100%	6458	100%	4650	4650	100%	4650	100%
Female	144	144	100%	144	100%	38	38	100%	38	100%
Total	6602	6602	100%	6602	100%	4688	4688	100%	4688	100%

9 Details of performance and Career development reviews of employees

Category	FY 2023-24			FY 2022-23		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	684	684	100%	654	654	100%
Female	0	0	0	NA	NA	NA
Total	684	684	100%	654	654	100%
Workers						
Male	6458	6458	100%	4537	4537	100%
Female	144	144	100%	38	38	100%
Total	6602	6602	100%	4575	4575	100%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

The plants are covered under ISO 45001 – Occupational Health and Safety Management Systems. The company is also certified under SA 8000 (Social Accountability) Policy.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard identification and risk assessment process is carried out to identify the work-related hazards and risks. This assessment process helps to identify the hazards pertaining to each activity and allows us to implement control measures against each hazard to bring them to a tolerable risk level

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the employees can report the work-related hazards to the Business Manager and they are trained to remove themselves from risks.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the employees and workers have a access to medical consultation on the plant premises for any occupational or non-occupational medical issues.

11. Details of safety related incidents, in the following format:

No Safety related recordable incident has occurred during the FY22-23 and FY23-24.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Health & safety is a consistent practice at our facilities. We have installed fire protection equipment's, conducted fire safety training, and always ensured factory hygiene. Moreover, fire evacuation drills are conducted once a month to raise awareness amongst workers to ensure the safety of people, plants, and products. Health and Safety management system implemented by the company are certified under ISO 45001: 2018 and SA 8000 policies. Some of the activities undertaken are:

- Allocate light work, freedom of rest, baby feeding and leave the place of work at will for the care of expectant and nursing mother.

- Sufficient and appropriate free PPE kits to all exposed to hazardous work.
- Provide effective training on health & Safety.
- Sufficient no. of fire extinguishers, hose box, hose reels & Fire Tender.
- Provision of adequate fire safety tools.
- Formation of Works committee
- Provision of first aid tools, fire and first aid training, Annual health check-up

13. Number of Complaints on the following made by employees and workers:

No complaints have been made by employees / workers during current financial year or the previous financial year.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

The operations are assessed for ISO 45001 certifications and SA 8000 (Social Accountability) Assessment.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable as no recordable safety related incident has happened and no significant risks / concerns has arisen from assessments of health & safety practices and working conditions

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Nitin Spinners believes in forging a strong relationship with its stakeholders based on trust and delivery, The Stakeholders expectations and concerns offer critical inputs to the management of business and its growth. The key stakeholders include employees, customers, suppliers, investors, analysts, shareholders, regulatory bodies and community around our plants.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Customer Meetings, Customer Feedback, Website, Product Catalogues.	Ongoing	Customer Satisfaction, Product Quality
Employees	No	Notice Boards, Website, Employee Survey Feedback, Annual Performance Review, Meetings, Trainings.	Ongoing	Working Condition, Employee performance, Employee Satisfaction
Shareholders	No	AGM, Investors meet, Investor Grievance redressal mechanism	Ongoing	Business Strategies and Performance

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulatory Authorities	No	Compliance Reports	Ongoing	Compliance with the law of the land.
Media	No	Press Releases, Social Media Platforms, Media interactions	Ongoing	Information dissemination, communicating company's perspective
Community	Yes	Corporate Social Responsibility engagements, Meeting with community representative.	Ongoing	Welfare of the community

PRINCIPLE 5

Businesses should respect and promote human rights Essential Indicators

Essential Indicators

1. **Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

The employees and workers have been trained under SA 8000 (Social Accountability Standard) policies regarding child labour, forced labour, discrimination and safe and healthy workplace and other aspect related to human rights at the workplaces.

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B/ A)	Total (C)	No. of employees' workers covered (D)	% (D/C)
Employees						
Permanent	684	684	100%	654	524	80%
Other than Permanent	NA	NA	NA	NA	NA	NA
Total Employees	684	684	100%	654	524	80%
Workers						
Permanent	6458	6458	100%	4575	4575	100%
Other than permanent	144	144	100%	113	113	100%
Total Employees	6602	6602	100%	4688	4688	100%

2. **Details of minimum wages paid to employees, in the following format:**

Category	2023-24					2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	684	-	-	684	100%	654	-	-	654	100%
Female	0	-	-	-	-	-	-	-	-	-
Other than Permanent										

Category	2023-24					2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Male	0	-	-	-	-	-	-	-	-	-
Female	0	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	6458	-	-	6458	100%	4,537	-	-	4537	100%
Female	144	-	-	144	100%	38	-	-	38	100%
Other than Permanent										
Male	104	-	-	104	100%	113	-	-	113	100%
Female	0	-	-	0		-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	3	4.0 lakhs	1	3.25 lakhs
Key Managerial Personnel	4	234.46 lakhs	NA	NA
Employees other than BoD and KMP	680	5.20 lakhs		
Workers	6706	2.44 lakhs	38	

* This is only for Independent Directors. Whole time directors are covered under KMPS.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % total wages	1.07%	0.33%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Chief Human Resource Officer is the focal point for addressing human rights impacts or issues caused or contributed to by the business

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes. All the complaints regarding human rights violations are routed to Head HR. Head HR and the Grievance Redressal Committee takes action as per the Grievance Mechanism Organization Structure in compliance with SA 8000 (Social Accountability) certification.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other Human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Code of Conduct, Vigil Mechanism Policy and the Policy on Prevention of Sexual Harassment provides the mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No, this is being assessed by the legal functions.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

Assessments were done under the ISO certification 45001 and SA 8000 (Social accountability Policy) certification by independent third parties.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From Renewable Sources		
Total electricity consumption (A)(Solar)	59093 GJ	49591 GJ
Total fuel consumption (B)	6260 GJ	7789 GJ
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	65353 GJ	57380 GJ
From Non-Renewable Sources		
Total electricity consumption (D)	1155838 GJ	840116 GJ
Total fuel consumption (E)	531399 GJ	512746 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non - renewable sources (D+E+F)	1687237 GJ	1352862 GJ
Total energy consumed (A+B+C+D+E+F)	1752590 GJ	1410242 GJ
Energy intensity per rupee of turnover (Total energy consumed/ revenue from operations)	603.18 GJ / Crore of turnover	585.96 GJ / Crore of turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	165.55 GJ / Crore of turnover	163.31 GJ / Crore of turnover
Energy intensity in terms of physical Output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes, the facilities of the companies have been identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India. Yes, the targets have been achieved

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	497687	333034
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	497687	333034
Total volume of water consumption (in kilolitres)	497687	333034
Water intensity per rupee of Turnover (Total Water consumption/ Revenue from operation)	171.29 KL/crores of turnover	138.38 KL/crores of turnover
Water intensity per rupee of Turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue)	47.0 KL/crores of turnover	38.6 KL/crores of turnover

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Provide the following details related to water discharge

There is no water discharge as the water is treated in ZLD (Zero Liquid discharge) and the treated water released from ZLD and ETP are utilised within the premises for horticulture and housekeeping purposes.

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the ZLD has been installed at the Begun Unit where the water is used in finishing fabric. 100% of the used process water is taken to ZLD and no effluent discharge is made. The dry sludge out of ZLD is sent to authorised collectors and recyclers.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	mg/Nm ³	118.2	140.1
Sox	mg/Nm ³	131.2	170.6
Particulate matter (PM)	mg/Nm ³	434.5	447.1
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Apex Enviro Laboratory has done the stack emission testing.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	50848	48771
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	229883	189026
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ Equivalent / crores of Turnover	96.62	98.8

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 Equivalent / crores of Turnover	26.52	27.57
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the sustainability consultants “Sustainability Actions Private Limited” has carried out the assessment of the above calculations.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

(i) The steps taken or impact on Conservation of Energy - The Company gives high priority for conservation of energy in all fields. The Company has taken following measures for energy savings in the previous year :

- a. Replacement of Old type motors with Energy efficient Motors.
- b. Installation of New AFBC Thermo pack in place of Bubbling Bed Thermo pack for coal & Power saving
- c. Installing centrifugal compressor in place of screw type compressor and reduced air pressure of compressors.
- d. Installing variable frequency drive in humidification plant
- e. Installation of one Boiler of 14.5 TPH in place of two small boilers
- f. Setting Parking Time at Overhead Blower
- g. Optimizing WCS Suction Pressure of Machines

(ii) Steps taken by the Company for utilizing alternate sources of energy -

As renewable/green energy initiatives, the Company has installed 18.80 MW Roof Top Solar Power Plant for captive consumption of Solar Power at Hamirgarh & Begun Units. During the year Company has installed 10.40 MW Roof Top Solar Power Plant for captive consumption of Solar Power at Hamirgarh & Begun Units.

(iii) Capital Investments on energy conservation equipments.

During the year estimated expenditure on energy conservation equipment is ₹ 5830.90 lakhs.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	21	72.18
E-waste (B)	2.03	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	4.09	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)- Used Oil	1.40	0.80
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by material relevant to the sector)	131.25	-
Total (A+B + C + D + E + F + G + H)	159.77	72.98

Parameter	FY 2023-24	FY 2022-23
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.05 tons/Cr	0.03 tons/Cr
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.02 tons/Cr	0.01 tons/Cr
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled*	159.77	72.98
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	159.77	72.98
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

N. No independent assessment/ evaluation/assurance has been carried out by an external agency.

* All Material sent to recyclers / Composters through authorized collectors.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We maintain a ZERO waste to landfill operations at both of our plants. Being an environmentally conscious and responsible organisation, we don't send our wastes to landfill. All the cotton, yarn and fabric wastes are either reprocessed in our own manufacturing or sent for other industrial uses. 10% of our waste out of production is recycled and reprocessed in our own operations and balance is sold for other industrial uses. For our liquid discharge we have installed ZERO LIQUID DISCHARGE (ZLD) systems hence we don't discharge effluent in our vicinity of operations. The dry sludge out of ZLD is sent to authorised collectors and recyclers.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The entity's operations/offices are not in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The operations of the company are not covered by the 2006 notification on Environmental Impact Assessment.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the company is compliant with all applicable environmental laws / regulations / guidelines in India.

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**
5(Five)
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1	The Confederation of Indian Textile Industry (CITI)	National
2	Northern India Textile Research Association (NITRA)	States of Northern India
3	The Cotton Textiles Export Promotion Council (TEXPROCIL)	National
4	The Rajasthan Textile Mills Association (RTMA)	State
5	Mewar Chamber of Commerce and Industry (MCCI)	State

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable as no adverse order regarding anti-competitive conduct by the entity has been issued by regulatory authorities.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

We have taken a holistic approach towards the development of the deprived groups of the society and implement Corporate Social Responsibility (CSR) programmes. The various CSR projects are firstly reviewed internally, approved by the management, and are regularly reviewed by the CSR committee. The progress of all approved CSR projects are tracked and the progress reports are evaluated from time to time. CSR Policy outlines our commitment to promote inclusive growth and equitable development.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

The requirement of Social Impact Assessments (SIA) of projects was not applicable to the Company in the FY 2023-24.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

There was no project involving R&R during the FY 2023-24.

3. **Describe the mechanisms to receive and redress grievances of the community.**

There are several mechanisms in place to receive grievances from the community such as access to e-mail ID of Legal and Compliance officer, Website and the facilities of the company. The grievances from community are addressed by Legal and Compliance officer along-with Stakeholders' Relationship Management Committee of the Board.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	54.21%	44.88%
Sourced directly from within India	90.56%	83.02%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24	FY 2022-23
Rural	100%	100%
Semi-Urban	0%	0%
Urban	0%	0%
Metropolitan	0%	0%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Overall responsibility for handling the complaints lie with HOD (MKT). Managing Director is responsible for taking Complaint settling with Complainant Analysis Report on investigation. When complaints are received the yarn, Fabric is sent to the concerned department for investigating the issue raised. Also, MD is informed via email/telephone. If the complaint is in respect of quality, it is referred to HOD (QAD). All the complaints are examined, and the cause of complaint is analyzed. Considering the seriousness & nature of complaint, arrange visit to the complainant to evaluate the nature & gravity of problem being faced. HOD (MKT) may also accompany, if required discuss and the report is sent to MD. Corrective actions are taken to avoid such type of problem. Periodically the effectiveness of the corrective actions taken are reviewed. Customer feedback is taken after sales. We have consistently achieved 100% customer satisfaction in our customer satisfaction index.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

The Company complies with disclosure requirements as per local laws. In addition, some other details are also displayed as per customers' requests and/or facilitate handling/transportation. The yarn is sold to customers, who make final products which consumer uses. We provide all the details to our customers in product details.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

3. Number of consumer complaints in respect of the following:

The company is committed to creating products and solutions that exceed customer expectations and enhance the level of business profitability. We consistently strive forth to ensure higher customer satisfaction through our efforts in production innovation, R&D activities and ensuring enhanced lifecycle of the product.

	FY 2023-24			FY 2022-23		
	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber Security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	3	-	-

4. Details of instances of product recalls on account of safety issues:

No Product recall was done during FY 2023-24

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the company has a Cybersecurity and a Data Privacy policy, which is available on the company intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable as no regulatory action has ever been done regarding advertising, essential services, cybersecurity, data privacy or product recalls.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

c. Impact, if any, of the data breaches

Not Applicable

For and on Behalf of the Board of Directors

Place : Hamirgarh, Bhilwara

Date : 22nd July, 2024

Dinesh Nolkha

Managing Director

(DIN – 00054658)

Nitin Nolkha

Joint Managing Director

(DIN – 00054707)

Registered Office :

16-17 KM Stone, Chittor Road,
Hamirgarh, Bhilwara - 311025

Form No. MR-3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED March 31, 2024**

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

To,
The Members,
Nitin Spinners Limited
16-17 K. M. Stone, Chittor Road, Hamirgarh
Bhilwara – 311001 (Rajasthan)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nitin Spinners Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

Form No. MR-3

SECRETARIAL AUDIT REPORT (Contd..)

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Further, the Company has also maintained Structured Digital Database (“SDD”) in compliance with Regulation 3(5) and 3(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Place: Jaipur
Date: May 09, 2024
UDIN: F003355F000336314

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.

Majority decision is carried through while the dissenting members’ views, if any, are captured and recorded as part of the minutes.

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.

We further report that during the audit period the company has not undertaken any event/action having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

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

Annexure A

To,
The Members,
Nitin Spinners Limited
16-17 K. M. Stone, Chittor Road, Hamirgarh
Bhilwara – 311001 (Rajasthan)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Jaipur
Date: May 09, 2024
UDIN: F003355F000336314

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

Secretarial Compliance Report of Nitin Spinners Limited

For the year ended March 31, 2024

We **M/s V. M. & Associates, Company Secretaries** have examined:

- (a) all the documents and records made available to us and explanation provided by **Nitin Spinners Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2024 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations");
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the listed entity during the Review Period**);

(c) We hereby report that, during the Review Period the compliance status of the listed entity with the following requirements:

- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the listed entity during the Review Period**);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not applicable to the listed entity during the Review Period**);
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the listed entity during the Review Period**);
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder:
- (b) The listed entity has taken the following actions to comply with the observations made in previous reports: **Not Applicable, as there being no observation in previous reports:**

Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	---
2.	Adoption and timely updation of the Policies: (a) All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities; (b) All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.	Yes	---

Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks by PCS
3.	Maintenance and disclosures on Website: (a) The Listed entity is maintaining a functional website; (b) Timely dissemination of the documents/ information under a separate section on the website; (c) Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes	---
4.	Disqualification of Director: None of the Directors of the listed entity are disqualified under Section 164 of Companies Act, 2013.	Yes	---
5.	Details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies; (b) Requirements with respect to disclosure of material as well as other subsidiaries.	NA	The Listed Entity does not have any subsidiary
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under the LODR Regulations.	Yes	---
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	---
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee.	Yes	---
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of the LODR Regulations within the time limits prescribed thereunder.	Yes	---
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	---
11.	Actions taken by SEBI or Stock Exchange(s), if any: No actions taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	NA	There was no action taken either by SEBI or Stock Exchanges

Sr. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks by PCS
12.	<p>Resignation of statutory auditors from the listed entity or its material subsidiaries:</p> <p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.</p>	NA	<p>There was no resignation of statutory auditors in the Listed entity during the review period. Further the Listed Entity does not have any material subsidiary.</p>
13.	<p>No additional non-compliances observed:</p> <p>No additional non-compliance observed for any of the SEBI regulation/ circular/ guidance note etc. except as reported above</p>	NA	<p>There was no non-compliance observed in the listed entity</p>

Place: Jaipur
Date: May 09, 2024
UDIN: F003355F000336325

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Nitin Spinners Limited
16-17 K. M. Stone, Chittor Road, Hamirgarh
Bhilwara – 311001 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nitin Spinners Limited** having **CIN: L17111RJ1992PLC006987** and having registered office at **16-17 K. M. Stone, Chittor Road, Hamirgarh, Bhilwara – 311001 (Rajasthan)** (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10 sub clause (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN
1.	Mr. Dinesh Nolkha	00054658
2.	Mr. Nitin Nolakha	00054707
3.	Ms. Aditi Mehta	06917890
4.	Mr. Rabisankar Chattopadhyay	06928729
5.	Mr. Rohit Swadheen Mehta	09449679
6.	Mr. Rishabh Chand Lodha	07177605
7.	Mr. Ratan Lal Nolkha (Ceased on 12.08.2023)	00060746

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Place: Jaipur
Date: May 09, 2024
UDIN: F003355F000336292

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 5447 / 2024

CS Manoj Maheshwari
Partner
Membership No.: FCS 3355
C P No.: 1971

Management Discussion and Analysis

Global economy

The global economy demonstrated remarkable resilience in the year 2023, navigating geopolitical conflicts, energy and food price volatility and rising inflation. By the conclusion of 2023, global growth rebounded to 3.2 percent following a period of decline in late 2022 despite of disruptions due to Israel/ Hamas conflict.

Outlook

2024, the global economy is anticipated to grow steadily and the inflation rate is expected to decline consistently. The manufacturing sector experienced robust growth, expanding at double-digit growth rates, driven by sustained corporate profitability and declining input costs. Despite ongoing challenges in global trade and investment, major central banks are preparing to ease monetary policy. As central banks adopt a less restrictive approach, there's a renewed emphasis on implementing medium-term fiscal consolidation. This entails prioritising investments, rebuilding fiscal space and ensuring debt sustainability. Balancing near-term economic stabilisation with long-term fiscal prudence will be crucial for sustaining economic resilience and fostering inclusive growth globally.

Indian economy

During the fiscal year 2023-24, India achieved an impressive growth rate of about 8.2%, the highest among major global economies, surpassing the previous year's 7% despite the global headwinds. This robust performance was driven by strong fiscal management, including a significant rise in capital expenditure from ₹10.5 lakh crore in FY23 to ₹12.7 lakh crore in FY24. India's economic resilience amid global challenges is indeed notable. The emphasis on bolstering domestic consumption and reducing dependence on global demand has proven effective in sustaining growth momentum. Investments in infrastructure, logistics and industrial corridors are pivotal for enhancing competitiveness and fostering long-term growth.

The government's strategy of increasing capital expenditure while aiming for a lower fiscal deficit reflects a balanced approach to stimulating demand without compromising fiscal sustainability.

Outlook

Despite the prevailing geopolitical challenges in Europe and West Asia, the future outlook demonstrates cautious optimism, with the anticipated easing of inflationary pressures and expectations of more accommodative monetary policy measures conducted by Central Banks. Global trade volume (goods and services) is projected to grow modestly by 3% in FY 2024 and 3.3% in FY 2025, respectively. The collective policy responses of governments and the resilience of economies worldwide will be instrumental in shaping a sustainable and inclusive growth trajectory in the months ahead.

