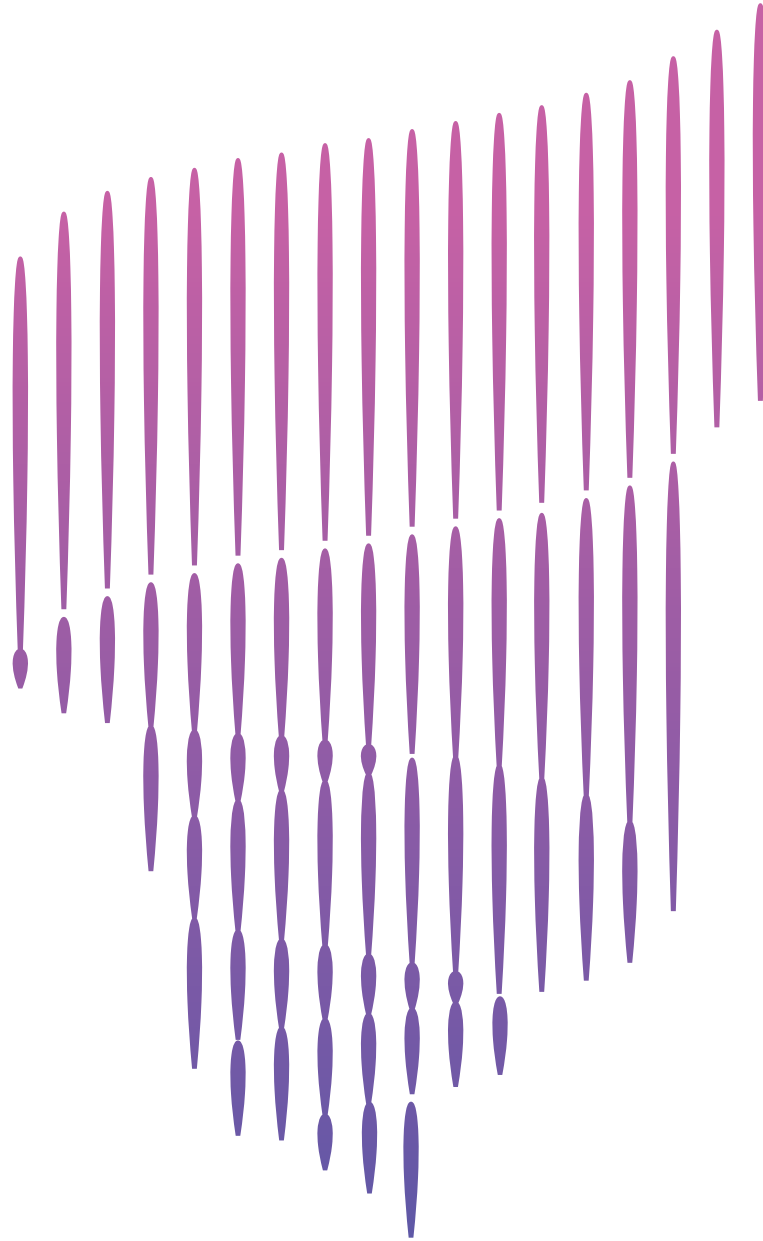




NITIN

Nitin Spinners Limited



Striving for Growth Delivering excellence

Through Right technology | Right people | Right attitude

Annual Report 2022-23

Contents

Reporting period and scope

The report is aimed at communicating our value creation story in a transparent manner to all our stakeholders. This report covers financial and non-financial information and activities of Nitin Spinners Limited ('the Company') during the period from April 1, 2022, to March 31, 2023.

Responsiveness

Our reporting addresses a gamut of stakeholders, each having their own needs and interests. This report is one element of our interaction and communication. It reflects how we manage our operations by accounting and responding to stakeholder concerns.

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To know more about us in digital mode, scan this QR code in your QR mobile application.



Website:
www.nitinspinners.com



To view the report online, log in to www.nitinspinners.com/annual-reports-3/

Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are identified by forward-looking words such as 'believe', 'plan', 'anticipate', 'estimate', 'expect', 'may', or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. These forward-looking statements are subject to particular risks and opportunities that could be beyond the Company's control as it is based on the Company's beliefs and assumptions of future events. There could be a possibility of the Company's performance differing from expected outcomes and performance implied in this report.

Striving for Growth Delivering excellence

Through Right Technology | Right people | Right attitude

Nitin Spinners continues to strive for growth by strategically enhancing capacities, to increase share in Value added products, bring cost efficiencies and cater to varied product requirement of existing as well as new customers. We are ramping up our capacities with the Right Technology, people and attitude along with strategies to leverage growth opportunities and deliver excellence.

Knitting excellence and innovation

Founded in 1992 in Bhilwara, Rajasthan, Nitin Spinners has emerged as a globally renowned manufacturer of cotton yarn, blended yarn, knitted fabric, and finished woven fabric.

Backed by our innovative approach and the strength of our integrated operations, we continue to introduce a wide variety of textiles to the domestic as well as international market. Our state-of-the-art infrastructure & manufacturing facilities utilise advanced technology to ensure excellence across our processes and enables us to meet the highest standards of quality.

Our journey started with Open-end Spinning and later expanded to Ring Spinning. Thereafter, we bolstered forward integration capabilities by venturing into Knitted Fabrics, value added yarns and finished & printed woven fabric.