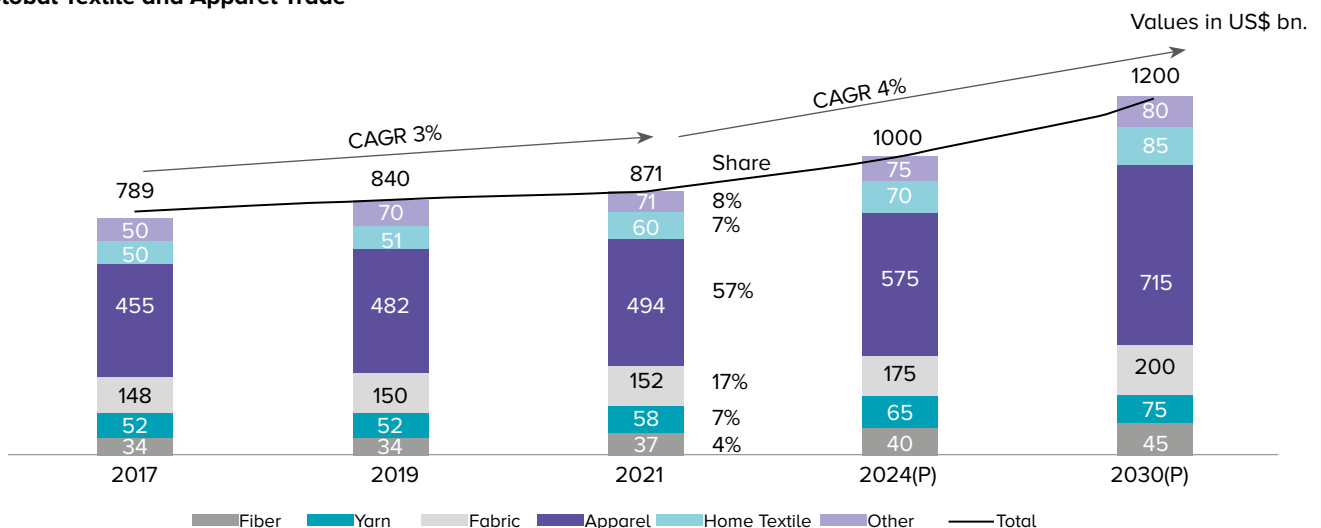
Certain factors poised to sustain growth in the upcoming fiscal period as well. The persistent decline in inflation will bolster consumers' purchasing power. This assumption relies on a typical monsoon season in 2024, which could elevate agricultural growth from a low starting point. Moreover, a gradual increase in private sector capital expenditure will foster a more widespread investment growth.

Industry overview

Global textile and apparel Industry and Outlook

The present global T&A market value is US \$910bn and recorded a steady CAGR of 3% from 2017 - 2022, a testament to its enduring significance in the global economy. Looking ahead, the industry shows no signs of slowing down, as it is poised to accelerate with a projected CAGR of 4% in the coming years. This promising growth trajectory underscores the industry's ability to adapt with the evolving global trade dynamics.

Global Textile and Apparel Trade



Management Discussion and Analysis (Contd..)

Indian textile and apparel Industry and Outlook

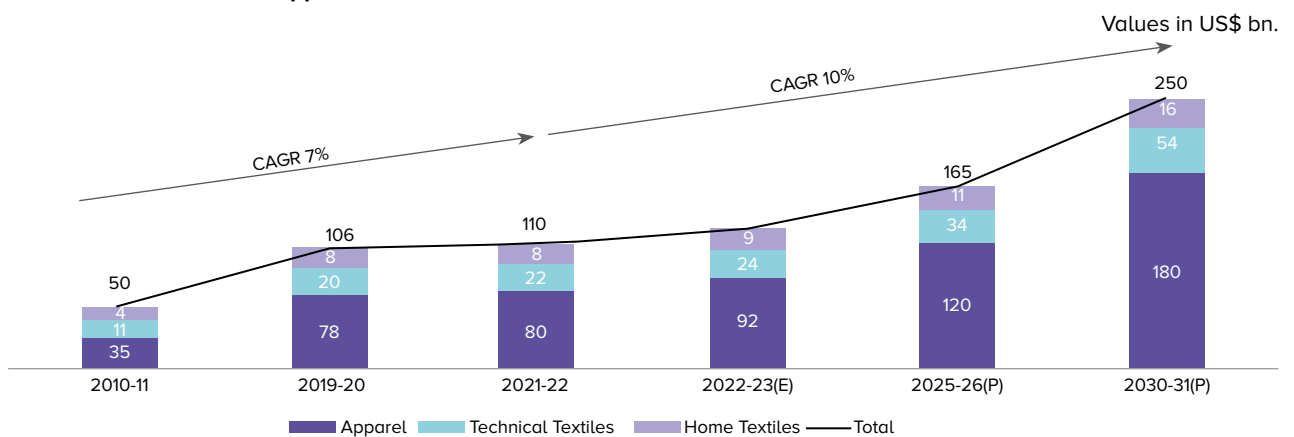
As one of the largest textile industries in the world, the Indian textile industry contributes approximately 2.3% to the country's GDP, 13% to industrial production and 12% to total exports earnings.

India's share of trade in the global textiles and apparel sector is 4%. India is one of the largest producers of cotton and jute in the

world, as well as the 2nd largest producer of silk. Overall, 95% of the world's hand-woven fabric comes from India.

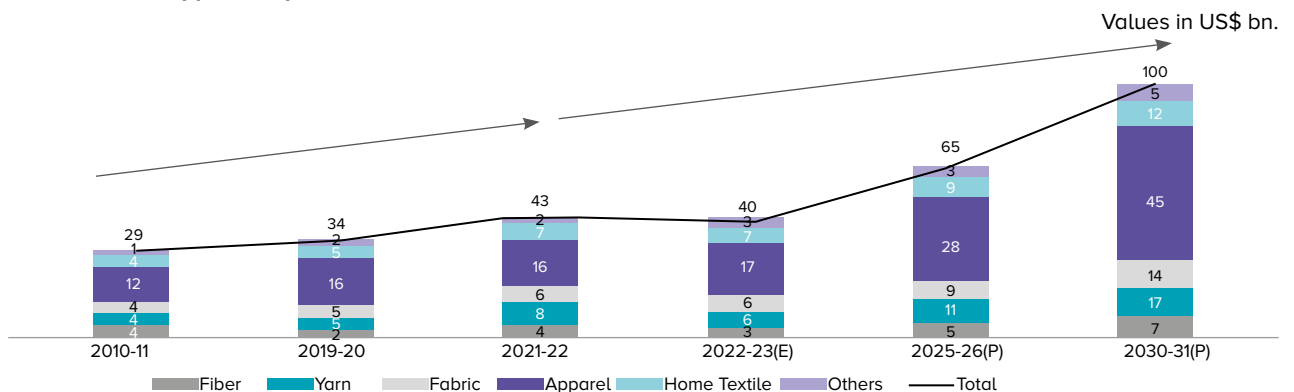
The Indian Domestic T&A market has grown from US\$ 50 bn in 2010-11 to US\$ 110 bn in 2021-22, registering a growth of 7%, and The market is further expected to grow at 10% CAGR from 2021-22 to reach US\$ 250 bn by 2030-31, and is a mainstay in the Government target for \$5 trillion Economy.

India's Domestic Textile and Apparel Market



India is the world's 3rd largest exporter of Textiles and Apparel. India's T&A exports have grown with a CAGR of 4% since 2010-11 to reach US\$ 43 bn in 2021-22. The exports are expected to grow at a CAGR of 10% from 2021-22 to reach US\$ 100 bn. in 2030-31.

India's Textile and Apparel Export



India's textiles and apparel industry has various strengths across the value chain such as from fibre to yarn to fabric to apparel. The country has also witnessed a strong trade in technical textile. India has been a net exporter of such apparel. Various Government Initiatives like The Production Linked Incentive PM-MITRA scheme for Textiles parks, which have been designed to create world-class infrastructure for textile production and Other schemes like SAMARTH, aims at skill development in the textile sector, implementation of RODTEP for reimbursing duties and taxes on exports will help make prices of Indian Textiles at

par with Global prices and provide a boost for growth of Textiles Industry in India,

Indian cotton textiles industry

Cotton Textiles is a major sub-sector within the Textiles Industry in India, it contributes significantly to India's exports and employs millions of people. India is the world's largest producer of cotton. For the cotton year 2023-24, the agriculture ministry projected cotton output at 31.6 million bales. After high volatility in cotton

Management Discussion and Analysis (Contd..)

prices in previous year, the prices stabilised during the year and are at reasonable parity with International prices, which has helped in increasing export competitiveness.

The Indian cotton textile industry is one of the leading exporters in the global textile export market. During fiscal year 2023-24, cotton textiles exports from India grew by 7.34%, from 10.90 billion USD to 11.7 billion USD.

Opportunities

Sourcing shifts

With the ever-changing global geo-political scenario global buyers want to de-risk their sourcing strategy and reduce their dependence on China, which has been the most dominant supplier of textiles and apparel over the years. India stands to gain from this shift and there is a huge opportunity for India to have foot in the door of global buyers and make the most out of this opportunity. Attracting foreign direct investments (FDI) to enhance the value chain and infrastructure will be pivotal in capitalizing on this window.

Sustainable manufacturing

As the world undergoes a transformative shift towards sustainable and innovative materials, India has a golden opportunity to emerge as a key player in these sectors with increase in using organic and recycled materials, water and energy conservation and increased use of renewable energy.

Technological advancements

The textile sector has experienced a significant amount of investment in technology and automation. Productivity can be enhanced by automation, reduced cost and consistent quality. Advanced technologies like AI and machine learning can be introduced for better production planning, inventory management and predictive maintenance.

The recent years have witnessed rapid advancements in digital textile technologies. Advances in digital printing, fabric weaving and other processes have enabled the production of a wide range of fabrics with greater accuracy, consistency and cost efficiency than ever before.

Digital printing has also allowed more vibrant and accurate colours to be printed onto fabrics, and inkjet printing has made production of printed fabrics faster.

Free Trade Agreements (FTAs)

Recent FTAs signed with countries like Australia, and the UAE can be leveraged to boost exports. The potential for new FTAs with the UK, Canada, and the European Union holds the promise of further expanding India's reach in international markets. While it may be a challenge to establish these FTAs, these will benefit Indian textile and apparel exports as and when they are finalized.

Scope of Self-employment Opportunities

The textile industry offers vast Self-employment opportunities. There is something for everyone, from designing and producing unique clothing to creating custom blankets and upholstery.

The rise of e-commerce

The rise of e-commerce has created new opportunities for the textile industry. E-commerce allows textile manufacturers to reach a wider audience and sell their products directly to consumers.

Threats

Global Competition

The textile industry in India faces heavy competition from other South East Asian countries such as China, Bangladesh, Vietnam and Indonesia. Lower labour and production costs in these countries make them more cost-effective for buyers. Also competition from synthetic fibres is fierce, as they are cheaper, easy to maintain and more durable.

Uncertainty of prices and availability of Cotton

Indian Cotton Textiles may lose competitiveness and advantage in the Global trade, if the cotton crop is substantially reduced, and if Indian cotton prices are higher than International cotton.

Paucity of Quality Raw Materials

India faces a unique challenge when it comes to cotton production per Hectare. While India contributes more than 25% of the total cotton production area in the world, the annual production is only around 8% of the global value.

Company overview

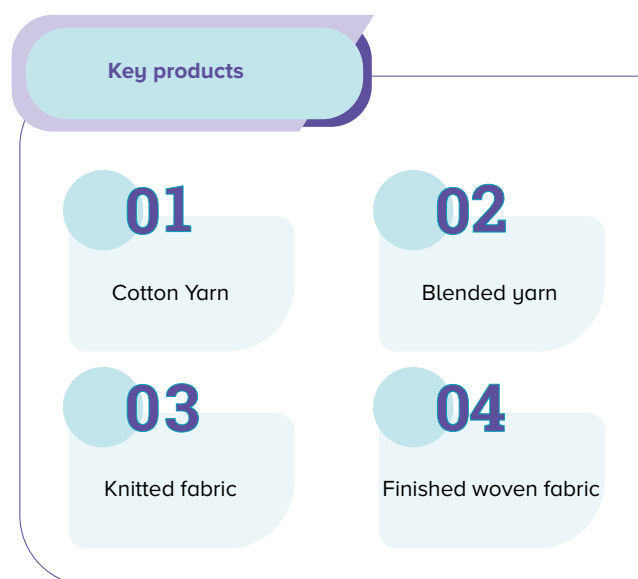
Established in 1992 in Bhilwara, Rajasthan, Nitin Spinners has emerged as a prominent player in India's textile industry. Starting with 385 rotors and an investment of INR 3 crore, the Company has significantly expanded its operations. As of today, the Company stands out as one of the leading manufacturers of cotton yarn, knitted fabric as well as finished woven fabric. Its product portfolio has diversified to include knitted textiles, completed woven fabrics, blended yarns, open-end yarns and ring-spun yarns. This reflects its growth and adaptability in the market.

The Company has devised strategies, positioning its manufacturing facilities in close proximity to the regions from which it sources raw materials. Due to its positioning near key markets and ports ensures efficient logistics.

Additionally, the Company constantly invests in cutting-edge technology and focuses on continuous product development, innovation and value addition. It is dedicated to maintaining consistent product quality and prioritises customer satisfaction by ensuring prompt delivery of products.

Management Discussion and Analysis (Contd..)

50+	434832
Countries Global presence	Spindles
5864	264
Rotors	Airjet Spinning Positions
222	77
Airjet Weaving Machines	Circular Knitting Machines



Financial and product wise performance

(₹ in crores)

Particulars	2023-24	2022-23
Revenue from operations	2905.65	2406.71
Other Income	2.25	3.31
Total income	2907.90	2410.02
Earnings before interest, tax and Depreciation & Amortization	379.30	300.37
Profit for the year	131.52	164.81
EPS (Basic) (in INR)	23.39	29.32

For financial and product-wise performance concerning operational performance, please refer to the 'Financial Results' and 'Operational Performance' section of the Board's Report.

Key financial ratios

Particulars	2023-24	2022-23	%change	Reason to change
Inventory turnover	5.50	5.36	3%	Marginally Improved due to higher sales
Interest coverage ratio	4.55	7.97	-43%	Reduced due to higher Interest of new Capex
Current ratio	1.54	1.5	3%	Improved marginally
Long Term Debt equity ratio	0.83	0.65	28%	Increased due to new loans for capex
Debtors turnover	10.68	10.39	3%	Marginally Improved
Operating profit margin	13.04%	12.46%	5%	Improved due to better capacity utilisation
Net profit margin	4.53%	6.85%	-34%	Reduced due to higher Tax
Return on Avg net worth	12.09%	17.31%	-30%	Reduced due to lower PAT
Earnings per share	23.39	29.32	-20%	Reduced due to lower PAT

Management Discussion and Analysis (Contd..)

Risks and concerns

Risk management is an important part of the governance system. It contributes to the achievement of strategic objectives and protects the value, assets and reputation of the organisation. Below are some risks identified by Nitin Spinners along with their corresponding mitigation strategies:

Risk	Impact	Mitigation
Competition risk	Heightened competition poses a potential risk to return on invested capital, market share, and margin profile.	The Company mitigates risks through a focus on value addition, quality, customer service, a wide product portfolio, and cost and production efficiencies.
Foreign currency exchange rate risk	Indian Rupee might reduce income given that exports account for [59] % of total revenue.	The company follows a forex hedging policy to avoid any losses due to adverse currency fluctuations
Raw material price Inflation risk	A rise in cotton prices might have a negative effect on the Company's profitability	The company continuous monitors prices of cotton prices and adheres to a consistent stocking policy to avoid speculation and hedge against sharp price movements.
Reputation risk	Late payments to lenders or suppliers or the delivery of subpar products might erode consumer confidence in its integrity and could have a detrimental impact on business success.	The company continuously makes conscious efforts to meet all stakeholder expectations and maintains strict quality control procedures.
Customer concentration risk	If one significant client fails, any concentration of customers may lead to revenue loss.	The company continuously strives to acquire new customers across various geographical regions to diversify its customer base.

Management Discussion and Analysis (Contd..)

Environment and safety

Nitin Spinners ensures that its operations are environmentally sustainable and safe. It focuses on Energy conservation through use of Renewable Energy, water conservation through recycling of water and use of sustainable fibres. All initiatives taken by the Company focuses on the well-being of all the stake holders. The Company adheres to statutory and industrial environmental protection requirements and strives to conserve natural resources wherever feasible.

Moreover, the Company has been accredited by Intertek for its OHSAS 18001:2007 management system. This demonstrates its commitment to occupational health and safety standards.

Human resources

Human resources are one of the most important assets for a company's success. To attract, retain and develop its talent pool, the Company consistently identifies potential, provides training opportunities and recognises performance.

The Company puts high priority on employee safety and well-being. Furthermore, Nitin Spinners puts utmost importance to eradicating workplace discrimination including gender, age, ethnicity, political affiliation and religion. The Company also places special care and emphasis on professional and gender equality, as well as the inclusion of individuals with disabilities. Additionally, the Company has been certified by BSI with S.A. 8000:2014 accreditation, reflecting its adherence to the Social Accountability System. The company has total employee strength of 7390, as of 31st March 2024.

Internal control and their adequacy

Nitin Spinners maintains effective internal control systems, which are consistently enhanced and adjusted to adapt to evolving business landscapes, as well as statutory and accounting standards. The Company possesses a strong Management Information System, which plays a vital role within this control framework. The Audit Committee of the Board of Directors regularly evaluates the efficiency and efficacy of these internal control systems, offering recommendations for enhancement and reinforcement where necessary. During the past year, the internal control system underwent testing, revealing no significant flaws in either design or implementation.

Segment wise performance

The Company operates in a single segment of textile

Cautionary statement

The passages found in the Management Discussion and Analysis, which outline the Company's goals, forecasts, assessments, anticipations, or forecasts, might qualify as 'forward-looking statements' according to relevant laws and regulations. Actual outcomes might significantly deviate from what is either directly stated or indirectly implied. Key determinants that could impact the Company's activities encompass the availability and costs of raw materials, fluctuating demand and pricing trends in the Company's main markets, alterations in governmental regulations and tax structures, economic shifts within India and the nations where the Company operates, along with other ancillary factors.

For and on Behalf of the Board of Directors

Place : Hamirgarh, Bhilwara
Date : 22nd July, 2024

Registered Office :

16-17 KM Stone, Chittor Road,
Hamirgarh, Bhilwara - 311025

Dinesh Nolkha
Managing Director
(DIN – 00054658)

Nitin Nolkha
Joint Managing Director
(DIN – 00054707)

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of high level of transparency, accountability and integrity in all its facets.

The Company has consistently practiced good Corporate Governance norms for the efficient conduct of its business and its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates. The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit. The Company believes that it shall go beyond adherence of regulatory frameworks in disclosing material information to the stakeholders. We believe that Corporate Governance is a journey to constantly improving sustainable value creation. The Board of Directors of the Company plays a central role in the good Corporate Governance by building up strong principles and values on which the Company operates.

2. BOARD OF DIRECTORS

Composition, Category and Attendance at Meetings

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management, legal and marketing fields. The Company has a balanced

mix of Executive and Non-Executive Directors. The Board comprises of six Directors including one Woman Director and composition of Board of Directors of the Company is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein- after referred as "Listing Regulations") and applicable provisions of the Companies Act, 2013 (herein- after referred as "the Act"). The Company has two Promoter Executive Directors and Four Non-Executive Independent Directors. The Company has more than 50% Non-Executive Directors and it does not have regular appointed Chairperson and the numbers of Independent Directors are more than 50% of the total number of Directors. The Independent Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberation and decisions of the Board.

Number of Board Meetings

During the financial year 2023-24, four meetings of the Board of Directors were held on 06.05.2023, 05.08.2023, 09.11.2023 and 29.01.2024. The frequency and intervening gap between the meetings was within the period prescribed under the Listing Regulations and Secretarial Standards-1 issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors. The frequency of the meetings is enough for the Board to undertake its duties effectively.

The 31st Annual General Meeting of the Company was held on 18.09.2023.

The Composition of the Board of Directors, attendance at Board & previous Annual General Meeting, number of other Directorship, Committee Membership and Chairmanship are as under:-

Name of Directors	Category of Directorship	Board Meetings attended out of 4 Meetings	Attendance at last AGM held on 18.09.2023	Directorship in other Listed Companies	No. of other Committees in which Member or Chairperson	
					Chairman	Member
Sh. Ratan Lal Nolkha (DIN: 00060746) (upto 12.08.2023)	Promoter Non-Executive	1	NA	Nil	Nil	Nil
Sh. Dinesh Nolkha (DIN: 00054658)	Promoter Executive	4	Yes	Nil	Nil	Nil
Sh. Nitin Nolkha (DIN: 00054707)	Promoter Executive	4	Yes	Nil	Nil	Nil
Smt. Aditi Mehta (DIN: 06917890)	Independent Non-Executive	3	Yes	Nil	Nil	Nil
Dr. Rabisankar Chattopadhyay (DIN: 06928729)	Independent Non-Executive	4	Yes	Nil	Nil	Nil
Sh. Rishabh Chand Lodha (DIN: 07177605) (w.e.f. 09.11.2023)	Independent Non-Executive	2	No	Nil	Nil	Nil
Sh. Rohit Swadheen Mehta (DIN: 09449679)	Independent Non-Executive	4	Yes	Nil	Nil	Nil

Corporate Governance Report (Contd..)

None of the Directors of the Board serve as Members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per requirements of the Regulation 26(1) of the Listing Regulations. As required under Regulation 17A of the Listing Regulations none of the Independent Directors serves as an Independent Director in more than seven listed companies and none of the Independent Director of the Company is Whole Time Director in any other Listed Company. None of the Director is a Director in any listed entity other than Nitin Spinners Limited except Sh. Rishabh Chand Lodha, who has been appointed Independent Non-Executive Director on the Board of Swadeshi Polytex Ltd. w.e.f. 01.04.2024 and Star Paper Mills Ltd. w.e.f. 24.05.2024. The details of shareholding of Non-Executive Directors in the Company as on 31.03.2024 are as under :-

Sr. No.	Name of Non-Executive Director	Shareholding as on 31.03.2024
1.	Dr. Rabisankar Chattopadhyay	99 Shares
2.	Sh. Rohit Swadheen Mehta	22,000 Shares

No convertible instrument has been issued by the Company. None of the Directors and Key Managerial Personnel (KMP) are related to each other except two Promoter Directors i.e. Sh. Dinesh Nolkha & Sh. Nitin Nolkha who are brothers.

All the Independent Directors have given declaration that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, the independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Independent Directors have included their names in Independent Director's data bank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and also completed the online proficiency test conducted by the Indian Institute of Corporate Affairs, wherever required. It is hereby confirmed that in the opinion of Board, the Independent Directors fulfill the conditions specified under the Listing Regulations and Companies Act, 2013 and they are independent of Management. No Independent Director has resigned during the year.

The table below summarizes the key attributes and skills matrix, identified by the Board of Directors, as required in the context of business of the Company and the name of Directors who have such skills / expertise / competence :-

S. No.	Name of Directors	Skills / Expertise / Competence					
		Finance	Legal	Management	Technical Operations	Marketing / Sales	Administration
1.	Sh. Ratan Lal Nolkha, Chairman (upto 12.08.2023)	✓	✓	✓			✓
2.	Sh. Dinesh Nolkha, Managing Director	✓	✓	✓	✓	✓	✓
3.	Sh. Nitin Nolkha, Jt. Managing Director	✓		✓	✓	✓	✓
4.	Smt. Aditi Mehta, Independent Director	✓	✓	✓			✓
5.	Dr. Rabisankar Chattopadhyay, Independent Director	✓		✓	✓		✓
6.	Sh. Rishabh Chand Lodha, Independent Director (w.e.f. 09.11.2023)	✓	✓	✓			✓
7.	Sh. Rohit Swadheen Mehta, Independent Director	✓	✓	✓			✓

Corporate Governance Report (Contd..)

Board Meeting Procedure

The Company's Board Meetings are governed by a structured agenda. The Board Meetings are generally scheduled well in advance and the notice of each board meeting is given in writing to each Director. The Board Meeting may be convened on short notice, with the consent and presence of Independent Directors, for urgent matters. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. The Board papers, comprising the agenda and detailed notes on each agenda are circulated well in advance before the meeting of the Board.

All statutory, significant and other material information as specified in Part A of Schedule-II under the regulation 17(7) of the Listing Regulations are regularly made available to the Board, wherever applicable. The Board also reviews periodically the compliances of laws applicable on the Company.

Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory regulatory requirements, major accounting provisions etc. are considered by the Board.

3. AUDIT COMMITTEE

Your Company has an Audit Committee constituted by the Board of Directors which acts as a link between the management, auditors and the Board and oversees the financial reporting process.

Brief Description of terms of reference

The terms of reference of the Audit Committee are aligned with the guidelines set out in the Regulation 18 read with Part C of schedule II of the Listing Regulations and also with the provisions of Section 177 of the Companies Act, 2013. The terms of reference broadly includes approval of annual Internal Audit Plan, review of financial reporting processes, auditors' report, internal control, risk management system, Internal Financial Control and its adequacy, functioning of whistle blower mechanism and governance processes, discussions and approval of quarterly, half yearly and annual financial statements/results, recommendation for appointment, remuneration and terms of appointment of auditors, monitor related party transactions, uses and application of funds raised through issues, review of Auditors' Independence and performance and effectiveness of Audit process, appointment of CFO etc.

Composition

The composition of the Audit committee meets the requirements of section 177 of the Companies Act, 2013

and Regulation 18 of the Listing Regulations. Presently, it comprises Sh. Rohit Swadheen Mehta, Smt. Aditi Mehta and Dr. Rabisankar Chattopadhyay. All the members of the committee are non-executive and independent Directors. Sh. Rohit Swadheen Mehta, Chairman of the Committee possesses high degree of accounting and financial management expertise and all other members of the committee are financially literate and have experience and sound accounting and financial knowledge. Sh. Rohit Swadheen Mehta, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 18th September, 2023.

Meetings and Attendance

The committee met four times during the financial year 2023-24. The dates on which Audit Committee Meetings were held are 06.05.2023, 05.08.2023, 09.11.2023 and 29.01.2024. The number of meetings attended by each committee member during the year was as under:-

Name of Member	No. of Meetings attended
Sh. Rohit Swadheen Mehta	4
Smt. Aditi Mehta, Member	3
Dr. Rabisankar Chattopadhyay, Member	4

The Managing Director, CFO as well as the representatives of the auditors are permanent invitees to the meeting. The Company Secretary acts as secretary to the audit committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

Your Company has Nomination and Remuneration Committee constituted by the Board of Directors to oversee appointment, remuneration and performance evaluation of Directors, Key Managerial Personnel (KMP) & Senior Management Personnel (SMP).

Brief Description of terms of reference

The terms of reference of Nomination and Remuneration Committee are aligned with the guidelines set out in the Regulation 19 read with Part D of Schedule II of the Listing Regulations and also with the provisions of Section 178 of the Companies Act, 2013 which broadly includes formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and senior management personnel; formulation of criteria for evaluation of performance of the Directors, Committees and the Board of Directors and devising a policy on Board diversity; Identifying persons who are qualified to become directors and who may be appointed

Corporate Governance Report (Contd.)

in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Decision about extension or continuation of term of Directors including Independent Directors on the basis of report of performance evaluation and to recommend to the Board, all remuneration in whatever form, payable to senior management.

Composition

Presently, the Committee constitutes Sh. Rohit Swadheen Mehta, Smt. Aditi Mehta, Dr. Rabisankar Chattopadhyay, Non-Executive & Independent Directors. Sh. Rohit Swadheen Mehta is Chairman of the Committee. The composition of the Nomination and Remuneration Committee meets the requirements of section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Sh. Rohit Swadheen Mehta, Chairman of the Committee was present at the last Annual General Meeting of the Company held on 18th September, 2023.

Meetings and Attendance

During the financial year 2023-24 two meetings of the Committee were held on 06.05.2023 and 05.08.2023. The number of meetings attended by each committee member during the year was as under:-

Name of Member	No. of Meetings attended
Sh. Rohit Swadheen Mehta Chairman	2
Smt. Aditi Mehta, Member	2
Dr. Rabisankar Chattopadhyay, Member	2
Sh. Ratan Lal Nolkha, Member (upto 12.08.2023)	Nil

Performance Evaluations:-

Pursuant to the Section 178 of the Act and the Listing Regulations, the Nomination and Remuneration Committee has specified the manner and the criteria for performance evaluation of the Board as a whole, its Committees and

Individual Directors (including Independent Director). The indicative criteria on which evaluation was carried out was broadly based on the Guidance Note on Board Evaluation issued by SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and includes, Board structure and composition, Effectiveness of Board processes, information and functioning, Attendance (captured from records of meetings), Contribution, Guidance/ support to management / Committee meetings, Quality of relationship of the committee with the Board and the management, Sustainability, Board culture and dynamics etc.

Further, at the Board meeting that followed the meeting of Nomination and Remuneration Committee, the performance evaluation of the Board as a whole, its Committees, and individual Directors was discussed. The performance evaluation of the Independent Directors was also carried out by the entire Board (excluding the director being evaluated). The overall performance evaluation exercise was completed to the satisfaction of the Board.

The Independent Directors in their separate meeting have reviewed the performance of non-independent Directors, Chairperson and Board as a whole.

The detailed Policy inter-alia including criteria for performance evaluation is available under web link <https://nitinspinners.com/wp-content/uploads/2024/02/Nomination-Remuneration-and-Evaluation-Policy.pdf>. There is no change in the policy during the year.

Remuneration of Directors

Non-Executive Independent Directors are paid only sitting fees for attending the Board and Committee meetings and Promoter Directors are paid Salary, Commission and Perquisites subject to the overall ceilings imposed by the Companies Act, 2013 and other applicable statutes.

The appointment and remuneration of Promoter Executive Directors are governed as per terms and conditions approved by the Board of Directors and Shareholders on the recommendation of Nomination and Remuneration Committee.

Details of Remuneration paid to Promoter Executive Directors

(₹ in lakhs)

S. No.	Name of Directors	Category of Directors	Basic Salary	Contribution to P.F.	Commission	Others	Total
1.	Sh. Dinesh Nolkha	Promoter & Executive Director	57.00	6.84	182.275	1.785	247.90
2.	Sh. Nitin Nolkha	Promoter & Executive Director	45.00	5.40	182.275	1.785	234.46

Corporate Governance Report (Contd..)

Performance linked incentive & Criteria – Commission based on profit of the Company.

Service contract, notice period, severance fee - The employment of Executive Directors shall terminate automatically in the event of his ceasing to be a Director of the Company in the General Meeting and/or in the event of their resignation as a Director of the Company. No severance fee is payable to Executive Directors. As per the terms of the policy on appointments of the Company the notice period is for three months.

Stock option to Executive Directors - Nil

Non-Executive Directors do not draw any remuneration except sitting fee of ₹ 50,000/- for attending every Board Meeting and ₹ 25,000/- for attending every Committee Meeting. Total sitting fee of ₹ 12,75,000/- was paid during the financial year 2023-24. The details of remuneration paid to Non-Executive Directors during the financial year 2023-24 are as under:-

Details of Sitting Fee paid to Non-Executive Directors

S. No.	Name of Director	Category of Directors	Sitting Fee (Amt. In lakhs)
1.	Sh. Ratan Lal Nolkha (upto 12.08.2023)	Promoter Non-Executive Director	0.50
2.	Smt. Aditi Mehta	Independent Director Non-Executive	3.25
3.	Dr. Rabisankar Chattopadhyay	Independent Director Non-Executive	4.00
4.	Sh. Rishabh Chand Lodha (w.e.f. 09.11.2023)	Independent Director Non-Executive	1.00
5.	Sh. Rohit Swadheen Mehta	Independent Director Non-Executive	4.00

The Company has no pecuniary relationship or transactions with its Non-Executive Independent Directors other than payment of sitting fees to them for attending Board and Committee meetings. Dr. Rabisankar Chattopadhyay is holding 99 and Sh. Rohit Swadheen Mehta is holding 22000 Equity Shares of the Company; except them no Independent & Non-Executive Directors are holding any share in the Company and no stock option, convertible instrument have been issued by the Company.

The Company has not advanced any loan to any Director during the Financial Year 2023-24.

In pursuant to provisions of Listing Regulations, the Company has taken Directors' and Officers (D & O) Liability Insurance to protect its Directors/officers personal liability for financial losses that may arise out of their unintentional wrongful acts.

5. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of the Listing Regulations, the Board of the Company constituted Risk Management Committee to monitor risk associated to the Company.

Broad Terms of reference

The terms of reference of the Committee are aligned with the guidelines set out in the Regulation 21 read with Part D-C of schedule II of the Listing Regulations which broadly includes formulation and review of detailed risk

management policy, design methodology, processes and systems to monitor and evaluate risks associated with the business of the Company, monitor and oversee implementation of the risk management policy.

Composition

The committee comprises of Sh. Dinesh Nolkha, Managing Director, Dr. Rabisankar Chattopadhyay, Independent Director, Sh. Purushottam Maheshwari, CFO of the Company as Members with Sh. Dinesh Nolkha as Chairman of the Committee. The Committee was re-constituted on 29.01.2024 by inducting Sh. Rishabh Chand Lodha, Independent Director.

Meeting and Attendance

The Committee meets as and when required and during the financial year 2023-24, two meetings of the Committee were held on 06.05.2023 and 30.10.2023.

Name of Member	No. of Meetings attended
Sh. Dinesh Nolkha, Chairman	2
Dr. Rabisankar Chattopadhyay, Member	1
Sh. Purushottam Maheshwari, Member	2
Sh. Rishabh Chand Lodha (w.e.f. 29.01.2024)	Nil

Corporate Governance Report (Contd..)

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Your company has Stakeholders Relationship Committee constituted by the Board of Directors to oversee the services provided to the Investors of the Company.

Broad Terms of reference

The terms of reference of Stakeholders Relationship Committee are in line with the provisions of regulation 20 read with Part D of Schedule II of the Listing Regulations and also with the provisions of Section 178 of the Companies Act, 2013 which broadly includes the following:-

The committee considers and approves various requests for transmission, sub-division, consolidation, renewal, exchange, issue of new certificates in replacement of old ones, Dematerialization/Rematerialization of Shares, non-receipt of declared Dividend, Annual Reports and to redress the grievances of the investors as may be received from time to time. The Committee evaluate performance

and service standards of the Registrar and Share Transfer Agent of the Company; Provide guidance and make recommendations to improve investor service levels for the investors; Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends; Review of adherence to the service standards adopted by the Company; Review of measures taken for effective exercise of voting rights by shareholders.

The Secretarial Department of the Company and Registrar & Transfer Agent, Bigshare Services Private Ltd., Mumbai attend all the Grievance of the Shareholders and Investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, SCORES etc.

No Stakeholders' Grievance remained un-attended/pending for more than 15 days. There was no complaint pending disposal as on the March 31, 2024. No request for dematerialization of Equity Shares of the Company was pending for approval as at the 31st March, 2024.

Composition

The composition of Stakeholders Relationship Committee is as under:

S. No.	Name of the Director	Designation	Nature of Directorship
1	Sh. Rabisankar Chattopadhyay	Chairman	Non-Executive Independent
2.	Sh. Dinesh Nolkha	Member	Promoter & Executive
3.	Sh. Nitin Nolakha	Member	Promoter & Executive

Meeting and Attendance

The Committee meets as and when required and during the financial year 2023-24, one meeting of the Committee was held on 09.11.2023 and same was attended by all the members of the Committee.

Sh. Rabisankar Chattopadhyay, Chairman of the Committee was present at the last Annual General Meeting of the Company held on 18th September, 2023.

Compliance Officer: - Mr. Sudhir Garg, Company Secretary & VP (Legal)

Designated E-mail for Investors' Grievances - investorrelations@nitinspinners.com

Details of Complaints received and status thereof:-

No complaint was received from Investors during the financial year 2023-24 and no complaint was pending at the end of the year.

Corporate Governance Report (Contd..)

7. General Body Meeting:-

(i) Location and Time of General Body Meetings:

The details of location, date and time of Annual General Meetings held during last three years are given as under :-

AGM	Date	Time	Place	Special Resolution(s) passed
29th AGM	16.09.2021	3.00 PM	Through Video Conference (VC)/ Other Audio Visual Means ("OAVM") hosted at Nitin Spinners Limited 16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara -311025	1. Re-appointment of Sh. Ratan Lal Nolkha, Executive Chairman. 2. Re-appointment of Sh. Nitin Nolkha, Jt. Managing Director
30th AGM	15.09.2022	3.00 PM	Through Video Conference (VC)/ Other Audio Visual Means ("OAVM") hosted at Nitin Spinners Limited 16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara -311025	1. Appointment of Sh. Ratan Lal Nolkha as Non-Executive Director (Chairman) 2. Re-appointment of Sh. Dinesh Nolkha, Managing Director 3. Appointment of Sh. Rohit Swadheen Mehta as Independent Director
31st AGM	18.09.2023	3.00 PM	Through Video Conference (VC)/ Other Audio Visual Means ("OAVM") hosted at Nitin Spinners Limited 16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara -311025	Nil

During the year one Extra-Ordinary General Meeting was held on 27.12.2023 at 3.00 PM at the registered office of the Company situated at 16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara -311025 wherein Appointment of Sh. Rishabh Chand Lodha as Independent Director and Modification in terms of appointment of Shri Dinesh Nolkha, Managing Director were approved through Special Resolutions.

During the financial year 2023-24, no resolution has been passed through Postal Ballot. Also, no business proposed at the ensuing Annual General Meeting requires passing through postal ballot.

8. INDEPENDENT DIRECTORS' MEETING

Pursuant to the Regulation 25(3) of the Listing Regulations, a meeting of the Independent Directors was held on 06.05.2023 without the attendance of Non-Independent Directors and members of management to inter-alia :

- Review the performance of Non Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairman of the Company taking into account the views of the Executive and Non Executive Directors;
- Assess the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

9. OTHER DISCLOSURES:

Details of Compliances:-

The Company has complied with all the applicable requirements of the Listing Regulations as well as SEBI regulations and guidelines. During the last three years, no penalties/strictures were imposed / passed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets.

Related Party Transactions:-

All the related party transactions are entered on arm's length basis and in the ordinary course of business during the financial year. The Company has complied with all the applicable provisions of the Listing Regulations in this regard. There were no materially significant transactions with related parties during the financial year that may have potential conflict with interest of listed entity at large. Suitable disclosure as required by the Ind AS 24 has been made in the notes to the Financial Statements. Pursuant to regulation 23 of the Listing Regulations, all the related party transactions are disclosed to Stock Exchanges on half yearly basis. The Board has approved a policy for related party transactions which has been uploaded on the Company's website under the link <https://nitinspinners.com/wp-content/uploads/2024/02/Related-Party-Transaction-Policy.pdf>

Corporate Governance Report (Contd..)

Code of Conduct:-

The Board of the Company has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Company is committed to conduct its business in accordance with the pertinent laws, rules and regulations and with the highest standards of business ethics.

The code of conduct for Directors and Senior Management as approved by the Board of Directors has been placed on the website of the Company under the link <https://nitinspinners.com/wp-content/uploads/2024/05/Code-of-Conduct-for-Directors-and-SMP.pdf> All Board members and senior management personnel have affirmed compliance with the code of conduct during the year under review. In this regard, certificate of Managing Director is given at the end of this report.

Code of Conduct for Regulating, Monitoring & Reporting Trading by Insiders

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company has instituted a comprehensive code of conduct for Regulating, Monitoring & Reporting Trading in shares of the Company by designated and connected persons. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while trading in shares of the Company and cautions them on consequences of violations. The Company follows closure of trading window prior to the publication of price sensitive information. The Company has been informing the directors, senior management personnel and other persons covered under the code and advise them not to trade in Company's securities during the closure of trading window period.

Compliance with Regulation 34(3) of Listing Regulations

In accordance with the provisions of Regulation 34(3) read with Schedule V Para C Sub clause (10) (i) of the Listing Regulations, the Company has obtained a certificate from Practicing Company Secretary confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed with the report.

Whistle Blower Policy/Vigil Mechanism:-

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud & misconduct. The Audit Committee is committed to ensure fraud-free work environment and to this end the Committee has laid down a Whistle Blower Policy providing a platform to all the

Directors, employee, other stakeholders. As per policy, they can report any suspected or confirmed incident of fraud/misconduct to the Chairman of Audit Committee. The policy also provides for adequate safeguard against victimization. This policy is applicable to all the directors, employees, other stakeholders of the Company and it is posted on the website of the Company under the link <https://nitinspinners.com/wp-content/uploads/2024/02/Vigil-Mechanism-Whistle-Blowed-Policy.pdf> It provides for direct access to the Chairperson of audit committee in appropriate or exceptional cases. No employee was denied access to the Audit Committee.

During the year under review, there was no instance of fraud and no whistle blower event was reported.

Prohibition of Sexual Harassment of Women

The Company has in place a Policy for prevention of sexual harassment of women and constituted internal complaints committee in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints regarding sexual harassment at workplace.