Guided by an experienced management team, we continue to leverage our core expertise to consistently set new benchmarks and strengthen relationships with globally renowned textile brands.





Our Mission

- 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 Vision

- 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 Key advantages

- Strategically located manufacturing facilities in prime cotton growing belts of India
- Impeccable product quality validated by various certifications
- Presence across the entire value chain
- Horizontally and vertically integrated manufacturing facilities
- Deep-rooted customer network
- Customised and value-added services



Our Accreditations

- ISO 9001:2015 for Quality Management
- ISO 14001:2015 for Environment Management
- ISO 50001 for Energy Management
- OHSAS 18001 for Occupation Health and Safety Management
- SA8000 for Social Accountability
- Giza Gold Seal

The Company has also been certified by OEKOTex, Global Organic Textile Standard (GOTS), and GRS, which prescribes standards for the processing of fibre from certified organic agriculture and for the use of recycled fibre.

Additionally, the Company has authorisation to use SUPIMA trademark, Cotton USA, Cotton Australia and Cotton Made in Africa Trademarks.





Key Financial Highlights

₹2,406.71 Crores

Revenue

₹300.37 Crores

EBITDA generated

₹164.81 Crores

PAT generated

₹29.32 per share

Earnings Per Share (EPS)

PRODUCTION

61,000+ MT

Yarn

3,500+ MT

Knitted Fabric

30+ Mn Mtrs

Griege Woven Fabric

24+ Mn Mtrs

Finished Woven Fabric

Message from Chairman



R. L. Nolkha
Chairman

Dear Shareholders,

Nitin Spinners has evolved from its humble origins as a pure spinning company to a formidable presence in India's vibrant Textiles Industry.

Our development trajectory illustrates our unwavering commitment to quality & customer satisfaction, with a capacity of over 3 lakh spindles. In our product line, we have adapted forward integration into Knitted and Finished woven fabrics. This highlights not just our adaptability, but also our foresight in capitalising on higher-margin opportunities inside the textile value chain. The comprehensive strategy has enhanced our strategic position and equipped us for sustained success in an

industry that is continually evolving.

Navigating macroeconomic headwinds

While the Indian economy showed remarkable resilience amid global uncertainties, it is important to note that the Indian cotton textile sector faced several challenges such as high price volatility, higher absolute raw material prices, and relative pricing differences compared to overseas markets,



At Nitin Spinners, we will continue with unwavering pursuit to sustain the long term growth momentum for the company through well-planned expansion strategy, expansion of product portfolio and increase in share of value added products



which resulted in a competitive disadvantage for Indian spinners in international markets. These headwinds had a tangible impact on our performance as well.

During the fiscal, we registered a decline of 10.6% in annual revenue. This was mainly due to a strategic decision to reduce production in Q2 and Q3 to avoid heavy losses in the face of difficult circumstances. Overall, our margins also remained under pressure due to high volatility in raw material prices and other global challenges.

Despite these challenges, I am pleased to report that we were able to achieve top line of Rs 2,407 crores and PAT of Rs 164.81 crore .

Expanding Capacity

During the fiscal, we have made significant strides towards capacity expansion plans across all segments i.e. spinning, weaving, knitting and finishing. Our weaving and knitting machines have been successfully commissioned, and the finishing plant, that is the fabric process house, has been commissioned in June 2023. In spinning division , machine erection is in progress and partial trials are already underway. After full commissioning the the company will be able to widen its product portfolio and increase the share of value added products besides reaping economies of scale.

Sustainability and Social Initiatives

We are dedicated to ESG (Environment, Social and Governance) initiatives and



Going ahead, we envisage Nitin Spinners to be at the forefront of Indian Textiles Industry , not only through product offering but also ensuring Sustainability of Operations.



Corporate Social Responsibility (CSR) initiatives. We have consistently upheld our responsibilities to the communities we operate within, embodying our deep-seated belief in the advancement of different sections of society. We are actively greening our operations with a series of sustainability initiatives such as water conservation and recycling, use of sustainable fibres , use of renewable energy and installation of energy-efficient equipment etc. These initiatives not only enhance operational efficiency but also align with our broader sustainability objectives.

Looking ahead with optimism

We remain optimistic about growth of Indian Textile Industry in the long term. The Indian Textiles industry's inherent competitive advantages continue to position it favorably for the long-term growth.

We , as a company , are dedicated towards serving our customers through the Right Technology, with the Right Raw Materials and people and most importantly the Right attitude.

At Nitin Spinners, we will continue with unwavering pursuit to sustain the long term growth momentum for the company through well-planned expansion strategy, expansion of product portfolio as per market dynamics and increase in share of value added products .

Going ahead, we envisage Nitin Spinners to be at the forefront of Indian Textiles Industry , not only through product offering but also ensuring Sustainability of Operations.

I thank our colleagues for their hard work and dedication. I also extend my gratitude to our customers and stakeholders for their unwavering trust in us. We look forward to your continued support as we scale new heights.

Regards,

R. L. Nolkha

Chairman

Tracing our geographic footprint

Our company has established a strong presence in India and over 50 countries around the world. We have gradually expanded our reach in key international markets of the United States of America (USA), the United Kingdom (UK), and European nations. We continue to seize emerging opportunities in diverse geographies and seek to expand our footprint.

We have two state-of-the-art manufacturing facilities, offering end-to-end solutions from spinning to the production of finished fabric. With strategic locations in key cotton growing belts of India, in the state of Rajasthan, it provides us logistical as well as cost advantages.



Map not to scale only for presentation



- | | | | |
|--------------------|-----------------|------------------|------------------------------|
| 01. Austria | 16. Ecuador | 31. Malaysia | 46. Syria |
| 02. Bangladesh | 17. Egypt | 32. Mauritius | 47. Taiwan |
| 03. Belgium | 18. El Salvador | 33. Morocco | 48. Turkey |
| 04. Brazil | 19. France | 34. Nepal | 49. Uganda |
| 05. Bulgaria | 20. Germany | 35. Panama | 50. United Arab Emirates |
| 06. Canada | 21. Greece | 36. Peru | 51. United Kingdom |
| 07. Cayman Islands | 22. Hongkong | 37. Poland | 52. United States of America |
| 08. Chile | 23. Indonesia | 38. Portugal | 53. Vietnam |
| 09. China | 24. Israel | 39. Romania | |
| 10. Colombia | 25. Italy | 40. Singapore | |
| 11. Costa Rica | 26. Japan | 41. South Africa | |
| 12. Cote d'Ivoire | 27. Jordan | 42. South Korea | |
| 13. Croatia | 28. Lithuania | 43. Spain | |
| 14. Czech Republic | 29. Macedonia | 44. Sri Lanka | |
| 15. Denmark | 30. Madagascar | 45. Switzerland | |



Weaving an expansive portfolio of specialised products

Yarn

Product

- ➔ 100% cotton and blended
- ➔ Ring spun combed and carded Open end yarns
- ➔ Compact yarns
- ➔ Slub yarns
- ➔ Core spun yarns
- ➔ Multifold yarns
- ➔ Yarns made from Supima Giza, Organic, BCI cotton etc
- ➔ Yarns made from Recycled fibres
- ➔ Count range 6 to 100s

Applications

- ➔ Woven apparel
- ➔ Knitted apparel
- ➔ Furnishing fabrics
- ➔ Denims
- ➔ Terry towel
- ➔ 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



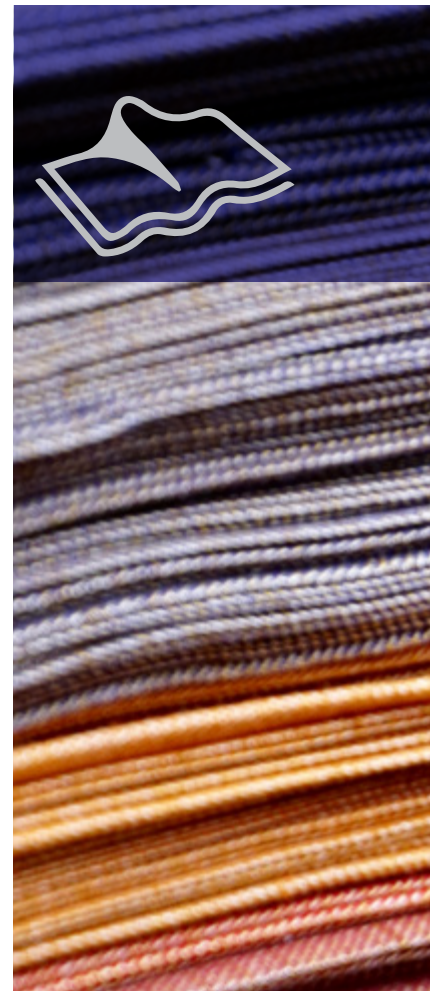
Finished woven fabric

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 Repellant, Nano Care, Soil Release, Anti Bacteria Finish, Aero Finish, Bio Polish etc.
- Various Weaves -Twills, Gabardines, Broken Twill, Ripstop, Canvas, Mattie's, Ducks, Plain Tussor, Dobby, Cord ,Ottoman, etc.
- Health & Eco-Friendly Fabric made from BCI/Organic Cotton