The committee meet from time to time and informed that no complaint was pending at the beginning and end of the year and no complaint of sexual harassment of women has been received during the financial year 2023-24.

Familiarization Programme for Independent Directors:-

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director.

Further, the Directors are regularly updated with amendments in the provisions of the Companies Act, 2013, Listing Regulations, other applicable SEBI Regulations etc. Besides these, Directors are updated on continuous basis in respect of Related Party Transactions, Audit and Auditors and they are periodically meeting with the senior management of the Company.

The details of familiarization programme for Independent Directors is available at the website of the Company under the link <https://nitinspinners.com/wp-content/uploads/2024/02/Familiarisation-Programmes-2023-24.pdf>

Loans and Advances

The Company has not made any loan advances to firms/companies in which Directors of the Company are interested.

Corporate Governance Report (Contd..)

Compliance Confirmation

It is confirmed that the Company has complied with the requirements prescribed under Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. A certificate from Statutory Auditors for compliance of provisions of Corporate Governance is attached with the Report.

Discretionary Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations and adoptions of discretionary requirements as provided in the Part – E of Schedule – II under regulation 27(1) Listing Regulations are as under:-

- (i) Reporting of Internal Auditors directly to Audit Committee.
- (ii) Modified opinion(s) in Audit Report –Moved towards regime of financial statement with unmodified audit opinion.

Others

During the year the Company has paid total fee of ₹ 14.71 lakhs to the Statutory Auditors towards Audit Fee and other services.

There are no instances where Board has not accepted the recommendation of any Committee of Board of the Company.

The Company do not have any Subsidiary Company.

Particulars of Senior Management:-

S. No.	Name	Designation
1.	Shri Sandeep Garg	President & Chief Operating Officer
2.	Shri P. Maheshwari	President & CFO
3.	Shri Umesh Toshniwal	Jt. President (Marketing)
4.	Shri Anil Kumar Jain	Jt. President
5.	Shri Sudhir Garg	Company Secretary & Vice President (Legal)
6.	Shri Vivek Tripathi	Vice President (Technical)
7.	Shri Dinesh Kumar Sharma	Vice President (Spinning)
8.	Shri Dinesh Dhar Shukla	Vice President (Spinning)
9.	Shri Ramesh Chandra Mishra	Vice President (Processing)
10.	Shri Rajat Mehra	General Manager (Purchase)
11.	Shri Rajendra Patodia	General Manager (I.T.)
12.	Shri Prem Narayan Joshi	General Manager (Human Resources)

S. No.	Name	Designation
13.	Shri Babu Lal Sharma	General Manager (Cotton Purchase)
14.	Shri Dharendra Kumar Sachan	General Manager (Weaving)
15.	Shri Vipin Panwar	General Manager (Fabric Marketing)

During the year Sh. Kanwar Lal Pareek, Vice President (HR) and Sh. Sunil Batta, General Manager (Post Spinning) were relieved on 15.12.2023 on attaining superannuation and Sh. Rashmikant Shah (Process) resigned w.e.f. 20.10.2023.

No share is lying in DEMAT suspense account/unclaimed suspense account.

Pursuant to Regulation 30A (2) of Listing Regulation we confirm that no agreement is subsist under clause 5A to para A of part A of schedule III to the Listing Regulations.

The details about commodity price risk, foreign exchange risk and hedging activities are given in the Management Discussion and Analysis Report.

10. MEANS OF COMMUNICATION

The main channel of communication to shareholders is through Annual Report which inter-alia includes the Board's Report, the Report on Corporate Governance and Audited Financial Statements.

Quarterly financial results are approved by the Board of Directors and submitted to the Stock Exchanges. The Quarterly financial results are published in one prominent English newspaper such as the Business Standard and one/two vernacular language newspapers such as Rajasthan Patrika/Dainik Bhaskar and Nafa Nuksan.

The website of the Company www.nitinspinners.com acts as the primary source of information about the Company which inter-alia display the annual/quarterly financial results, official press/news release and Shareholding pattern, of the Company. The same are also displayed on the website of both the Stock Exchanges. The Company ensures that relevant provisions of Regulation 46 of the Listing Regulation are complied with.

Presentations made to institutional investors and analysts during the financial year 2023-24 are available on the website of the Company www.nitinspinners.com and also disseminated to the Stock Exchanges i.e. BSE and NSE.

During the Financial year 2023-24, the Company did not raise any funds through preferential allotment or qualified institutional placement.

Corporate Governance Report (Contd..)

11. GENERAL SHAREHOLDER INFORMATION

Shareholder Information:-

- A. Date of AGM & Time & Venue 16th September, 2024 at 3.00 PM IST through Video Conference (VC)/Other Audio Visual Means (OAVM)
- B. Date of Book Closure 10.09.2024 to 16.09.2024 (Both the days Inclusive)
- C. Dividend Payment date Within 30 days from the date of AGM.
- D. Financial Year April 1, 2024 to March 31, 2025
- E. Tentative Financial Calendar for next Year for 2024-25:

Period	Date of Board Meeting
1st Quarter ending June, 2024	Last week of July, 2024 or first week of August, 2024
2nd Quarter ending September, 2024	Last week of October, 2024 or First week of November, 2024
3rd Quarter ending December, 2024	Last week of January, 2025 or First week of February, 2025
Year ending 31st March, 2025	April/May 2025
AGM for year ending 31st March, 2025	August/September 2025

- F. Listing on Stock Exchange & Stock Code :

Name of Stock Exchange	Address	Stock Code
BSE Limited	Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001	532698
National Stock Exchange of India Ltd.	Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai – 400 051.	NITINSPIN

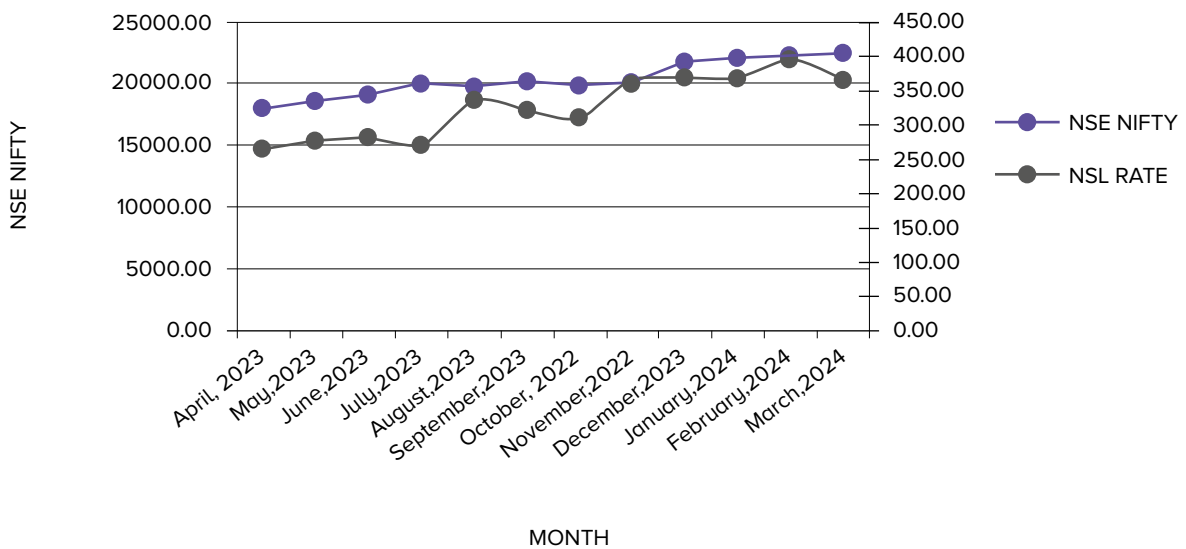
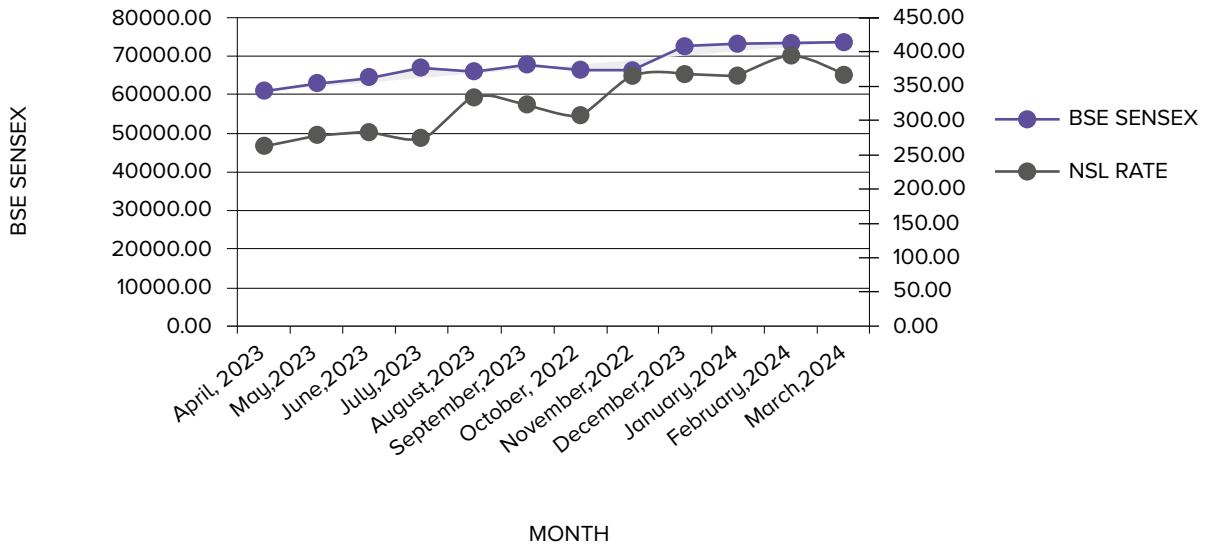
The applicable listing fee for the Financial Year 2024-25 has been paid to both the Stock Exchanges

G. Stock Price Data :

Month	BSE		NSE	
	High	Low	High	Low
April, 2023	265.00	220.30	265.00	224.55
May, 2023	277.40	232.35	277.80	231.55
June, 2023	283.75	248.05	282.00	248.00
July, 2023	275.00	229.00	271.85	228.55
August, 2023	334.45	225.00	335.00	227.00
September, 2023	322.90	276.30	322.80	276.15
October, 2023	309.00	260.80	310.15	260.50
November, 2023	365.75	276.50	365.70	275.95
December, 2023	369.00	317.00	369.95	317.20
January, 2024	367.75	311.50	368.65	313.05
February, 2024	395.00	334.00	394.60	334.30
March, 2024	367.05	300.00	366.75	300.00

Corporate Governance Report (Contd..)

H. Performance in comparison to Broad based Indices - BSE Sensex :-



I. Dematerialization of Share and Liquidity:

The equity shares of the Company are compulsorily traded and settled in dematerialized form under ISIN INE229H01012. The details of Shares under dematerialized and physical mode are as under:-

Particulars	31st March, 2024		31st March, 2023	
	No. of Shares	%	No. of Shares	%
No. of Shares Dematerialized				
- NSDL	5,01,34,443	89.18	4,80,94,932	85.55
- CDSL	60,85,557	10.82	81,25,058	14.45
No. of Shares in Physical Mode	0	0.00	10	0.00
Total	5,62,20,000	100.00	5,62,20,000	100.00

Corporate Governance Report (Contd..)

J. Outstanding GDRs/ADRs/Warrants Etc. Nil

K. Registrar & Share Transfer Agent:-

The Bigshare Services Private Limited is the Registrar and Share Transfer Agent (RTA) of the Company. The Shareholders / Investors are requested to contact for all correspondence / queries at the following address:-

		M/s Bigshare Services Private Limited
Unit	:	Nitin Spinners Limited
Address	:	Office No S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 (Maharashtra)
Phone No.	:	022-62638200
Fax No.	:	022-62638299
Email	:	investor@bigshareonline.com
Web Site	:	http://www.bigshareonline.com

Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer of shares can be processed in DEMAT form, transmission and transposition of securities held in physical or DEMAT form shall be effected only in dematerialized form. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialization request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

During the year the Company has attained 100% of its issued Share Capital in DEMAT form.

L. Distribution of Shareholding as on 31st March, 2024:

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% to Shares
Up to 500	27643	88.6079	2744192	4.8812
501 to 1,000	1669	5.3499	1323689	2.3545
1,001 to 2,000	871	2.7919	1322210	2.3518
2,001 to 3,000	334	1.0706	859594	1.5290
3,001 to 4,000	148	0.4744	525722	0.9351
4,001 to 5,000	118	0.3782	556884	0.9905
5,001 to 10,000	202	0.6475	1495135	2.6595
10,001 & above	212	0.6796	47392574	84.2984
Total	31197	100	56220000	100

M. Category wise Shareholding

Particulars	31st March, 2024		31st March, 2023	
	No. of Shares	%	No. of Shares	%
Promoters and Promoters' Group	3,17,40,000	56.46	3,17,13,770	56.41
Public				
- Institutional	81,16,168	14.44	48,91,483	8.70
- Others	1,63,63,832	29.10	1,96,14,747	34.89
Total	5,62,20,000	100.00	5,62,20,000	100.00

Corporate Governance Report (Contd..)

N. Credit Ratings of the Company

During the year 2023-24, CARE Rating Limited has reviewed the ratings of Bank Loan facilities of the Company and following are credit ratings given by them :-

Facilities	Rating Agency	Current Year Rating	Previous Year Rating
Long term Rating - Term Loan & Working Capital (Fund Based)	Care Rating Limited	CARE A Outlook – Stable	CARE A Outlook – Stable
Short Term Ratings (Non Fund based)	Care Rating Limited	CARE A1	CARE A1

O. Plant Location & Address for Correspondence

(a) Plant Locations	(i) 16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara (Rajasthan) PIN – 311025
	(ii) Chittor –Kota NH-27, Village – Bhanwaria Kalan, Tehsil-Begun, Distt. - Chittorgarh (Rajasthan) PIN – 312023
(b) Registered office and address for correspondence	16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara – 311025 (Rajasthan) Phone : 01482-286110 to 286113 Fax No. : 01482-286117 & 286114 E-Mail : nsl@nitinspinners.com Website – www.nitinspinners.com

For and on Behalf of the Board of Directors

Place : Hamirgarh, Bhilwara
Date : 22nd July, 2024

Dinesh Nolkha
Managing Director
(DIN – 00054658)

Nitin Nolkha
Joint Managing Director
(DIN – 00054707)

Registered Office :
16-17 KM Stone, Chittor Road,
Hamirgarh, Bhilwara - 311025

COMPLIANCE CERTIFICATE

{Under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

- A) We have reviewed financial statements and cash flow statement for the year ended 31st March, 2024 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of 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.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take rectify these deficiencies.
- D) We have indicated to the Auditors and the Audit Committee:
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(P. Maheshwari)

Chief Financial Officer
PAN – ABAPM8005C

Place: Hamirgarh, Bhilwara

Date: 09th May, 2024

(Dinesh Nolkha)

Managing Director
DIN - 00054658

Declaration as required under regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management of Nitin Spinners Limited for the Financial Year ended 31st March, 2024.

Place : Hamirgarh, Bhilwara

Date : 09th May, 2024

DINESH NOLKHA

Managing Director
(DIN – 00054658)

Auditor's Certificate on compliance of Corporate Governance

To
The Members of **Nitin Spinners Limited**

We have examined the compliance of conditions of Corporate Governance by Nitin Spinners Limited for the year ended 31st March, 2024 as stipulated in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of Management of the Company. Our examination was limited to 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 condition of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

For **Kalani & Company**
Chartered Accountants
Firm Regn. No 000722C

S.P. Jhanwar
Partner
Membership No.- 074414

Place: Hamirgarh, Bhilwara
Date: 22-07-2024

Independent Auditors' Report

To
The Members of
Nitin Spinners Limited, Bhilwara

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial statements of Nitin Spinners Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by 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, 2024, 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 Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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	How the matter was addressed in our audit
<p>1. Valuation of Inventories</p> <ul style="list-style-type: none"> The net carrying value of inventory as on 31st March, 2024 is 20.76% of Total Assets of the company. Sales in the industry can be extremely volatile with consumer demand changing significantly (Seasonal) based on current trends. As a result, there is a risk that the carrying value of inventory exceeds its net realisable value. <p>Hence, we determined the valuation of inventories as a key audit matter.</p> <p><u>Related Disclosures:</u></p> <p>Please refer to point 6 to Note-1 (C) for details of the material accounting policies of inventories and Note-6 of Notes to Financial Statements for relevant disclosures of inventories.</p>	<p><u>Our Audit Procedure:</u></p> <ul style="list-style-type: none"> We have performed the Inventory physical stock count on sample basis. We performed inventory counts at location, which is selected based on financial significance and risk and we performed the following procedures at each site: <ol style="list-style-type: none"> Selected a sample of inventory items and compared the quantities we counted to the quantities recorded. Observed a sample of management's inventory count procedures to assess compliance with Company's policy, and Made inquiries regarding obsolete inventory items and inspected the condition of items counted. We have also evaluated a selection of controls over inventory existence across the company. Examining the Company's historical trading patterns of inventory sold at full price and inventory sold below full price, together with the related margins achieved for each product lines in order to gain comfort that stock has not been sold below cost. Evaluating the rationality of the inventory policies such as the policy of inventory valuation and provision for obsolescence and understanding whether the valuation of inventory was performed in accordance with the Company's policy.