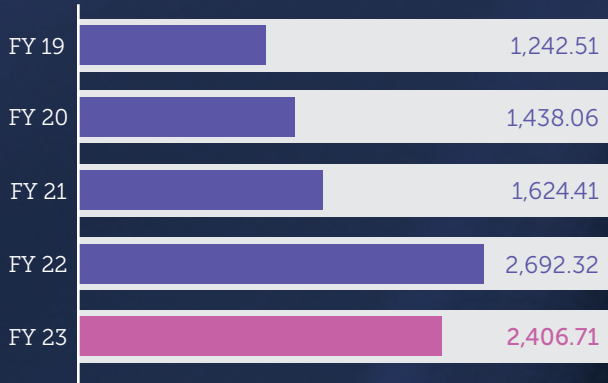
Applications

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

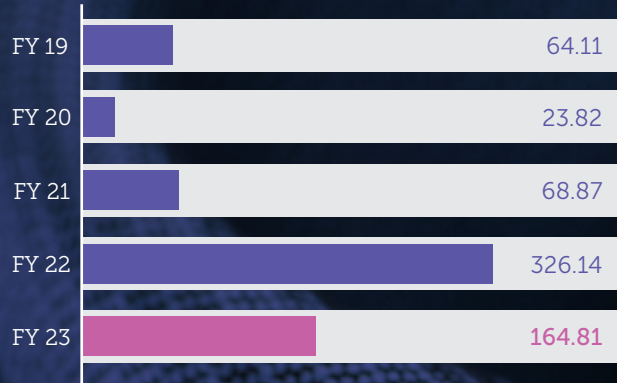


Financial highlights

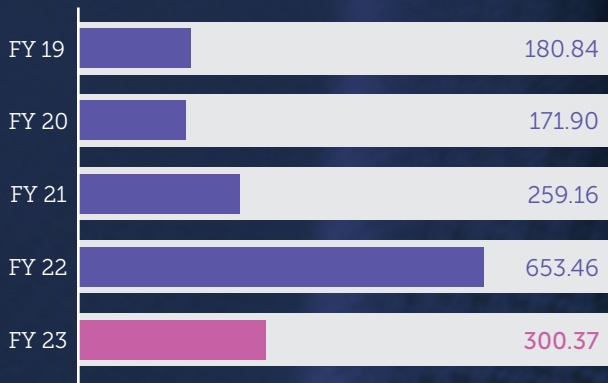
Net Sales
(₹ in Crores)



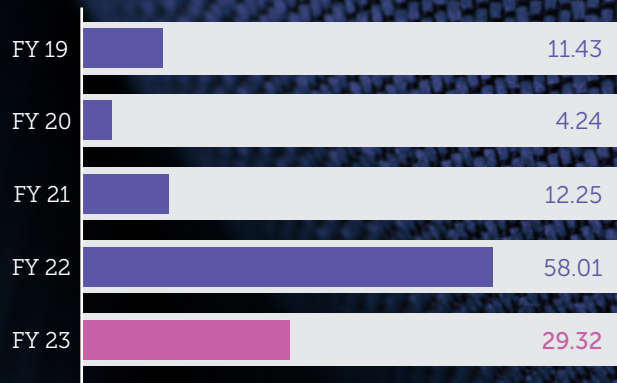
Profit After Tax
(₹ in Crores)



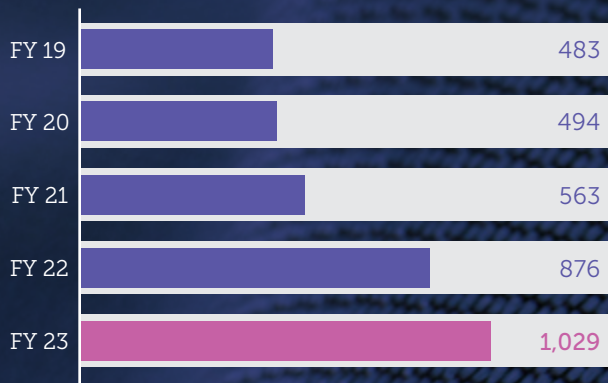
EBITDA
(₹ in Crores)



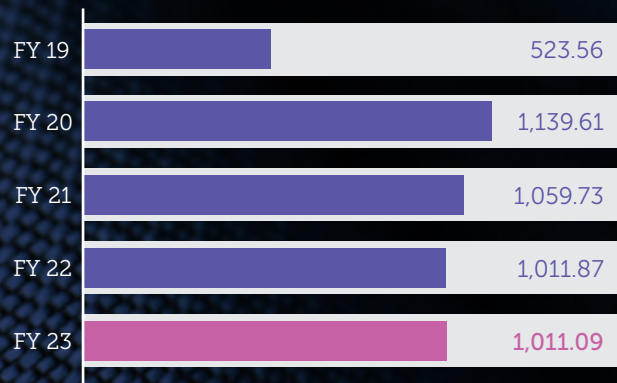
Earnings Per Share
(in ₹)



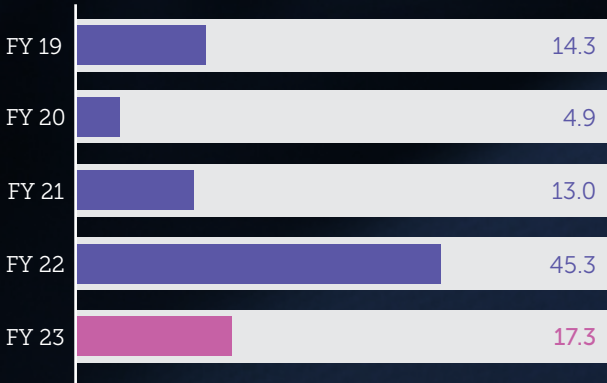
Net worth
(₹ in Crores)



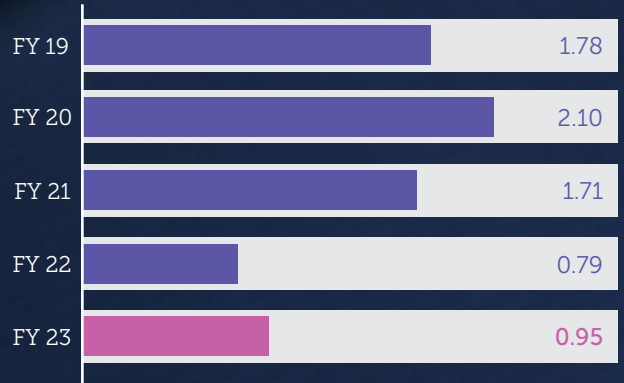
Net fixed assets
(₹ in Crores)



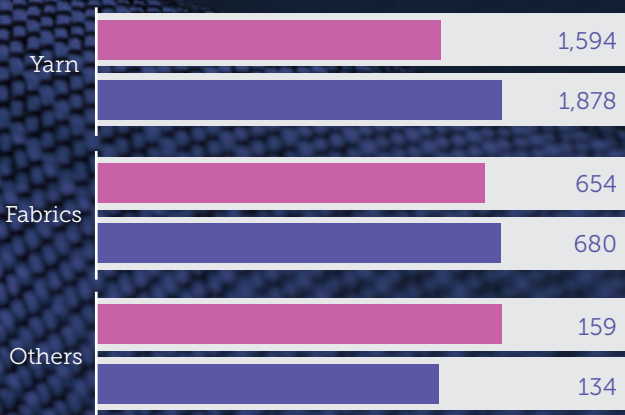
Return on average equity (%)



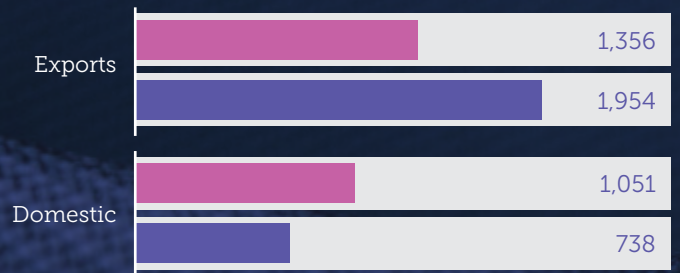
Debt equity ratio (in times)



Product wise Breakup of Revenue (₹ in Crores)

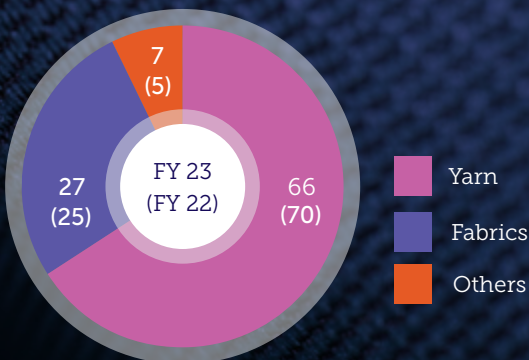


Geographical Split of revenue (₹ in Crores)

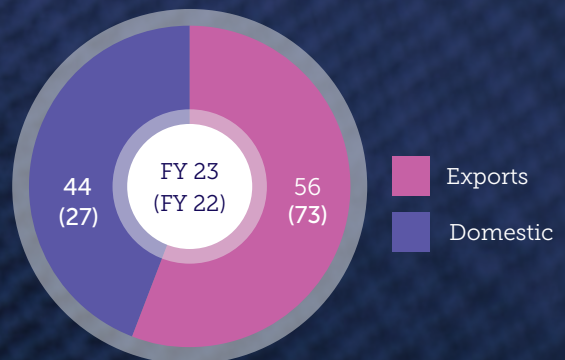


FY 23 FY 22

Product wise revenue breakup (%)



Geographical Split of revenue (%)



A value-accretive business model

INPUTS



Financial Capital

- Equity: ₹56.22 crore
- Net Worth: ₹1,029 crore
- Cash and cash equivalents: ₹0.07 crore



Manufacturing capital

- Manufacturing plants: 2
- Annual capacity
 - Yarn: 75,000 tons
 - Knitted fabric: 8,500 tons
 - Finished woven fabric: 30 million meters
- Gross block value: ₹ 1,678 crore