Key Audit Matter	How the matter was addressed in our audit
<p>2. Trade Receivables</p> <ul style="list-style-type: none"> The recoverability of trade receivables and the level of provisions for doubtful debts are considered to be a significant risk due to the pervasive nature of these balances to the financial statements, and the importance of cash collection with reference to the working capital management of the business. As at 31st March, 2024 the trade receivables balances (net of provisions) consist of 11.83% of the total amount of assets of the company. Accordingly, we determined audit of trade receivables as the key audit matter. <p><u>Related Disclosures:</u> Please refer to Note-7 of Notes to Financial Statements for relevant disclosures of trade receivables.</p>	<ul style="list-style-type: none"> Analyzing the inventory aging report and net realizable value of inventories. Inspecting the post period sales situation and evaluating the net realizable value of measurement applied on aging inventory in order to verify the evaluation accuracy of the estimated inventory allowance by the Company and Assessing whether the disclosures of provision for inventory valuation are appropriate. <p><u>Our Audit Procedure:</u></p> <ul style="list-style-type: none"> Assessed the design and implementation of key controls around the monitoring of recoverability. Discussed with the management regarding the level and ageing of trade receivables, along with the consistency and appropriateness of receivables provisioning by assessing recoverability with reference to amount received in respect of trade receivables. In addition, we have considered the company's previous experience of bad debt exposure and the individual counterparty credit risk. Tested these balances on a sample basis through agreement to post period end invoicing and cash receipt. The accuracy and completeness was verified through, analytical reviews and balance confirmation. Analyzing the aging schedule of trade receivable, past collection records, industry boom and concentration of customers' credit risk.
<p>3. Revenue Recognition</p> <ul style="list-style-type: none"> Revenue is an important measure used to evaluate the performance of the Company. There is a risk that the revenue is presented for amounts higher than what has been actually generated by the Company. Consequently, we considered revenue recognition to be a significant key audit matter. <p><u>Related Disclosures:</u> Please refer to Point 11 to Note-1(C) of the accounting policies for details of the accounting policies of revenue recognition and Note-22 of Notes to Financial Statements.</p>	<p><u>Our Audit procedure:</u></p> <ul style="list-style-type: none"> Assessing the design, implementation existence and operating effectiveness of internal control procedures implemented as well as test of details to ensure accurate processing of revenue transactions. Inspecting underlying documentation for any book entries which were considered to be material on a sample basis. Inspecting the key terms and conditions of agreements with major customers on a sample basis to assess if there were any terms and conditions that may have affected the accounting treatment of the revenue recognition. The accuracy and completeness of revenue was verified through, cut-off test, analytical reviews and balance confirmation.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information as identified above is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and according to the information & explanation given to us, we give in the Annexure-1, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by section 143(3) of the Act, based on our audit we report:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - (e) On the basis of written representations received from the directors, as on March 31, 2024 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) 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 Annexure 'II' to this report.
 - (g) With respect to the other matter 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 disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note No. 30)
 - ii. The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note – 34 to the financial statements
- (a) The final dividend proposed in the previous year, declared and paid by Company during the year is in accordance with section 123 of the act, as applicable
- (b) The Board of Director of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. Based on our examination which includes test check, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail

(edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For Kalani & Company.
Chartered Accountants
Firm Regn. No 000722C

S.P. Jhanwar

Partner

Membership No.- 074414

Place: Bhilwara

Date: 9th May, 2024

Annexure - I to the Independent Auditors' Report

Annexure referred to in Para 1 of Report on Other Legal and Regulatory requirements of Independent Auditor's Report to the members of the **Nitin Spinners Limited**, Bhilwara on the standalone financial statements for the year ended 31st March, 2024 we report that,

- (i) In respect of Property, Plant & Equipment and Intangible Assets
- a) (A) The Company has maintained proper records showing full particulars including quantitative details and the situation of its Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of its Intangible Assets.
- b) The Company has a regular program of physical verification of its property, plant & equipment by which these are verified in a phased manner by the management during the year, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) According to information and explanation given to us and based on our verification, the title deeds of immovable properties are held in the name of the company.
- d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) Based on the information and explanation given to us and as represented by the person those charge with governance, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) As per the information and explanation given to us, the Company's management has carried out physical verification of inventory at reasonable intervals and in our opinion the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Based on the information and explanation given to us and as represented by the person those charge with governance, we have not noticed any material variations in the quarterly returns or statements filed by the company with such banks or financial institutions with the books of account of the Company.
- (iii) During the year, the company has not made any investments in, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- a) No loans and advances in the nature of loan given by the company, hence clause 3(iii)(a) is not applicable
- b) Company has not made any investments, no guarantees provided, no security given hence clause 3(iii)(b) is not applicable
- c) No loans and advances in the nature of loan given by the company, hence reporting under clause 3(iii)(c) is not applicable.
- d) No loans and advances in the nature of loan given by the company, hence reporting under clause 3(iii)(d) is not applicable.
- e) No loans and advances in the nature of loan given by the company, hence reporting under clause 3(iii)(e) is not applicable.
- f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment hence reporting under clause 3(iii)(f) is not applicable,
- (iv) The Company has not granted any loans, made any investments, given any guarantees, and security, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013. Hence the clause 3 (iv) of the Order is not applicable.
- (v) The company has not accepted deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules made there under, hence this clause is not applicable.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value

added tax, cess and any other statutory dues to the appropriate authorities and there are no undisputed statutory dues outstanding as on 31st March, 2024 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no unpaid dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess under dispute except as per details given hereunder :

Sr. No.	Name of the Statute	Nature of Dues	Gross Amount Involved (₹ in Lacs)	Amount Deposited under Protest (₹ in Lacs)	Amount not deposited (₹ in Lacs)	Period to which it relates	Forum where dispute is pending
1.	Central Excise	Excise duty & Penalty	9.25	9.25	-	2006-07	High Court, Jodhpur
2.	Customs	Redemption Fine	0.50	-	0.50	2009-10	CESTAT, Ahmedabad
3.	Service Tax	Service Tax, Interest & Penalty	9.23	9.23	-	2017-18	Commissioner (A), Jodhpur
4.	Value Added Tax	Demand of VAT & Penalty	1,425.84	367.33	1,058.51	2012-13 to 2014-15	Deputy Commissioner (A), Ajmer
5.	Income Tax Act	Income Tax	1.44	-	1.44	2017-18	CIT (A)
Total			1,446.26	385.81	1060.45		

- (viii) There are no transactions which are not recorded in the books of accounts. Hence reporting under the clause 3 (viii) of the CARO is not applicable.
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender accordingly reporting under clause 3(ix)(a) is not applicable.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised money by way of Initial Public Offer / further public offer (including debt instruments), hence reporting under clause (x)(a) of 'the Order' is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the company has not raised funds by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) hence reporting under clause (x)(b) of 'the Order' is not applicable.
- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no material fraud by the company or any fraud on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) The company is not a Nidhi Company, hence reporting under clause xii(a), xii(b), xii(c) of 'the Order' is not applicable.
- (xiii) According to information and explanation given to us and based on our examination, section 177 of 'the Act' is not applicable to company and company has complied with the provisions of Section 188 of 'the Act' w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- (xvi) (a) Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly this clause is not applicable.
- (d) Company does not have CIC as part of the Group.
- (xvii) Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and

based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) There is no unspent amount towards corporate social responsibility (CSR) on other than ongoing projects accordingly this clause is not applicable.
- (b) In respect of ongoing projects, the company has transferred the unspent CSR amount (INR 284.90 lakhs) as at the balance sheet date to a special account on 29.04.2024 in compliance with the provisions of sub section (6) of section 135 of the companies act, 2013 within the time period for such transfer i.e. 30 days from the end of the financial year.
- (xxi) Since this report is in relation to stand alone financial statements accordingly this clause is not applicable.

For Kalani & Company.
Chartered Accountants
Firm Regn. No 000722C

S.P. Jhanwar
Partner

Place: Bhilwara
Date: 9th May, 2024

Membership No.- 074414
UDIN : 24074414BKBF5172

Annexure “II”

forming part of Independent Auditor’s 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 with reference to financial statements of Nitin Spinners Limited (“the Company”) as of March 31, 2024 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 with reference to financial statements 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. 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial controls with reference to financial statements 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 controls with reference to Ind AS financial statements 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 unauthorised 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 with reference to financial statements

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 with reference to financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to Ind AS financial statements 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 Kalani & Company.
Chartered Accountants
Firm Regn. No 000722C

S.P. Jhanwar

Partner

Membership No.- 074414

Place: Bhilwara

Date: 9th May, 2024

Balance Sheet

as at 31st March 2024

(₹ in Lacs)

Particulars	Note No.	As at 31 st March 2024	As at 31 st March 2023
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	170824.82	101004.06
(b) Capital Work-in-Progress	3	243.64	34026.49
(c) Other Intangible Assets	4	66.12	105.39
(d) Other Non-Current Assets	5	1858.48	7063.06
Total Non-Current Assets (A)		172993.06	142199.00
(2) Current Assets			
(a) Inventories	6	56397.16	49204.24
(b) Financial Assets			
(i) Trade Receivables	7	32138.39	22266.23
(ii) Cash and Cash Equivalents	8	6.63	6.98
(iii) Other Bank Balances	8A	33.91	35.52
(iv) Other Financial Assets	9	17.10	136.33
(c) Other Current Assets	10	10079.01	7950.09
Total Current Assets (B)		98672.20	79599.39
Total Assets (A+B)		271665.26	221798.39
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	5622.00	5622.00
(b) Other Equity	12	109010.82	97268.11
Total Equity (A)		114632.82	102890.11
(2) LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	13	81063.13	56114.51
(b) Provisions	14	633.16	504.45
(c) Deferred Tax Liabilities (Net)	15	11137.60	9271.46
Total Non-Current Liabilities (B)		92833.89	65890.42
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	52847.74	41858.70
(ii) Trade Payables	17		
- Due to Micro & Small Enterprises		473.36	247.26
- Due to Others		6928.06	4981.39
(iii) Other Financial Liabilities	18	2460.73	4790.24
(b) Other Current Liabilities	19	875.63	884.84
(c) Provisions	20	346.62	57.10
(d) Current Tax Liabilities (Net)	21	266.41	198.33
Total Current Liabilities (C)		64198.55	53017.86
Total Liabilities (B+C)		157032.44	118908.28
Total Equity and Liabilities (A+B+C)		271665.26	221798.39

Material Accounting Policies

1

Disclosures and Additional Informations

30-53

In terms of our report of even date

For and on behalf of the Board

For KALANI & CO.

Chartered Accountants
(Firm Reg. no. 000722C)

DINESH NOLKHA

Managing Director
(DIN - 00054658)

NITIN NOLAKHA

Joint Managing Director
(DIN - 00054707)

S. P. JHANWAR

Partner
M.No. 074414

P. MAHESHWARI

Chief Financial Officer
(PAN - ABAPM8005C)

SUDHIR GARG

Company Secretary &
Vice President (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date : 09.05.2024

Statement of Profit and Loss

for the year ended 31st March 2024

(₹ in Lacs)

Particulars	Note No.	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
I Revenue from Operations	22	290564.93	240670.74
II Other Income	23	224.93	330.95
III Total Income (I+II)		290789.86	241001.69
IV Expenses			
Cost of Materials Consumed	24	188680.48	164106.42
Purchase of Stock in trade	25	321.16	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	1930.29	(1006.70)
Employee Benefit Expenses	27	17684.04	13316.31
Finance Cost	28	8330.28	3768.24
Depreciation & Amortisation Expenses	2,4	11847.21	8680.87
Other Expenses	29	44243.12	34549.05
Total Expenses (IV)		273036.58	223414.19
V Profit before Exceptional Items & Tax		17753.28	17587.50
VI Exceptional Items		-	-
VII Profit/(Loss) Before Tax (V-VI)		17753.28	17587.50
VIII Tax Expenses			
1. Current Tax		2734.14	4375.32
2. Earlier Year		(0.03)	(42.10)
3. Deferred Tax		1867.35	(3226.77)
Total Tax Expenses (VIII)		4601.46	1106.45
IX Profit/(Loss) for the period from Continuing Operations After Tax (VII-VIII)		13151.82	16481.05
X Other Comprehensive Income			
1 Items that will not be reclassified to Profit or Loss (Net of Tax)			
Remeasurements of Defined Benefit Plans		133.62	299.25
Income tax related to Defined Benefit Plans		(33.63)	(24.87)
		99.99	274.38
2 Items that will be reclassified to Profit or Loss (Net of Tax)			
Change in Fair Value of Effective portion of Cash Flow Hedge		(138.44)	(79.30)
Tax on Cash Flow Hedge Recognised during the year		34.84	38.78
		(103.60)	(40.52)
Total Other Comprehensive Income for the year, net of Income Tax		(3.61)	233.86
XI Total Comprehensive Income for the year (IX+X)		13148.21	16714.91
XII Earning Per Equity Share (Rupees Per Share)			
(1) Basic		23.39	29.32
(2) Diluted		23.39	29.32

Material Accounting Policies

1

Disclosures and Additional Informations

30-53

In terms of our report of even date

For and on behalf of the Board

For KALANI & CO.

Chartered Accountants
(Firm Reg. no. 000722C)

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Managing Director
(DIN - 00054658)

NITIN NOLAKHA

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Partner
M.No. 074414

P. MAHESHWARI

Chief Financial Officer
(PAN - ABAPM8005C)

SUDHIR GARG

Company Secretary &
Vice President (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date : 09.05.2024

Cash Flow Statement

for the year ended 31st March 2024

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Exceptional Items	17753.28	17587.50
Adjustments for :-		
Depreciation	11847.21	8680.87
Interest Expenditure	8330.28	3768.24
Loss/ (Profit) on Sale of Property, Plant & Equipment	(8.18)	(90.13)
Actuarial (loss)/gains on Defined Benefit Obligations	133.62	299.25
Operating Profit Before Working Capital Changes (1)	38056.21	30245.73
Adjustments for :-		
Decrease/(Increase) Inventories	(7192.92)	(8575.01)
Decrease/ (Increase) Trade Receivables	(9872.16)	1801.89
Decrease/ (Increase) Other Current & Non Current Assets	(2320.16)	2062.62
Increase/(Decrease) Current & Non Current Liabilities	227.04	(841.85)
Total Adjustments (2)	(19158.20)	(5552.35)
Cash Generated from Operations (1-2)	18898.01	24693.38
Less : Taxes Paid	2549.99	5316.92
Net Cash Generated from Operating Activities (A)	16348.02	19376.46
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & Equipment	(81694.36)	(8699.64)
Capital WIP including Capital Advances	39070.27	(34827.33)
Receipts of Capital Subsidy	-	50.00
Sale of Property, Plant & Equipment	73.84	136.83
Net Cash Generated/(Used) in Investing Activities (B)	(42550.25)	(43340.14)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from /(Repayment) of Short Term Borrowing (Net)	7014.04	12297.61
Proceeds from Long Term Borrowings	39489.16	26010.79
Repayment of Long Term Borrowings	(10565.54)	(9189.96)
Interest Paid	(8330.28)	(3768.24)
Dividend Paid	(1405.50)	(1405.50)
Net Cash Generated/(Used) From Financing Activities (C)	26201.88	23944.70
Net Increase / (Decrease) in Cash & Cash Equivalent (A+B+C)	(0.35)	(18.98)
Opening Balance of Cash & Cash Equivalent	6.98	25.96
Closing Balance of Cash & Cash Equivalent	6.63	6.98

In terms of our report of even date

For and on behalf of the Board

For KALANI & CO.

Chartered Accountants
(Firm Reg. no. 000722C)

S. P. JHANWAR

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SUDHIR GARG

Company Secretary &
Vice President (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date : 09.05.2024

Statement of Changes in Equity

for the year ended 31st March 2024

A. Equity Share Capital

Particulars	As at 31 st March 2024		As at 31 st March 2023	
	Number	(₹ In Lacs)	Number	(₹ In Lacs)
Equity Share Capital				
Balance at the beginning of reporting period	56220000	5622.00	56220000	5622.00
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restate balance at the beginning of current reporting period	56220000	5622.00	56220000	5622.00
Changes in Equity Share Capital during the current year	-	-	-	-
Balance at the end of the reporting period	56220000	5622.00	56220000	5622.00

B. Other Equity

(₹ in Lacs)

Particulars	Reserves & Surplus				Other Reserves	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earning	Effective Portion of Cash Flow Hedge Reserve	
Balance as at 1st April 2022	150.00	13727.12	5000.00	62956.35	125.23	81958.70
Changes in Accounting Policy or prior period errors	-	-	-	-	-	-
Restate balance as at 1st April 2022	150.00	13727.12	5000.00	62956.35	125.23	81958.70
Profit for the year ended 31st March 2023				16481.05		16481.05
Other Comprehensive Income/ (Expenses) (OCI)						
(a) Remeasurement of Defined Benefit obligation (Net of Tax)				274.38		274.38
(b) Adjustment for Effective portion of Cash Flow Hedge (Net of Tax)					(40.52)	(40.52)
Dividend Paid				(1405.50)		(1405.50)
Balance as at 31st March 2023	150.00	13727.12	5000.00	78306.28	84.71	97268.11
Changes in Accounting Policy or prior period errors	-	-	-	-	-	-
Restate balance as at 31st March 2023	150.00	13727.12	5000.00	78306.28	84.71	97268.11
Profit for the year ended 31st March 2024				13151.82		13151.82
Other Comprehensive Income/ (Expenses) (OCI)						
(a) Remeasurement of Defined Benefit obligation (Net of Tax)				99.99		99.99
(b) Adjustment for Effective portion of Cash Flow Hedge (Net of Tax)					(103.60)	(103.60)
Dividend Paid				(1405.50)		(1405.50)
Balance as at 31st March 2024	150.00	13727.12	5000.00	90152.59	(18.89)	109010.82

In terms of our report of even date

For and on behalf of the Board

For KALANI & CO.

Chartered Accountants
(Firm Reg. no. 000722C)

S. P. JHANWAR

Partner
M.No. 074414

DINESH NOLKHA

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Joint Managing Director
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SUDHIR GARG

Company Secretary &
Vice President (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date : 09.05.2024

Notes to the Financial Statements

for the year ended 31st March 2024

Note No. 1 - Company Information and Material Accounting Policies

A. Corporate Overview

Nitin Spinners Limited (the "Company"), incorporated on 15th October, 1992, is a Company domiciled in India and limited by shares (CIN: L17111RJ1992PLC006987). The address of the Company's Registered Office is 16-17 Km. Stone, Chittor Road, Hamirgarh, Distt. Bhilwara- (Rajasthan 311025). The company is engaged in manufacturing of Cotton and Blended Yarn, Knitted Fabrics and Woven Fabrics. The company is listed at National Stock Exchange of India Limited and at BSE Limited.

B. Basis of Preparation

These Separate Financial Statements are prepared on Going Concern basis following Accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable), applicable provisions of the Companies Act, 1956.

1. Basis of Measurement/Use of Estimates

- (i) The Financial Statements are prepared on Accrual basis under the Historical Cost convention except certain Financial Assets and Liabilities (including Derivatives instruments) that are measured at fair value.

Historical Cost is generally based on the Fair Value of the consideration given in exchange for goods and services.

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.

- (ii) The preparation of Financial Statements requires judgments, estimates and assumptions that affect the reported amount of Assets and Liabilities, disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amount of Revenues and Expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2. Functional and Presentation Currency

These Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lacs (up to two decimals), except as stated otherwise.

3. Current and Non-Current classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/Non-Current classification.

An Asset is Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-Current.

A Liability is Current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other Liabilities are classified as Non-Current.

Deferred Tax Assets/Liabilities are classified as Non-Current.

C. Material Accounting Policies

A summary of the material Accounting Policies applied in the preparation of the Financial Statements are as given below. These Accounting Policies have been applied consistently to all periods presented in the Financial Statements.

1. Property, Plant & Equipment

1.1. Initial Recognition and Measurement

An item of Property, Plant and Equipment is recognized as an Asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at Cost less Accumulated Depreciation/Amortization and Accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary

Notes to the Financial Statements

for the year ended 31st March 2024

for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalized.

1.2. Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in Statement of Profit or Loss as and when incurred.

1.3. Derecognition

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and Losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognized in the Statement of Profit and Loss.

1.4. Depreciation

Assets are depreciated using straight line method over the estimated useful life of the asset as specified in Part "C" of Schedule II of Companies Act, 2013 except for Plant & Machinery (other than Laboratory Equipments, Fire Fighting Equipments and Tools & Equipments) whose estimated useful life is taken as 13 years (Triple Shift) after retaining residual life of 5% of original cost. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets.

Depreciation on additions to/deductions from Property, Plant & Equipment during the year is

charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

2. Capital Work-in-Progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

3. Intangible Assets and Intangible Assets under Development

3.1. Initial recognition and measurement

An Intangible Asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Notes to the Financial Statements

for the year ended 31st March 2024

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2. Subsequent Costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3. Derecognition

An Intangible Asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and Losses on disposal of an item of Intangible Assets are determined by comparing the proceeds from disposal with the carrying amount of Intangible Assets and are recognized in the Statement of Profit and Loss.

3.4. Amortization

Intangible Assets having definite life is amortized on straight line method in their useful lives. Useful life of Computer Software is estimated at five years.

4. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction, exploration, development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of:

- (a) interest expense calculated using the effective interest method as described in Ind AS 109 – ‘Financial Instruments’;
- (b) finance charges in respect of finance leases recognized in accordance with Ind AS 116 – ‘Leases’;
- (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs and,
- (d) other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending

their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to revenue as and when incurred.

5. Statement of Cash Flows

Cash Flow Statement has been prepared in accordance with the Indirect method prescribed in Ind AS 7 ‘Statement of Cash Flows’.

6. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts other than those capitalized as Property, Plant and Equipment are carried as inventory.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

7. Cash and Cash Equivalent

Cash and cash equivalent in the Balance Sheet comprises Cash at Banks, Cash on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

8. Government Grants

Government grants are recognized where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. When the government grant relates to an asset, the asset is disclosed by deducting that grant in arriving at the carrying amount of that asset. Government grants that compensate the Company for expenses incurred are recognized in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognized.

9. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of

Notes to the Financial Statements

for the year ended 31st March 2024

the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a Contingent Liability, unless the probability of outflow of economic benefits is remote. Contingent Liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent Assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

10. Foreign Currency Transactions and Translation

Transactions in foreign currencies are initially recorded at the functional currency rates at the date the transaction first qualifies for recognition.

Monetary Assets and Liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting

date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

11. Revenue Recognition

The Company derives revenues primarily from business of textiles. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised material accounting policies related to revenue recognition. Refer Note1 "Material Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for Revenue prior to April 1, 2018.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Ind AS 115 moves away from the "transfer of risk and rewards" approach and introduces a new "transfer of control" approach delivered through the new five-step model described as follows:

1. Identify the contract with a customer.
2. Identify the separate performance obligations in the contract.
3. Determine the transaction Price.
4. Allocate the transaction price to the separate performance obligations.
5. Recognize revenue when (or as) each performance obligation is satisfied.

At contract inception, an entity assesses the goods or services promised in a contract with a customer and identify each performance obligation promised to be transferred to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Notes to the Financial Statements

for the year ended 31st March 2024

The company classifies the right to consideration in exchange for deliverables as either a receivable or as a contract asset. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as contract asset and is classified as a financial asset for these cases a right to consideration is unconditional upon passage of time. This would result in the timing of revenue recognition being different from the time of billing the customers.

Company classifies amount received as advance from customers against sales as contract liability.

Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

11.1 Sale of Goods

Revenue from the sale of goods is recognized upon transfer of control of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at an amount that reflects the consideration we expect to receive in exchange for those products (i.e. the transaction price). The Company presents revenues net of indirect taxes, returns and allowances, trade discounts and volume rebates in its Statement of Profit and Loss. Inter-divisional sales comprising of sale of power for captive consumption is reduced from gross turnover in arriving Net Turnover.

11.2 Rendering of services

Revenue from Job work services is recognized based on the services rendered in accordance with the terms of contracts.

11.3 Other Export Benefit

Export benefits are accounted for in the year of export at net market realizable value.

11.4 Other Income

Revenue from transactions or events that do not arise from a contract with a customer not in the scope of Ind AS 115 are continue to be recognized in accordance with the other standards. Such Income includes Interest and Dividend income which are dealt with in Ind AS 109 and Rental income to be accounted as per Ind AS 116.

11.5 Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other

comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

11.6 Dividend

Dividend Income is recognized when the company's right to receive is established which generally occurs when the shareholders approve the dividend.

11.7 Income other than Interest and Dividend

Other income is recognized in the Statement of Profit and Loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

12. Employee Benefits

12.1. Short Term Benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are booked as an expense as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

12.2. Post-Employment Benefits

Employee Benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two types:

12.2.1. Defined Contribution Plans

Defined contribution Plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Family Pension Funds are Defined

Notes to the Financial Statements

for the year ended 31st March 2024

Contribution Plans in which company pays a fixed contribution and will have no further obligation.

12.2.2. Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses in respect of gratuity are recognized in OCI in the period in which they arise.

12.3 Other Long-Term Employee Benefits

Benefits under the Company's Leave Encashment Scheme constitute other long-term employee benefits. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

13. Income Taxes

Income Tax Expense comprises Current and Deferred Tax. Current Tax Expense is recognized in Statement of Profit and Loss A/c except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which it is recognized in OCI or Equity.

Current Tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current Income Taxes are recognized under 'Income Tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance.

Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred Tax Assets and Liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle Current Tax Liabilities and Assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred Tax is recognized in Statement of Profit and Loss except to the extent that it relates to items recognized directly in OCI or Equity, in which case it is recognized in OCI or Equity.

A Deferred Tax Asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Notes to the Financial Statements

for the year ended 31st March 2024

14. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, the credit quality of the instrument improves then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

In respect of Trade receivables or any financial asset that result from transactions that are within the scope of Ind AS 115, company follows 'simplified approach' for recognition of impairment loss allowance within the scope of Ind AS 115, if they do not contain a significant financing component. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b. Financial Liabilities

Initial recognition and measurement

All Financial Liabilities are recognized at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. For

trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value of the instrument.

Derecognition

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

c. Derivative Financial Instruments

The Company uses forwards to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value on the reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to cash flow hedge reserve through Statement of Other Comprehensive Income.

These are accounted for as follows:

a) Cash flow hedge

When derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Notes to the Financial Statements

for the year ended 31st March 2024

b) Fair Value Hedge

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to Statement of Profit and Loss over the period of maturity.

15. CSR Expenditure

Amount spent on CSR activities during the year is charged to Statement of Profit & Loss, if the same is of revenue nature.

D. Other Accounting Policies

1. Leases:

1.1 Recognition:

The Company as a Lessee

The Company's Lease Asset classes primarily consist of Leases for Land and Buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before

the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.2 Accounting for

1.2.1 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term.

1.2.2 Finance Lease

Leases of Property, Plant and Equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as Property, Plant and Equipment and the related liability is recognized under borrowings. At

Notes to the Financial Statements

for the year ended 31st March 2024

inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

2. Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount (higher of its fair value less costs to disposal or its value in use) is estimated.

An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount which is only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Dividends

Dividends and Interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

4. Material Prior Period Errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

5. Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

E. Major Estimates made in preparing Financial Statements:

1. Useful life of Property, Plant and Equipment and Intangible Assets

The estimated useful life of Property, Plant and Equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery (except Laboratory Equipments, Fire Fighting Equipments and Tools & Equipments) are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

Intangible assets are being amortized on straight line basis over the period of five years.

2. Post-Employment Benefit Plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

3. Provisions and Contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by management regarding the probability of exposure to potential loss. In case of change in the circumstances the following unforeseeable developments, the likelihood could alter.

Notes to the Financial Statements

for the year ended 31st March 2024

Note 2 : Property, Plant and Equipment

Particulars	Gross Carrying Amount		Depreciation/Amortisation		Net Carrying Amount	
	As at 1 st April 2023	As at 31 st March 2024	As at 1 st April 2023	For the Year	As at 31 st March 2024	As at 31 st March 2023
Tangible Assets						
Free Hold Land	1622.95	1623.12	-	-	1623.12	1622.95
Buildings	31767.23	46645.44	4835.66	1211.76	6047.41	26931.57
Plant & Machinery	108387.05	170958.59	39244.02	9884.95	49086.02	69143.03
Electric Installations	3678.56	7250.04	1591.52	453.93	2045.45	2087.04
Furniture & Fixtures	1233.67	1460.36	460.62	127.46	588.08	773.05
Office Equipments	474.93	561.96	375.00	47.78	422.78	99.93
Vehicles	551.58	757.67	205.09	76.71	242.62	346.49
Total	147715.97	229257.18	46711.91	11802.59	58432.36	101004.06
Previous Year	139213.86	147715.97	38150.78	8639.73	101004.06	101063.08

(₹ in Lacs)

- 2.1** All Property, Plant and Equipments mentioned above having net block of ₹ 170824.82 Lacs (Previous Year - ₹ 101004.06 Lacs) are held as security towards Borrowings as specified in Note 13.
- 2.2** Deduction in Plant & Machinery include ₹ Nil (Previous Year - ₹ 50.00 Lacs) received as Capital Subsidy from Government of Rajasthan under Rajasthan Investment Promotion Scheme for Installation of Zero Liquid Discharge Effluent Treatment Plant.

2.3 Information regarding Historical cost of Property, Plant and Equipment based on the previous GAAP prior to date of transition to Ind AS is as follows:

Particulars	Free Hold Land		Buildings	Plant & Machinery	Electric Installation	Furniture & Fixtures	Office Equipments	Vehicles	Total
Gross Block as on 1st April 2023	1622.95	33450.28	125330.67	4747.00	1264.34	563.40	566.29	167544.93	
Addition during the year 2023-24	0.17	14878.22	62657.45	3573.41	226.69	8716	265.91	81689.01	
Deduction during the year 2023-24	-	(0.04)	(859.25)	(38.51)	-	(2.64)	(66.62)	(967.06)	
Total Historical Cost as on 31st March 2024	1623.12	48328.46	187128.87	8281.90	1491.03	647.92	765.58	248266.88	

(₹ in Lacs)

Notes to the Financial Statements

for the year ended 31st March 2024

Note 3 : Capital Work In Progress

(₹ in Lacs)

Particulars	As at 1 st April 2023	Addition	Deduction/ Adjustments	Capitalised	As at 31 st March 2024
Building	10204.08	4281.97	-	14321.57	164.48
Plant & Machinery	20711.68	39796.51	-	60463.28	44.91
Electric Installations	2323.87	1158.58	-	3448.20	34.25
Computer & Printers	10.91	46.59	-	57.50	-
Furniture & Fixtures	17.74	207.95	-	225.69	-
Office Equipment	7.48	25.94	-	33.42	-
Pre Operative Exp					
- Electricity Charges	51.21	170.21	1.19	220.23	-
- Finance Charges	152.46	39.50	100.13	91.83	-
- Insurance Charges	21.05	40.52	-	61.57	-
- Interest on Term Loan	264.10	1716.03	-	1980.13	-
- Legal & Professional Exp	22.55	13.12	10.50	25.17	-
- Rates & Taxes	30.32	12.37	-	42.69	-
- Salary, Wages & Stipend	190.56	141.43	-	331.99	-
- Travelling Exp	17.09	13.42	-	30.51	-
- Other Preoperative Exp	1.39	1.05	-	2.44	-
Total	34026.49	47665.19	111.82	81336.22	243.64

3.1 Ageing of Capital Work in Progress

As at 31st March 2024

(₹ in Lacs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	243.64	-	-	-	243.64
Total	243.64	-	-	-	243.64

As at 31st March 2023

(₹ in Lacs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	34018.24	8.25	-	-	34026.49
Total	34018.24	8.25	-	-	34026.49

Notes to the Financial Statements

for the year ended 31st March 2024

Note 4 : Other Intangible Assets

(₹ in Lacs)

Particulars	Gross Carrying Amount		Depreciation/Amortisation		Net Carrying Amount	
	As at 1 st April 2023	As at 31 st March 2024	As at 1 st April 2023	For the Year	As at 31 st March 2024	As at 31 st March 2023
Computer Software	291.15	296.50	185.76	44.62	230.38	105.39
Total	291.15	296.50	185.76	44.62	230.38	105.39
Previous Year	268.92	291.15	144.62	41.14	185.76	124.30

4.1 Information regarding Historical cost of Intangible Assets based on the previous GAAP prior to date of transition to Ind AS is as follows:

(₹ in Lacs)

Particulars	Computer Software
Gross Block as on 1st April 2023	299.12
Addition during the year 2023-24	5.35
Deduction during the year 2023-24	-
Total Historical Cost as on 31st March 2024	304.47

Notes to the Financial Statements

for the year ended 31st March 2024

Financial Assets

Note 5 : Other Non Current Assets

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Security Deposits	1690.24	1682.86
Deferred Transaction Cost	138.97	63.51
Capital Advances	29.27	5316.69
Total	1858.48	7063.06

Current Assets

Note 6 : Inventories

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Raw Material	35461.22	26656.23
Work-In-Process	6328.15	4875.75
Finished Goods	13049.73	16432.42
Stores and Spares	1410.32	1094.94
Fuel	147.74	144.90
Total	56397.16	49204.24

6.1 Inventory has been valued as per the Accounting Policy

6.2 Raw Material consist of:

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Cotton	34690.11	26159.91
Yarn	41.02	34.32
Polyster & Other Fibers	467.76	172.14
Dyes & Chemical	262.33	289.86
Total	35461.22	26656.23

6.3 Finished Goods consist of:

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Yarn	8217.27	10313.61
Fabric	4064.72	5558.75
Saleable Waste	767.74	560.06
Total	13049.73	16432.42

Note 7 : Current Financial Assets - Trade Receivables

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Secured		
Considered Good	-	-
Unsecured		
Considered Good	32138.39	22266.23
Receivables having Significant increase in Credit Risk	83.91	73.10
Less : - Provision for Doubtful Debts	83.91	73.10
Net	-	-
Total	32138.39	22266.23

Notes to the Financial Statements

for the year ended 31st March 2024

Note 7 : Current Financial Assets - Trade Receivables (Contd..)

Note 7.1 Ageing and other information has been depicted in Note no. 36

Note 8 : Current Financial Assets - Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Cash in Hand	6.57	6.92
Balance with Banks in :		
Current Accounts	0.06	0.06
Total	6.63	6.98

Note 8A : Current Financial Assets - Bank Balances other than Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Unclaimed Dividend Accounts	27.88	30.73
Fixed Deposits	6.03	4.79
Total	33.91	35.52

- 1) The yearwise details of Unclaimed Dividend is given in Note No. 40.
- 2) Fixed Deposits are pledged with bank against Bank Guarantees.

Note 9 : Other Current Financial Assets

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Derivative Assets (Net)	-	113.20
Advances to Employees	17.10	23.13
Total	17.10	136.33

Note 10 : Other Current Assets

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advances to Suppliers	913.92	376.92
Employees Benefit Fund*	406.59	455.70
Prepaid Expenses	345.96	260.96
Amount Receivable under TUFS /RIPS	731.96	515.79
Income Tax Refundable	-	116.04
GST Credit Receivables	2956.31	3839.22
GST Refundable	1877.72	783.41
Other Receivables**	2846.55	1602.05
Total	10079.01	7950.09

* Denoted fund contributed in excess of Net Liabilities to Gratuity Fund Refer Note No. 35

** Other receivables includes amount of Export Incentive and Duty drawback etc.

Notes to the Financial Statements

 for the year ended 31st March 2024

Equity & Liabilities

Equity

Note 11 : Share Capital

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Authorised:		
6,00,00,000 (Previous Year : 6,00,00,000) Equity Shares of INR 10/- Each	6000.00	6000.00
Total	6000.00	6000.00
Issued, Subscribed & Fully Paid up:		
5,62,20,000 (Previous Year : 5,62,20,000) Equity Shares of INR 10/- Each fully paid up ranking pari passu	5622.00	5622.00
Total	5622.00	5622.00

a. Details of Shareholders holding more than 5% Shares are as under :

Name of Shareholders	No. of Shares (% of Holding)	No. of Shares (% of Holding)
Redial Trading & Investment Pvt. Ltd.	17990000 (32.00%)	17973770 (31.97%)
Lt. Shri Ratan Lal Nolkha	-	6150000 (10.94%)
Mrs. Sushila Devi Nolkha	7800000 (13.87%)	1650000 (2.93%)

b. Reconciliation of the number of Shares outstanding is set out below :

Name of Shareholders	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	56220000	56220000
Add : Shares issued during the year	-	-
Equity Shares at the end of the year	56220000	56220000

c. The company has not issued, any Shares pursuant to contract without payment being received in Cash, Bonus Shares and has not bought back any Shares

d. Terms and Rights attached to Equity Shares:

The company has only one class of Equity Shares having a par value of ₹ 10/- per share. The holders of the equity shares are entitled to dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

e. Shares held by promoters at the end of year

S. No.	Promoter Name	No. of Shares		% of Total Shares	% Change during the year
		As on 31 st March 2024	As on 31 st March 2023		
1	Ratan Lal Nolkha	-	6150000	-	-100.00%
2	Dinesh Nolkha	1162000	1155000	2.07%	0.61%
3	Nitin Nolkha	1850000	1850000	3.29%	-
4	Sushila Devi Nolkha	7800000	1650000	13.87%	372.73%
5	Ratan Lal Nolkha HUF	1651000	1650000	2.94%	0.06%
6	Krishna Nolkha	270000	270000	0.48%	-
7	Dinesh Nolkha HUF	360000	360000	0.64%	-
8	Ranjeeta Nolkha	190000	190000	0.34%	-
9	Nitin Nolkha HUF	205000	205000	0.36%	-
10	Pratyush Nolkha	260000	260000	0.46%	-
11	Prasham Nolkha	1000	-	0.002%	-
12	Ananya Nolkha	1000	-	0.002%	-
13	Redial Trading and Investment Pvt Ltd	17990000	17973770	32.00%	0.09%

Notes to the Financial Statements

for the year ended 31st March 2024

Note 12 : Other Equity

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Capital Redemption Reserve	150.00	150.00
Securities Premium	13727.12	13727.12
General Reserve	5000.00	5000.00
Other Reserve - Cash Hedge Reserve	(18.89)	84.71
Retained Earnings	90152.59	78306.28
Total	109010.82	97268.11

Note 12.1 : Particular of Other Equity

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
a. Capital Redemption Reserve		
Opening Balance	150.00	150.00
Additions during the year	-	-
Deductions during the year	-	-
Net Balance	150.00	150.00
b. Securities Premium		
Opening Balance	13727.12	13727.12
Additions during the year	-	-
Deductions during the year	-	-
Net Balance	13727.12	13727.12
c. General Reserve		
Opening Balance	5000.00	5000.00
Additions during the year	-	-
Deductions during the year	-	-
Net Balance	5000.00	5000.00
d. Other Reserve - Cash Hedge Reserve		
Opening Balance	84.71	125.23
Additions/(Deductions) during the year	(103.60)	(40.52)
Net Balance	(18.89)	84.71
e. Retained Earnings		
Opening Balance	78306.28	62956.35
Add: Profit for the year	13151.82	16481.05
Less : Allocation / Appropriation		
Dividend Paid	1405.50	1405.50
Transfer to General Reserve	-	-
Actuarial Loss/(Gain)	(99.99)	(274.38)
Sub Total	1305.51	1131.12
Net Balance	90152.59	78306.28
Total (a to e)	109010.82	97268.11

Note 13 : Non Current Financial Liabilities - Borrowings

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Term Loans from Banks		
Term Loans from Banks	95603.13	66679.51
Less: Taken to Short Term Borrowings being Current Maturities	14540.00	10565.00
Total	81063.13	56114.51

Notes to the Financial Statements

for the year ended 31st March 2024

Note 13 : Non Current Financial Liabilities - Borrowings (Contd..)

13.1 Security

Term Loans of ₹ 95603.13 Lacs (Previous Year ₹ 66679.51 Lacs) are secured by way of first charge on all immovable and movable Property, Plant & Equipment (both present and future) situated at Hamirgarh unit & Begun unit and site situated at Badi ka Kheda Tehsil Begun dist. Chittorgarh or anywhere else ranking pari-passu with all term lenders and second charge on entire current assets i.e. Stock of Raw Material, Consumable Stores, Semi Finished & Finished Goods & Book Debts of Hamirgarh unit & Begun unit and or anywhere else ranking pari-passu with all term lenders. The term loans are also secured by way of personal guarantee of two executive directors.

13.2 Terms of Repayment

Term loans of ₹ 3009.77 Lacs in 3 variable quarterly installments upto Dec. 2024 and ₹ 27093.36 Lacs in 13 variable quarterly installments upto June 2027. Term loan of ₹ 65500.00 Lacs is repayable in 28 variable quarterly installment starting from December 2024 and ending upto September 2031.

Note 14 : Non Current Liabilities - Provisions

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Provision for Employee Benefits	633.16	504.45
Total	633.16	504.45

Note 15 : Deferred Tax Liability

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
A. Deferred Tax Liability		
- Depreciation	11224.51	9253.05
- Deferred Transaction Cost	34.98	15.98
Total (A)	11259.49	9269.03
B. Deferred Tax Assets		
- Employee Benefits Expenses	333.24	212.85
- Provision for Doubtful Debts	21.12	18.40
Total (B)	354.36	231.25
Total (A-B)	10905.13	9037.78
Add : Deferred Tax related to OCI	232.47	233.68
C. Deferred Tax Liability (Net)	11137.60	9271.46

Note 15.1 Further information has been disclosed in Note No. 31

Note 16 : Current Financial Liabilities - Borrowings

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Working Capital Loan from Banks (Secured)	38307.74	31293.70
Current Maturities of Long Term Debt	14540.00	10565.00
Total	52847.74	41858.70

16.1 Security

Working capital loans of ₹ 38307.74 Lacs (Previous Year ₹ 31293.70 Lacs) are secured by way of first charge on entire current assets i.e. Stock of Raw Material, Consumable Stores, Semi Finished & Finished Goods & Book Debts of Hamirgarh unit & Begun unit or anywhere else ranking pari-passu with all lenders and second charge on all immovable and movable Property, Plant & Equipment (both present and future) situated at Hamirgarh unit & Begun unit and site situated at Badi ka Kheda Tehsil Begun dist Chittorgarh or anywhere else ranking pari-passu with all lenders. The working capital loans are also secured by way of personal guarantee of two executive directors.

Notes to the Financial Statements

for the year ended 31st March 2024

Note 16 : Current Financial Liabilities - Borrowings (Contd..)

16.2 Terms of Repayment

Working Capital Loans are repayable on Demand.