Intellectual capital

- R&D units: 6
- R&D team strength: 174
- Total R&D spend: ₹ 5.10 crore



Human capital

- Number of employees: 5229



Social & relationship capital

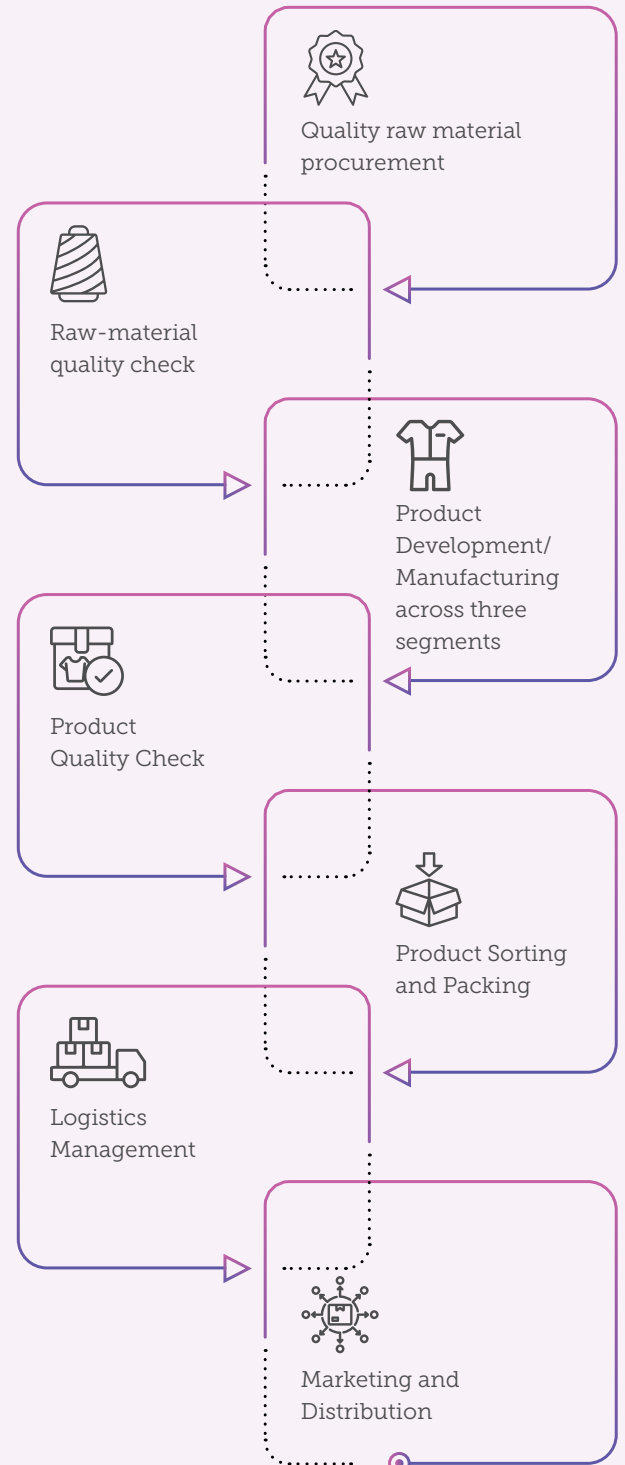
- CSR spend: ₹ 4.34crores



Natural capital

- Water treatment and Zero liquid discharge system
- Rooftop Solar Power Plant : 8.40 MW (AC)
- Use of Sustainable Fibres

VALUE CREATION PROCESS



Our strengths

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



Business segment wise sales volume

- Yarn: **47,149 MT**
- Knitted Fabric: **3,687 MT**
- Woven Fabric sales: **28.25 Mn Meters**

Stakeholders impacted



Shareholders



Customers



People



Business associates



Communities



Environment

OUTPUT



Financial Capital

- Revenue: **₹2,406.71 crore**
- EBITDA: **₹300.37 crore**
- PAT: **₹164.81 crores**
- EPS: **₹29.32**



Manufacturing capital

Total production

- Yarn: **61,378 MT**
- Knitted fabric: **3,521 MT**
- Woven fabrics- grey: **30.04 Mn Meters**
- Woven fabrics- finished: **24.12 Mn meters**



Intellectual capital

- Continuous development of New products and quality improvement and quality monitoring



Human capital

- Continuous training
- Various welfare measures
- Health Care
- Health & accidental Insurance
- Residential Accomodation
- Transport Facility etc

Social & relationship capital

- Various sections of society
- Promoting Girls Educations
- Encouraging Advance studies
- Development of Under Privileged Students,
- Welfare of Old Age people
- Water Conservation and infrastructure Development in rural Area,
- Health Care measures



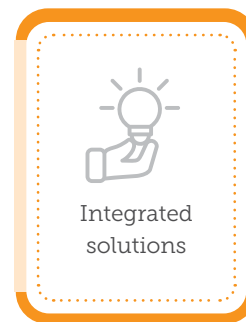
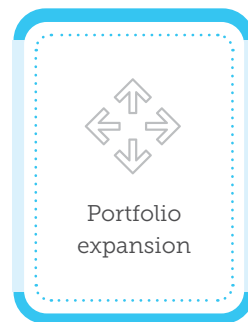
Natural capital

- Use of sustainable raw material: **26%**
- Solar power generation: **137.75 lac KWH**
- Water recycled: **98%**

Strategically driving business growth

Keeping the customer at the core of our efforts, we strive to develop an operational strategy that enables us to drive our top-line up and ensure business growth. The integrated process rests on four fundamental pillars, revolving around the customer as the core.

Customer-centricity



Giving back to society



We remain committed to fulfil our obligations towards society through meaningful initiatives that are designed to make a positive impact on people as well as the environment. As a leading textile manufacturer, we understand the importance of sustainable practices, ethical business conduct, and giving back to the communities in which we operate. Our CSR initiatives are deeply ingrained in our corporate culture and we consistently strive to create better future for people as well as the planet.

Giving back to society contd...



Environment

Conservation of water

Zero liquid discharge system

We have implemented a system that eliminates the liquid discharge, enabling the recycling and reusing of water. During the year we have treated 4,42,000 KL water with the ZLD system.

Sewage water treatment plant

We have established a sewage water treatment facility of 490 KLD to ensure recycling of waste water generated within our facilities.

Rainwater harvesting

We have undertaken initiatives to collect and store rainwater runoff from rooftops to utilise it for irrigation and industrial processes. Arrangements for rainwater harvesting to create a reliable source of drinking water is also underway.

Use of renewable energy

Solar rooftop plant

We have installed 8.4MW Solar rooftop plant to harness solar energy and utilise at our factories, offices and manufacturing plants. During the year we have generated under 137.75 lakh units through solar plant

Solar water heaters

We are utilising solar energy to heat water, thereby reducing the reliance on conventional sources of energy and minimising carbon emissions.

Conservation of energy

Energy-efficient equipment

We have installed appliances and devices that consume less energy,



thereby reducing overall energy consumption and promoting sustainable energy usage.

Energy-saving measures

To optimise energy usage and minimise waste, we have implemented initiatives to ensure proper insulation, efficient lighting and smart energy management systems.

Use of sustainable cotton and fibres

Responsible sourcing

We strive to source cotton and fibre that is produced in strict adherence

to sustainable practices. With a strong emphasis on procuring raw materials from suppliers who ensure the supply of products from farmers who ensure minimum usage of pesticides or chemicals during farming and practice water conservation, we intend to fulfil our responsibility towards the planet.

Resource conservation

Supporting the production of textile with minimum environmental impact, we promote the preservation of natural resources and aim to foster the development of sustainable textile.



Social

We aspire to engage in community development initiatives that make a meaningful difference. Through the construction of essential infrastructure, promotion of education, empowerment of marginalised groups, and support for research and development, we contribute to the overall well-being and progress of societies.



We have undertaken the following projects to make a significant difference to lives.



Construction of
Women's Hostel in
Bhilwara



Contribution for
cotton development
and research



Construction of roads, drainage
system and water harvesting
system in rural areas



Promoting education of
differently-abled children,
construction of classrooms
and vocational skills



Contributions for the
construction of student's
hostel



Contribution for
construction of Old Age
Home

Awards and accolades



Rajasthan Exports Awards 2021



Rajasthan Energy Conservation Award -2022

Texprocil Awards

Gold Trophy for the highest export performance in Cotton Yarn - Counts 51s & above under Category I for the year 2020-21 and year 2019-20



Silver Trophy for second highest export of Cotton Yarn- Counts 50s & below in Category III for the year 2019-20



Bronze Trophy for Export of Cotton yarn below 50 s in Category II for the year 2015-16



Gold Trophy for highest export of grey fabric under Category II for the year 2020-21



Silver Trophy for export of grey fabric for the years 2006-07, 2007-08 and 2017-18



Bronze Trophy for export of Grey fabrics for the years 2010-11, 2014-15 and 2015-16



State Export Awards

State Award for "Excellence in Exports" for the years 2020-21, 2016-17, 2013-14, 2010-11, and 2007-8



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



Certificates



ISO 9001:2015



ISO 50001



ISO 14001:2015



OHSAS 18001



Board of Directors



Shri R.L. Nolkha
Chairman



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

Corporate Information

Board of Directors

Shri R.L. Nolkha
Chairman

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

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)

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Telephone: 01482 - 286110 - 113
Fax: 01482-286117
Email: nsl@nitinspinners.com
Website: www.nitinspinners.com

Works

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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 31st Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended 31st March, 2023.

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 2022-23	Previous Year 2021-22
Revenue From Operations	2406.71	2692.32
Gross Profit Before Finance Cost, Depreciation & Exceptional item	300.37	653.45
Finance Cost	37.68	55.34
Profit before Depreciation, Exceptional items and Tax	262.69	598.11
Depreciation	86.81	87.40
Exceptional items	-	4.54
Profit before Taxation	175.88	506.17
Provision for Taxation - Current Tax	43.33	167.74
- Deferred Tax	(32.27)	12.29
Profit after Tax	164.81	326.14
Other Comprehensive Income/(Loss) net of Income Tax	2.34	3.19
Total Comprehensive Income for the period	167.15	329.33

OPERATIONAL PERFORMANCE

REVENUE FROM OPERATIONS

The year under review was very difficult year for the Indian Cotton Textiles Industry as it faced multiple challenges during the year: (1) Very high price volatility and higher absolute prices of Raw Materials (2) relative domestic price difference compared to international prices resulting in competitive disadvantage in International Markets and (3) demand slowdown due to geopolitical tensions, inflation in European and US economies. Due to all these factors, the Spinning Mills in India have to cut down capacity utilization. Your company has also cut production by about 14% of annual capacity during second and third quarters of the year to avoid heavy losses amid extreme volatility.

Despite above factors, your company achieved Revenue from Operations of Rs. 2406.71 Crores against Rs. 2692.32 Crores in the previous year, registering reduction of 10.60%, which was mainly due to reduction in production. The revenue of Yarn reduced by 15.16% during current year from Rs. 1878.43 Crores in previous year to Rs. 1593.59 Crores. The revenue from Yarn constitutes 66.21% of the total revenue. Revenue of Fabric has reduced from Rs. 679.52 Crores in the previous year to Rs. 654.42 Crores during year under review and registered reduction of 3.69%. The Fabric revenue constitutes 27.19% of the total revenue from operations.

EXPORTS

The volatility in cotton prices and subdued demand of cotton yarn in overseas market also affected exports of the Company and it decreased to Rs. 1356.33 Crores in the current year from Rs. 1953.63 Crores in the previous year registering reduction of 30.57%. The Exports constituted 56.36% of the total revenue during the year.

PROFITABILITY

As a result of lower capacity utilization; the profitability of the Company has also been adversely affected and Operating Profit (EBIDTA) and it has substantially reduced from Rs. 653.45 Crores in the previous year to Rs. 300.37 Crores in current year. The Company has reported Net Profit of Rs. 164.81 Crores in the current year against Rs. 326.14 Crores in the previous year.

DIVIDEND

Your Directors are pleased to recommend final Dividend of 25% i.e. Rs. 2.50 per Equity Shares on the fully paid-up Equity Share of Rs. 10/- each for the financial year 2022-23 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 Rs. 14.06 crores. In terms of provisions of Income Tax Act, 1961, payment of Dividend shall be subject to deduction of Tax at source.