Note 17 : Current Financial Liabilities - Trade Payable

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
For Goods Purchased		
Due to Micro & Small Enterprises	473.33	247.26
Due to Others	1514.36	982.27
For Services & Others		
Due to Micro & Small Enterprises	0.03	-
Due to Others	5413.70	3999.12
Total	7401.42	5228.65

Note 17.1 Ageing of Trade Payable has been depicted in Note no. 41

Note 17.2 Refer to Note No. 42 for disclosure related to Micro, Small & Medium Enterprises

Note 18 : Other Current Financial Liability

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Derivative Liability	25.24	-
Unclaimed Dividend	27.88	30.73
For Capital Goods		
Due to Micro & Small Enterprises	-	190.63
Due to Others	566.35	3472.09
Security Deposit	7.58	6.67
Other Payable	1833.68	1090.12
Total	2460.73	4790.24

Note 18.1 Refer to Note No. 42 for disclosure related to Micro, Small & Medium Enterprises

Note 19 : Other Current Liabilities

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Advances From Customers	389.25	496.01
Statutory Dues	388.48	341.81
Security Deposit	97.90	47.02
Total	875.63	884.84

Note 20 : Current Liabilities - Provisions

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Provision for Employee Benefits	61.72	57.10
Provision for Corporate Social Responsibility Expenses	284.90	-
Total	346.62	57.10

Notes to the Financial Statements

for the year ended 31st March 2024

Note 21 : Current Tax Liabilities

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Provision for Tax (Net of Advance Tax, TDS & TCS)	266.41	198.33
Total	266.41	198.33

Note 22 : Revenue from Operations

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Revenue from Contract with Customers		
Sale of Products		
Yarn	199552.41	157258.92
Fabrics	71633.70	65361.26
Others	16920.79	15869.68
Sale of Services	4.36	13.67
Other		
Foreign Exchange Fluctuation (Net)	2453.67	2167.21
Total	290564.93	240670.74

Note 23 : Other Income

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Interest Received	126.27	123.81
Insurance Charge Collected	62.79	54.64
Profit on Sale of PPE	8.18	90.13
Reversal of Provision for Doubtful Debts & Bad Debts Recovered	-	50.50
Miscellaneous Income	27.69	11.87
Total	224.93	330.95

Note 24 : Cost of Material Consumed

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Inventory at Opening		
Cotton	26159.91	18333.07
Yarn	34.32	156.41
Polyster & Other Fibers	172.14	438.92
Dyes & Chemical	289.86	404.72
Total	26656.23	19333.12
Add : Purchases & Expenses		
Cotton	183240.90	161152.18
Yarn	1775.75	1319.51
Polyster & Other Fibers	8652.55	5836.70
Dyes & Chemical	3816.27	3081.98
Grey Fabric & Others	-	39.16
Total	197485.47	171429.53
Total	224141.70	190762.65
Less : Inventory at Closing		
Cotton	34690.11	26159.91
Yarn	41.02	34.32
Polyster & Other Fibers	467.76	172.14
Dyes & Chemical	262.33	289.86
Total	35461.22	26656.23
Total Consumption	188680.48	164106.42

Notes to the Financial Statements

for the year ended 31st March 2024

Note 25 : Purchase of Stock in Trade

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Purchase of National Flag	316.60	-
Purchase of Garments	4.56	-
Total	321.16	-

Note 26 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Inventory at Closing		
Finished Goods	13049.73	16432.42
Work-In-Progress	6328.15	4875.75
Total	19377.88	21308.17
Inventory at Opening		
Finished Goods	16432.42	15605.26
Work-In-Progress	4875.75	4696.21
Total	21308.17	20301.47
(Increase)/Decrease in Inventories	1930.29	(1006.70)

Note 27 : Employee Benefit Expenses

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Salary & Wages	14862.98	11138.98
Contribution to Provident and Other Funds	1403.87	1101.89
Gratuity and Leave Encashment Expenses	639.40	406.34
Staff Welfare Expenses	777.79	669.10
Total	17684.04	13316.31

Note 28 : Finance Cost

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Interest Expenses		
On Term Loans	4402.72	1405.00
On Others	3334.93	1965.23
	7737.65	3370.23
Other Borrowing Costs	592.63	398.01
Total	8330.28	3768.24

Notes to the Financial Statements

for the year ended 31st March 2024

Note 29 : Other Expenses

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
(a) Manufacturing Expenses		
Power & Fuel	25829.74	18941.73
Stores & Spares Consumed	5437.22	4559.45
Packing Expenses	3227.28	2500.57
Job Charges Paid	82.88	33.03
Repair to :-		
Machinery	251.46	166.14
Building	77.18	51.82
Others	134.89	147.10
Total (a)	35040.65	26399.84
(b) Administrative and Other Expenses		
Printing & Stationary	50.39	38.44
Postage & Communication	30.59	27.03
Subscription & Membership Fees	13.74	8.04
Director's Sitting Fees	12.75	11.75
Rates & Taxes	24.14	8.77
Listing Expenses	10.58	9.25
Travelling Exp - Directors	10.68	13.00
- Others	54.34	45.61
Vehicle & Conveyance	211.52	188.51
Charity & Donation	3.34	1.62
CSR Expenditure	522.21	434.08
Legal & Professional	60.55	43.06
Insurance Charges	359.85	303.67
Payment to Auditors	15.01	13.65
Cost Audit Fees	0.83	0.75
Advertisement	15.92	17.13
Software Expenses	60.13	49.17
Provision for Doubtful Debts	14.49	-
Miscellaneous Expenses	15.16	15.30
Total (b)	1486.22	1228.83
(c) Selling and Distribution Expenses		
Sales Promotion Expenses	249.17	113.76
Sales Commission	2467.80	1703.54
Rebate, Claims & Discount	345.58	256.90
Freight & Forwarding	4645.82	4833.01
Hank Yarn Obligation Expenses	7.88	13.17
Total (c)	7716.25	6920.38
Total (a to c)	44243.12	34549.05

Note 29.1 : Payment to Auditors

(₹ in Lacs)

Particulars	Current Year	Previous Year
Audit Fees	12.50	11.00
Tax Audit Fees	1.50	1.50
Legal Services	0.61	0.80
Certification & Others	0.10	-
Reimbursement of Expenses	0.30	0.35
Total	15.01	13.65

Notes to the Financial Statements

for the year ended 31st March 2024

Disclosures and Additional Informations

Note 30 – Disclosure as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

1 Contingent Liabilities not provided for:

(₹ in Lacs)

Sr. No.	Particulars	Current Year	Previous Year
a.	Disputed Liabilities not acknowledged as debts		
-	Cenvat, Goods & Service Tax and Custom Duty	1446.26	18.98
b.	Guarantees		
-	Outstanding Bank Guarantees	90.20	42.80
c.	Other money for which the company is contingently liable		
-	Bills negotiated with Banks (against goods sold under Letter of Credit)	15862.86	15037.73

2 Commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) ₹ 437.13 Lacs (Previous Year – ₹ 37694.12 Lacs).
- b) The company has an outstanding export obligation of approx. ₹ 99280.46 lacs (Previous Year – ₹ 92281.58 lacs), in respect of capital goods imported at the concessional rate of duty under Export Promotion Capital Goods Scheme, which is required to be met at different dates on or before 31st March, 2030 and export obligation of approx. ₹ 11584.09 lacs (Previous Year – ₹ 3629.21), in respect of cotton imported at the concessional rate of duty under Advance Licence scheme, which is required to be met at different dates on or before 08th May, 2025.

Note 31 - Disclosure as per Ind AS 12 "Income Taxes"

(a) Reconciliation of Tax Expense and the accounting profit multiplied by India's Tax Rate:

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Accounting Profit Before Tax	17753.28	17587.50
Tax using Company's Domestic Tax Rate for respective year	4468.15	4426.42
Effect of Non-Deductible Expenses	140.57	138.25
Effect of Depreciation	(7.23)	15.03
Effect of Changes in Tax Rate*	-	(3431.15)
Tax in respect of Earlier Years	(0.03)	(42.10)
Tax as per Statement of Profit & Loss	4601.46	1106.45

*The Company has exercised the option permitted under section 115BAA of The Income Tax Act 1961 as introduced by the Taxation Law (Amendment) Ordinance 2019 and accordingly has recognised the provision of Income Tax (Current Tax) for the year as per new tax rates. Deferred Tax Assets/Liabilities has also remeasured on the basis of the rate prescribed under section 115BAA and recognised the effect of changes during the previous financial year.

(b) Income Tax Expenses

i. Income Tax recognized in Statement of Profit and Loss

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
[A] Current Tax expense:		
Current Year	2734.14	4375.32
Adjustment for Earlier Years	(0.03)	(42.10)
Total [A]	2734.11	4333.22
[B] Deferred Tax Expense		
Origination and Reversal of Temporary Differences	1867.35	(3226.77)
Total [B]	1867.35	(3226.77)
Total Income Tax [A+B]	4601.46	1106.45

Notes to the Financial Statements

for the year ended 31st March 2024

Note 31 - Disclosure as per Ind AS 12 "Income Taxes" (Contd..)

ii. Income Tax recognized in Other Comprehensive Income

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2024	For the Year ended 31 st March 2023
Net Actuarial Gain/ (Losses) on Defined Benefit Plans	133.62	299.25
Tax Expenses in current year	33.63	75.32
Effect of Changes in Tax Rate	-	(50.45)
Net Tax on Defined Benefit Plans	33.63	24.87
Net Gain/ (Losses) on Cash Flow Hedge	(138.44)	(79.30)
Tax Expenses in current year	(34.84)	(19.96)
Effect of Changes in Tax Rate	-	(18.82)
Net Tax on Cash Flow Hedge	(34.84)	(38.78)

(c) Movement in Deferred tax Asset/ Liability

(₹ in Lacs)

Particulars	As at 1st April 2023	Recognised in P&L A/c	As at 31st March 2024
(A) Deferred Tax Assets			
- Provision for Employee Benefits	212.85	120.39	333.24
- Provision for Doubtful Debts	18.40	2.72	21.12
Total (A)	231.25	123.11	354.36
(B) Deferred Tax Liability			
- Impact of Temporary Difference in Depreciation	9253.05	1971.46	11224.51
- Amortised Value of Financial Assets	15.98	19.00	34.98
Total (B)	9269.03	1990.46	11259.49
Net Deferred Tax Liability (B-A)	9037.78	1867.35	10905.13
Add: Deferred Tax Related to OCI	233.68	(1.21)	232.47
Net Deferred Tax Liability	9271.46	1866.14	11137.60

(d) Reconciliation of Deferred Tax Liabilities (Net)

(₹ in Lacs)

Particulars	2023-24	2022-23
Deferred tax liability at the beginning of the year	9271.46	12512.15
Deferred tax (Income)/ Expenses during the year recognised in the Statement of Profit and Loss	1867.35	(3226.77)
Deferred tax (Income)/ Expenses during the year recognised in Other Comprehensive Income	(1.21)	(13.92)
Deferred tax liability at the end of the year	11137.60	9271.46

Note 32 - Disclosure as per Ind AS 24 "Related Party Disclosures"

1. List of Related Parties with whom Transactions have taken place:-

(a) Key Management Personnel:-

Name of Person	Relationship
Lt. Shri R.L. Nolkha	Chairman (Till 12th Aug. 2023)
Shri Dinesh Nolkha	Managing Director
Shri Nitin Nolkha	Joint Managing Director
Shri P. Maheshwari	Chief Financial Officer
Shri Sudhir Garg	Company Secretary & Vice President (Legal)

Notes to the Financial Statements

for the year ended 31st March 2024

Note 32 - Disclosure as per Ind AS 24 "Related Party Disclosures" (Contd..)

(b) Relatives:-

Name of Person	Relationship
Smt. Sushila Devi Nolkha	Wife of Chairman and Mother of Managing Director & Joint Managing Director
Ratan Lal Nolkha HUF	Director's Relative
Krishna Nolkha	Director's Relative
Dinesh Nolkha HUF	Director's Relative
Ranjeeta Nolakha	Director's Relative
Nitin Nolakha HUF	Director's Relative
Pratyush Nolakha	Director's Relative
Smt. Pallavi Rohit Mehta	Independent Director's Relative

(c) Related Companies:-

Name of Person	Relationship
Redial Trading & Investment Pvt. Ltd.	Holding 32.00% shares of the Company

(d) Independent Directors

Name of Person	Relationship
Shri R. Chattopadhyay	Independent Director
Shri Rohit Swadheen Mehta	Independent Director
Shri Rishabh Chand Lodha	Independent Director (Since 09th Nov. 2023)
Smt. Aditi Mehta	Independent Director

(e) Other Related Parties

Name of Person	Relationship
Nitin Spinners Employees Gratuity Trust Fund	Promoter Directors are Trustee
Shri Sojiram Ratanlal Nolakha Charitable Trust	Promoter Directors are Trustee

2. Details of Transactions with related parties:-

(₹ in Lacs)

Sr. No.	Nature of Transactions	For the Year Ended 31 st March 2024	For the Year Ended 31 st March 2023
1	Remuneration to Key Managerial Personnel		
	Lt. Shri R. L. Nolkha	-	120.43
	Shri Dinesh Nolkha	247.90	148.05
	Shri Nitin Nolakha	234.46	137.63
	Shri P. Maheshwari	44.08	39.98
	Shri Sudhir Garg	29.74	26.51
2	Remuneration to Others		
	Shri Pratyush Nolakha	2.08	-
3	Sitting Fees Paid to Directors		
	Shri R. Chattopadhyay	4.00	4.25
	Shri Rohit Swadheen Mehta	4.00	3.50
	Lt. Shri R. L. Nolkha	0.50	1.00
	Shri Rishabh Chand Lodha	1.00	-
	Smt. Aditi Mehta	3.25	3.00
4	Dividend Paid*		
	Lt. Shri R. L. Nolkha	-	153.75
	Shri Dinesh Nolkha	28.88	28.83
	Shri Nitin Nolakha	46.25	46.25
	Smt. Sushila Devi Nolkha	195.00	41.25
	Shri R. L. Nolkha HUF	41.25	41.25
	Smt. Krishna Nolkha	6.75	6.75

Notes to the Financial Statements

for the year ended 31st March 2024

Note 32 - Disclosure as per Ind AS 24 "Related Party Disclosures" (Contd..)

(₹ in Lacs)

Sr. No.	Nature of Transactions	For the Year Ended 31 st March 2024	For the Year Ended 31 st March 2023
	Shri Dinesh Nolkha HUF	9.00	9.00
	Smt. Ranjeeta Nolakha	4.75	4.75
	Shri Nitin Nolakha HUF	5.13	5.10
	Shri Pratyush Nolakha	6.50	6.50
	Redial Trading & Investment Pvt. Ltd.	449.38	448.71
	Shri Rohit Swadheen Mehta	0.55	0.55
	Smt. Pallavi Rohit Mehta	0.70	0.70
	Shri P. Maheshwari	0.04	0.09
5	Contribution for CSR Project		
	Shri Sojiram Ratan Lal Nolakha Charitable Trust	4.40	-
6	Contribution to Post Employment Benefit Plans		
	Nitin Spinners Employees Gratuity Trust Fund	200.11	200.10

* Dividend of ₹ 247.50 (Previous Year – ₹ 247.50) & ₹ 250.00 (Previous Year – ₹ 250.00) paid to Shri R. Chattopadhyay & Shri Sudhir Garg respectively in current year.

Note 33- Disclosure as per Ind AS 33 "Earning Per Share (EPS)"

i) Basic and Diluted Earnings Per Share (in INR)

(₹ in Lacs)

Sr. No.	Nature of Transactions	For the Year Ended 31 st March 2024	For the Year Ended 31 st March 2023
a)	Net Profit available to Equity Shareholders	13151.82	16481.05
b)	Weighted Average Number of Equity Shares of INR 10 each outstanding during the year (In lacs)	562.20	562.20
c)	Basic/Diluted Earning per share (In INR)	23.39	29.32
d)	Face Value of each Equity Share (In Rs.)	10	10

ii) Weighted Average Number of Equity Shares

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Opening Balance of issued Equity Shares	56220000	56220000
Effect of Shares issued during the year	-	-
Weighted Average No. of Equity Shares ₹ 10 each	56220000	56220000

Note 34 - Dividend on Equity Shares

(₹ in Lacs)

Particulars	Year 2023-24	Year 2022-23
(i) Dividend Declared and paid during the year		
Final Dividend for the year ended 31 st March, 2023 of ₹ 2.50 (31 st March 2022- ₹ 2.50) per fully paid Equity Share	1405.50	1405.50
Total	1405.50	1405.50

(ii) Dividend not recognised at the end of reporting period

The company's Board of Directors have proposed the payment of Final dividend of ₹ 2.50 (31st March 2023- ₹ 2.50 per share) per fully paid Equity Share. This proposed final dividend is subject to the approval of the shareholders in Annual General Meeting. The total outgo towards the same will be ₹ 1405.50 Lacs.

Notes to the Financial Statements

for the year ended 31st March 2024

Note 35 - Disclosure as per Ind AS 19 "Employee Benefits"

a) Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognised as expense for defined contribution plans.

Total contribution made by the employer to the Fund during the year is ₹ 1070.45 lakhs (Previous Year ₹ 843.80 lakhs).

b) Defined Benefit Plan & Other Long Term Benefits

(i) Gratuity

The Company makes payment to vested employees at retirement, disability or termination of employment as per provisions of Payment of Gratuity Act, 1972. The provision of Gratuity liability as on the Balance Sheet date is done on actuarial valuation basis for qualifying employees and the same is funded in the funds held under the Gratuity Plan by Trust. Trust is incorporated on 28-09-2021 and 100% management of funds for gratuity is entrusted with HDFC Life Insurance Company Limited.

The present value of the Defined Benefits obligation and the related current service cost is measured using the Projected Unit Credit Actuarial Method at the end of Balance Sheet date by the Actuary.

(ii) Leave Encashment

The company provides benefit of leave encashment to its employees as per defined rules. The provision for liability for leave encashment as on date of Balance Sheet is recognised on the basis of Actuarial certificate.

(iii) The following table set out the status of Gratuity and Leave encashment plans as required under Ind AS-19 :

(a) Changes in Defined Benefit Obligations :-

(₹ in Lacs)

Particulars	For the year ended 31 st March 2024		For the year ended 31 st March 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at the beginning of the year	1823.45	552.53	1744.87	539.85
Interest cost	134.75	40.83	126.68	39.19
Current service cost	514.38	228.00	384.54	164.63
Benefits directly paid	(97.86)	(30.16)	(95.62)	(25.72)
Actuarial (Gain)/Loss on obligation & Assets	(95.22)	(110.13)	(337.02)	(165.42)
Present value of obligation at the end of year	2279.50	681.07	1823.45	552.53

(b) Net Defined Benefit Cost/(Income) included in the:-

1. Statement of Profit and Loss

(₹ in Lacs)

Particulars	For the year ended 31 st March 2024		For the year ended 31 st March 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service Cost	514.38	228.00	384.54	164.63
Interest Cost	(33.68)	40.83	(16.60)	39.19
Net actuarial (gain)/loss recognised in the period	-	(110.13)	-	(165.42)
Expenses recognised in the Profit & Loss statement	480.70	158.70	367.94	38.40

Notes to the Financial Statements

for the year ended 31st March 2024

Note 35 - Disclosure as per Ind AS 19 "Employee Benefits" (Contd..)

2. Other Comprehensive Income :-

(₹ in Lacs)

Particulars	Gratuity	
	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Actuarial (Gain)/Loss for the year on Projected Benefit Obligations	(133.62)	(299.25)
Unrecognised actuarial (Gain)/Loss at the end of the year	(133.62)	(299.25)

(c) Changes in Plan Assets

(₹ in Lacs)

Particulars	Gratuity	
	For the year ended 31 st March 2024	For the year ended 31 st March 2023
Fair Value of Plan Assets at the beginning of the year	2279.15	1973.54
Expected Return on Plan Assets	206.83	105.51
Employer Contribution	265.78	200.10
Benefit Paid	(65.67)	-
Fair Value of Plan Assets at the end of the year	2686.09	2279.15

(d) Reconciliation of the Present value of Defined Obligation and the fair value of the plan assets:

(₹ in Lacs)

Particulars	Year 2023-24		Year 2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at the end of year	2279.50	681.07	1823.45	552.53
Fair value of Plan Assets	(2686.09)	-	(2279.15)	-
Liability (Assets) recognised in Balance Sheet*	(406.59)	681.07	(455.70)	552.53

* Refer Note No. 10

(e) The assumptions used in Actuarial Valuation:-

(₹ in Lacs)

Particulars	Year 2023-24	Year 2022-23
Financial Assumptions used to determine the Profit & Loss Charge		
a) Discounting Rate	7.25% p.a.	7.39% p.a.
b) Salary Escalation Rate	8.00% p.a.	8.00% p.a.
Demographic Assumptions Used to determine the Defined Benefit		
a) Retirement Age	62 Years	62 Years
b) Mortality Table	100% IALM (2012-2014)	100% IALM (2012-2014)
c) Employee Turnover/Attrition Rate		
18 To 30 Years	3.00%	3.00%
31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%

(f) Sensitivity Analysis as at 31st March, 2024:-

(₹ in Lacs)

Particulars	Gratuity	Leave Encashment
Defined benefit Obligation - Discount Rate+50 Basis points	(171.40)	(53.34)
Defined benefit Obligation - Discount Rate-50 Basis points	192.32	60.10
Defined benefit Obligation – Salary Escalation Rate+50 Basis points	177.67	59.37
Defined benefit Obligation – Salary Escalation Rate-50 Basis points	(161.21)	(53.23)

Notes to the Financial Statements

for the year ended 31st March 2024

Note 35 - Disclosure as per Ind AS 19 "Employee Benefits" (Contd..)

(g) Expected Cash Flows as at 31st March, 2024:-

(₹ in Lacs)

Particulars	Gratuity	Leave Encashment
Within 1 Year	89.91	47.92
1-5 Years	245.41	73.03
Beyond 5 Years	1944.18	560.12
Total Expected Payments	2279.50	681.07

- (h) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.
- (i) The discount rate is based on prevailing market yields of Indian Government Bonds, as at the balance sheet date, consistent with the currency and estimated term of the post employment benefit obligations.

Note 36 - Disclosure as per Ind AS 107 "Financial instrument disclosure"

i. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure, in light of changes in economic conditions and the requirement of financial Covenants.

The Company monitors capital using a gearing ratio, which is calculated by dividing Net Debt from the Equity. The Company includes within Net Debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance) and under Equity, the Equity Share Capital plus other Equity (excluding Preference Share Capital) is considered.

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
Long Term Borrowings	81063.13	56114.51
Current Maturities of Long Term Debts	14540.00	10565.00
Short Term Borrowings	38307.74	31293.70
Gross Debt	133910.87	97973.21
Less: Cash and Cash Equivalents	(6.63)	(6.98)
Net Debt (A)	133904.24	97966.23
Total Equity (B)	114632.82	102890.11
Gearing Ratio (A/B)	1.17	0.95

ii. Financial Risk Management

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board. The Board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the board of directors on its activities.

Company is exposed to following risk from the use of its financial instrument:

- Credit Risk
- Liquidity Risk
- Market Risk

Notes to the Financial Statements

for the year ended 31st March 2024

Note 36 - Disclosure as per Ind AS 107 "Financial instrument disclosure" (Contd..)

(a) Credit Risk

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorise a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Provision for Expected Credit or Loss

(i) Financial assets for which loss allowance is measured using 12 month expected credit losses:

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

(ii) Financial assets for which loss allowance is measured using life time expected credit losses:

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

Ageing of Trade Receivables

(₹ in Lacs)

Particulars	Not Due	Less Than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As on 31.03.2024							
Undisputed Trade Receivable - Considered Good (Unsecured)	28303.47	3768.23	65.82	0.87	-	-	32138.39
Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	14.49	-	69.42	83.91
Impairment loss recognised	-	-	-	14.49	-	69.42	83.91
As on 31.03.2023							
Undisputed Trade Receivable - Considered Good (Unsecured)	19371.30	2807.03	87.90	-	-	-	22266.23
Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	3.68	69.42	73.10
Impairment loss recognised	-	-	-	-	3.68	69.42	73.10

During the financial year, amount of ₹ 3.68 Lacs has written off against the provision and further new Provision for Doubtful Debts created of ₹ 14.49 Lacs in current financial year.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Notes to the Financial Statements

for the year ended 31st March 2024

Note 36 - Disclosure as per Ind AS 107 "Financial instrument disclosure" (Contd..)

As on 31.03.2024

(₹ in Lacs)

Contractual Maturities of Financial Liabilities	Contractual cash flows					Total
	3 Months or less	3-12 Months	1-2 Years	2-5 Years	More than 5 Years	
Term Loans from Banks*	4798.18	17526.43	23798.21	50075.30	27442.42	123640.54
Trade and other Payables	7401.42	-	-	-	-	7401.42

As on 31.03.2023

(₹ in Lacs)

Contractual Maturities of Financial Liabilities	Contractual cash flows					Total
	3 Months or less	3-12 Months	1-2 Years	2-5 Years	More than 5 Years	
Term Loans from Banks*	4007.91	13861.06	21947.38	60674.46	39109.11	139599.92
Trade and other Payables	5228.65	-	-	-	-	5228.65

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenure of the borrowing.

The Company has access to the following undrawn facilities at the end of reporting period:

(₹ in Lacs)

Particulars	As at	As at
	31 st March 2024	31 st March 2023
Fixed Rate Borrowings	-	-
Floating-rate Borrowings	16692.26	17206.30
Total- Undrawn Facilities	16692.26	17206.30

(c) Market Risk

Considering the Company's existing foothold/experience in the Textile sector, established & diversified client base, association with various international/domestic agents, it's competent sales team and an established marketing setup in India and International Market, it does not foresee any problem in marketing its production.

Market Risk is the risk of loss of future earnings, fair values of future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchanges rates, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, and other market changes.

The Company manages market risk through a finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

i) Interest Rate Risk

It is the risk where changes in market interest rates might adversely affect the company's financial condition. The short term/immediate impact of changes in interest rates are on the Company's net interest income/expenses. On a longer term, change in interest rate impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the Company arising out of all reprising mismatches and other interest rate sensitive positions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Notes to the Financial Statements

for the year ended 31st March 2024

Detail of financial instrument bearing interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

(₹ in Lacs)

Particulars	As at	As at
	31 st March 2024	31 st March 2023
Variable rate instruments		
Long Term Borrowings	81063.13	56114.51
Current Maturities of Long Term Debts	14540.00	10565.00
Short Term Borrowings	38307.74	31293.70
Total	133910.87	97973.21

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lacs)

Particulars	Effect of Profit or Loss	
	50 BP decrease	50 BP increase
31st March 2024		
Term Loans	478.02	(478.02)
Loan repayable on demand	191.54	(191.54)
Total	669.56	(669.56)
31st March 2023		
Term Loans	333.40	(333.40)
Loan repayable on demand	156.47	(156.47)
Total	489.87	(489.87)

ii) Foreign Exchange Risk

It is the risk that the company may suffer losses as a result of adverse exchange rates movements during a period in which it has an open position in an individual foreign currency. In addition, the company may also expose to the following risks on account of foreign exchange exposures as applicable.

Interest Rate Risk - Which arises from the maturity mismatches of foreign currency position

Settlement Risk - On account of risk of default of the counter parties.

Exposure to Foreign Currency:

(Foreign Currency In Lacs)

Particulars	As at	As at
	31 st March 2024	31 st March 2023
Exposure on account of Financial Assets		
Trade Receivables (Net of Bill Discounted) (A)		
In USD	246.81	148.00
In Euro	1.98	5.61
In GBP	0.17	-
In CHF	-	-
Amount hedged through Forward Contracts (B)		
In USD	246.81	148.00
In Euro	1.98	5.61
In GBP	-	-
In CHF	-	-
Net Exposure to Foreign Currency Assets (C = A-B)		
In USD	-	-
In Euro	-	-
In GBP	0.17	-
In CHF	-	-
Exposure on account of Financial Liabilities		

Notes to the Financial Statements

for the year ended 31st March 2024

(Foreign Currency In Lacs)

Particulars	As at	As at
	31 st March 2024	31 st March 2023
Trade Payables (D)		
In USD	6.46	4.11
In Euro	0.80	0.09
In GBP	0.01	0.02
In CHF	1.14	0.01
Amount hedged through Forward Contracts (E)		
In USD	-	-
In Euro	-	-
In GBP	-	-
In CHF	-	-
Net Exposure to Foreign Currency Liabilities(F = D-E)		
In USD	6.46	4.11
In Euro	0.80	0.09
In GBP	0.01	0.02
In CHF	1.14	0.01
Net Exposure to Foreign Currency Assets/Liabilities (C-F)		
In USD	(6.46)	(4.11)
In Euro	(0.80)	(0.09)
In GBP	0.16	(0.02)
In CHF	(1.14)	(0.01)

The Company uses forward contracts to hedge its risk associated with fluctuation in foreign currency relating to foreign currency assets and liabilities, firm commitments and highly probable forecast transactions. The use of the aforesaid financial instruments is governed by the Company's overall Risk Management Strategy. The Company does not use forward contracts and options for speculative purposes. The details of the outstanding forward contracts and unhedged currency exposure as at 31st March, 2024 is as under:

(₹ in Lacs)

Particulars	Current Year		Previous Year	
	Foreign Currency	INR	Foreign Currency	INR
Forward Contracts Outstanding (For Hedging)				
USD (Sale)	539.41	45017.34	324.91	26968.81
EURO (Sale)	5.02	459.08	6.66	585.55
GBP (Sale)	-	-	-	-
Total	544.43	45476.42	331.57	27554.36
Unhedged Forex Exposure				
Payable – USD	6.46	538.60	4.11	337.91
Payable – EURO	0.80	72.17	0.09	8.06
Payable – GBP	0.01	1.05	0.02	2.04
Payable – CHF	1.14	104.91	0.01	0.90
Total	8.41	716.73	4.23	348.91

Hedge Accounting Disclosures

The Cash Flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basic adjustment to the non financial hedged item.

Foreign Currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, GBP and CHF rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Notes to the Financial Statements

for the year ended 31st March 2024

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023
1% Appreciation in INR		
Impact on Equity	7.17	3.49
Impact on P&L	7.17	3.49
1% Depreciation in INR		
Impact on Equity	(7.17)	(3.49)
Impact on P&L	(7.17)	(3.49)

Note 37 - Disclosure as per Ind AS 115 "Revenue from Contract with Customers"

The company has adopted Ind AS 115 "Revenue from Contracts with Customers" which is mandatory for reporting periods beginning on or after 01st April 2018. The Company has adopted the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with this method, the comparatives have not been retrospectively adjusted. Application of Ind AS 115 does not have any material impact on the financial results of the company.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2024 by contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(₹ in Lacs)

Particulars	For the year ended 31 st March 2024
Revenues on the basis of Geographical area	
- Domestic Sales	120135.75
- Export Sales (Including Export Incentives)	170429.18
Total	290564.93

Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables either as a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time. This would result in the timing of revenue recognition being different from the timing of billing the customers.

Company classifies amount received as advance from customers against sales as contract liability.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended 31st March 2024, the company recognizes revenue of ₹ 496.01 Lacs arising from opening contract liabilities as of 1st April, 2023.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in para 121 of Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the performance obligation is part of a contract that has an original expected duration of less than 1 year.

The remaining performance obligation as on 31st March 2024 is ₹ 389.25 Lacs which is to be satisfied within 1 year or less.

The impact on account of applying the erstwhile IndAS 18 Revenue instead of IndAS 115 Revenue from contract with customers on the financials results of the Company for the year ended as at March 31, 2024 is insignificant.

Notes to the Financial Statements

for the year ended 31st March 2024

Note 38 - Disclosure as per Ind AS 108 "Operating Segments"

The Company is engaged in Business of Textiles. Hence there is no separate business segments.

Details of Export outside country and Domestic sales within country are as under:

(₹ in Lacs)

Particulars	Current Year	Previous Year
Segment Revenue		
- Within India (Domestic Sales)	120135.75	105037.28
- Outside India (Exports - Including Export Incentives)	170429.18	135633.46
Total	290564.93	240670.74

Note 39 - Disclosure of Corporate social responsibility (CSR)

As per section 135 of Companies Act the company is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial year in accordance with its CSR policy.

- Gross amount required to be spent by the Company during the year 2023-24 – ₹ 524.67 Lacs (Year 2022-23 - ₹ 431.62 Lacs).
- Amount of ₹ 2.46 Lacs set off in current financial year 2023-24 brought forward from previous financial year 2022-23.
- The Company spent ₹ 237.31 Lacs on various CSR projects and out of this amount of ₹ 4.40 Lacs spent on account of ongoing project. The unspent CSR amount of ₹ 284.90 Lacs has been account for as a provision which is towards ongoing project and transferred to a special bank account on 25-04-2024 & 29-04-2024 in compliance with the provision of section 135(6) of the Companies Act 2013 and will be spent in accordance with the Companies (Corporate Social Responsibility Policy) Rules 2014 and amendments thereunder.

CSR Expenditure Details during the financial year 2023-24

(₹ in Lacs)

CSR Project Nature	Actual Amount Spent	Amount yet to be Spent	Total	Reason for Amount Unspent	Related Party Transaction (If Involved)
Rural Development	2.84	-	2.84	-	-
Promotion of Health including Preventing Health Care	2.51	-	2.51	-	-
Enhancing Vocal Skill among Children	101.50	-	101.50	-	-
Har Ghar Tiranga	32.40	-	32.40	-	-
Drinking Water	4.15	-	4.15	-	-
Promotion of Education	18.13	284.90	303.03	Amount pertained to ongoing Capital Project	4.40
Empowering Women	5.00	-	5.00	-	-
Ensuring Environment Sustainability	0.51	-	0.51	-	-
Setting up of Old Ages Homes	70.00	-	70.00	-	-
Promotion of Nationally recognised Sports	0.27	-	0.27	-	-
Total	237.31	284.90	522.21	-	4.40

Notes to the Financial Statements

 for the year ended 31st March 2024

CSR Expenditure Details during the financial year 2022-23

(₹ in Lacs)

CSR Project Nature	Actual Amount Spent	Amount yet to be Spent	Total	Reason for Amount Unspent	Related Party Transaction (If Involved)
Rural Development	2.93	-	2.93	-	-
Promotion of Health including Preventing Health Care	1.01	-	1.01	-	-
Setting up of Old Ages Homes	65.00	-	65.00	-	-
Enhancing Vocal Skill among Children	200.62	-	200.62	-	-
Har Ghar Tiranga	0.05	-	0.05	-	-
Drinking Water	0.96	-	0.96	-	-
Animal Welfare	0.68	-	0.68	-	-
Promotion of Education	32.48	-	32.48	-	-
Empowering Women	3.50	-	3.50	-	-
Conservation of Natural Resources	126.45	-	126.45	-	-
Promotion of Nationally recognised Sports	0.40	-	0.40	-	-
Total	434.08	-	434.08	-	-

Note 40 : Details of Unclaimed Dividend

The year wise details of Unclaimed dividend lying in separate bank account is as under:

(₹ in Lacs)

Particulars	As at 31st March 2024	As at 31st March 2023
Final Dividend Accounts		
- Year 2015-16*	-	5.16
- Year 2016-17	4.86	4.89
- Year 2017-18	6.78	6.81
- Year 2018-19	3.57	3.61
- Year 2019-20	1.62	1.64
- Year 2020-21	3.24	3.34
- Year 2021-22	3.33	3.34
- Year 2022-23	2.56	-
Interim Dividend Accounts		
- Year 2021-22	1.92	1.94
Total	27.88	30.73

* Amount of ₹ 0.02 Lacs of unclaimed dividend paid during the year and remaining amount of ₹ 5.14 Lacs of unclaimed dividend has been transferred to "Investor Education and Protection Fund" during the current financial year 2023-24 on completion of 7 years.

Note 41 : Trade Payable ageing schedule

(₹ in Lacs)

Particulars	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
As on 31st March 2024						
(i) MSME	416.07	57.29	-	-	-	473.36
(ii) Others*	6036.41	876.67	12.11	2.87	-	6928.06
As on 31st March 2023						
(i) MSME	241.43	5.83	-	-	-	247.26
(ii) Others*	4563.15	379.86	38.01	0.37	-	4981.39

* Other Trade payable showing in not due include unbilled transaction of ₹ 397.07 Lacs (Previous Year - ₹ 209.38 Lacs).

Notes to the Financial Statements

for the year ended 31st March 2024

Note 42 : Disclosure related to Micro, Small & Medium Enterprises

- A. Trade Payables include Principal amount ₹ 473.36 Lacs (Previous Year ₹ 247.26 Lacs) and Creditors for Capital Goods include principal amount ₹ Nil (Previous Year ₹ 190.63) and Interest amount ₹ Nil (Previous Year ₹ Nil) due to Micro & Small Enterprises as at 31st March 2024. The figures have been disclosed on the basis of informations received from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and/or based on the information available with the company. Further, no interest during the year has been paid or payable under the provisions of the MSMED Act, 2006.
- B. No Interest has been paid under section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.
- C. No Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.
- D. No Interest accrued and remaining unpaid at the end of each accounting year.
- E. No further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Note 43 : Disclosure of Additional Regulatory Information - Ratios

(₹ in Lacs)

Particulars	As at 31 st March 2024	As at 31 st March 2023	% Change	Basis of Ratio Calculation	Reason for Change
Current Ratio (Including current maturities of Long term Borrowing)	1.54	1.50	2.67%	Current Assets/Current Liabilities	Marginally Improved
Debt Equity Ratio	0.83	0.65	27.69%	Long Term Borrowing & Current Maturities of long term borrowing/Total Equity	Increased due to fresh term loan taken for expansion project
Debt Service Coverage Ratio (In times)	1.96	2.51	-21.91%	PAT+Depreciation & Interest on Term Loan/Repayment of Term Loan & Interest on Term Loan	Reduced due to Lower PAT
Return on Equity Ratio	12.09%	17.31%	-30.16%	Profit After Tax/Total Average Equity	Reduced due to Lower PAT
Inventory Turnover Ratio (In times)	5.50	5.36	2.61%	Revenue from Operations/ Average Inventories	Marginally Improved
Trade Receivable Turnover Ratio (In times)	10.68	10.39	2.79%	Revenue from Operations/ Average Trade Receivables	Marginally Improved
Trade Payable Turnover Ratio (In times)	33.17	27.10	22.40%	Purchases*/ Average Trade Payables	Average payment period reduced
Net Capital Turnover Ratio (In times)	1.17	1.20	-2.50%	Revenue from Operations/Total Equity, Long Term Borrowing & Short Term Borrowing	Reduced due to new term loan for expansion project
Net Profit Ratio	4.53%	6.85%	-33.87%	Profit After Tax/Revenue from Operations	Reduced due to higher effective tax rate
Return on Capital Employed	11.61%	11.95%	-2.85%	EBIT/Average of Total Equity, Long Term Borrowing & Short Term Borrowing	Reduced due to new term loan for expansion project
Return on Investment	-	-	-	Not Applicable due to there are no investment	

* Purchases include Purchase of Raw Material, Store & Spares, Packing Material, Printing & Stationary and Fuel.

Notes to the Financial Statements

for the year ended 31st March 2024

Note 44 : Disclosure of Transaction with Companies Struck Off

The Company does not have any transactions with company which have been strucked off.

Note 45 : Disclosure of Borrowings on Security of Current Assets

The Company has borrowed funds from banks on the basis of security of current assets. The quarterly returns filed by the company to bank or financial institution are in line with books of accounts.

Note 46 : Disclosure of Benami Property

The company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note 47 : Disclosure of Undisclosed Income

There are no transaction which is not recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey or any other relevent provisions of The Income Tax Act, 1961.

Note 48 : Disclosure of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Note 49 : Disclosure of Wilful Defaulter

The company has not declared as a wilful defaulter by any bank or financial institution or any other lender during the financial year.

Note 50 : Disclosure of Registration of Charge with ROC

The Company has filed all type of applicable charges or satisfaction with Registrar of Companies (ROC) in time, So there are no charges of satisfaction is pending for registration with ROC as on balance sheet date.

Note 51 : Disclosure of Compliance with Number of Layer Companies

The company is neither a holding company of any subsidiaries companies not a subsidiary company of any holding company, hence The company is not covered under clause (87) of section 2 of the Companies Act along with the Companies (Restriction on number of Layers) Rules, 2017.

Note 52 : Disclosure of Scheme of Arrangement

The Company has not entered in any Scheme of Arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Note 53 : Disclosure of Title Deeds of Immovable Property

The title deeds of all immovable properties are in the name of Company.

In terms of our report of even date

For and on behalf of the Board

For KALANI & CO.

Chartered Accountants
(Firm Reg. no. 000722C)

DINESH NOLKHA

Managing Director
(DIN - 00054658)

NITIN NOLAKHA

Joint Managing Director
(DIN - 00054707)

S. P. JHANWAR

Partner
M.No. 074414

P. MAHESHWARI

Chief Financial Officer
(PAN - ABAPM8005C)

SUDHIR GARG

Company Secretary &
Vice President (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date : 09.05.2024



NITIN

Nitin Spinners Limited

If undelivered please return to:

Nitin Spinners Limited

16-17 Km. Stone, Chittor Road, Hamirgarh,
Distt Bhilwara (Rajasthan) - 311025
Telephone: 01482-286110-113