Board's Report (Contd..)

The Board continues to support a steady dividend policy and the recommended dividend in accordance with the Dividend Distribution Policy of the Company which is available on website of the Company at link:<https://nitinspinners.com/wp-content/uploads/2021/10/Dividend-Distribution-Policy.pdf>

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for FY 2022-23 in the profit and loss account and no amount is proposed to be transferred to reserves.

EXPANSION PROJECTS

The Company has undertaken expansion projects at estimated project cost of Rs. 955 Crores at both the Plants located at Hamirgarh (Bhilwara District) and Bhanwaria Kalan (Chittorgarh District). The commercial production of Weaving & Knitting capacity was commenced w.e.f. 31.03.2023. The implementation of expansion of Spinning & Finishing capacity is under process and commercial production is expected to be commenced during current financial year.

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.

During the current year, the Company has incurred expenditure of Rs. 434.08 Lakhs on CSR activities against obligation of Rs. 431.62 Lakhs. The excess spending of Rs 2.46 Lakhs shall be carried forward for set off in the next F.Y. 2023-24. 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, Director of the Company who retired and being eligible, was re-appointed and his designation was changed from Executive Chairman to Non-Executive Chairman w.e.f. 01.10.2022.

Shri Dinesh Nolkha was re-appointed as Managing Director for five years w.e.f. 01.10.2022.

Shri Rohit Swadheen Mehta, was appointed as Independent Director for five years w.e.f. 30.12.2021 at the Annual General Meeting held on 15.09.2022.

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

Shri Nitin Nolkha, 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.

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 thereunder. 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 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 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, as amended.

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.

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 appointed Statutory Auditors at the 30th

Board's Report (Contd..)

Annual General Meeting held on 15th September, 2022 for five years 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. 2022-23 and shall continue to be Statutory Auditors for the Financial Year 2023-24. They have confirmed their eligibility to continue as Statutory Auditors of the Company for the F.Y. 2023-24 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, 2023, 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 2022-23 under the provisions of Section 204 of the Companies Act, 2013. Accordingly, they have conducted Secretarial Audit for the Financial Year 2022-23 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. 2022-23. Both the reports do not contain any qualification, reservation or adverse remark.

The Board of Directors on recommendation of Audit Committee has re-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. They have confirmed their eligibility for the said re-appointment.

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 2022-23. Accordingly, they have conducted Cost Audit for the Financial Year 2022-23 and their report does not contain any qualification, reservation or adverse remark.

Pursuant to Section 148 of the Companies Act, 2013, your Directors have re-appointed M/s. Vivek Laddha & Associates, Cost Accountants (Firm Registration No. 103465) to conduct Cost Audit of Cost Records of the Company for the Financial Year 2023-2024. They have 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 Auditor) of the Company has conducted internal audit of your Company for the financial year 2022-23.

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 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:-

1. Award by the Government of Rajasthan for Highest Exports and highest growth in exports during FY 2020-21
2. Rajasthan Energy Conservation Award 2022- "1st Award" for the efforts in Energy conservation, under the Textile (Spinning) Category.

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

Board's Report (Contd..)

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 2022-23, the Board of Directors met four times on 12.05.2022, 06.08.2022, 08.11.2022 and 02.02.2023. 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 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 recommendation of the Audit Committee was accepted by the Board. No employee was denied access to the Audit Committee.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and in the ordinary course of business. 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.

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 related party disclosures are provided in the notes to financial statements. The Policy on Related Party transactions is available at the website of the Company under the link <https://nitinspinners.com/wp-content/uploads/2022/01/Related-Party-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 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/2023/02/Vigil-Mechanism.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 Listing Regulations the Board of Directors

Board's Report (Contd..)

have approved Nomination, Remuneration & Evaluation Policy prescribing inter-alia the criteria for appointment, remuneration & evaluation of the Directors. The Nomination and Remuneration Committee and Board reviewed the performance of Board, its committee and all Individual Directors of the Company and expressed its satisfaction over the performance of them. 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 Nomination, Remuneration & Evaluation Policy is available under the link <https://nitinspinners.com/wp-content/uploads/2021/07/Nomination-Remuneration-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 Corporate Governance 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. The Policy is available under the link <https://nitinspinners.com/wp-content/uploads/2021/10/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, 2023 is available on the Company's website <https://nitinspinners.com/wp-content/uploads/2023/07/MGT-7-2022-23.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.

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

The Company has in place a Policy for prevention of sexual harassment 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 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.

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, 2023 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.

Board's Report (Contd..)

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 paid-up Equity Share Capital as on March 31, 2023 was Rs. 56.22 crore and there was no change in the Share Capital of the Company during the Financial Year 2022-23.

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: 05th August, 2023

Registered Office :

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

Dinesh Nolkha
Managing Director
(DIN – 00054658)

Nitin Nolkha
Joint Managing Director
(DIN – 00054707)

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:

S. 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	Chairman-Non Executive Director	1	1
2.	Sh. Dinesh Nolkha	Member- Executive Director	1	1
3.	Smt. Aditi Mehta	Member - Independent Director	1	1
4.	Sh. Rohit Mehta (w.e.f. 08.11.2022)	Member - Independent Director	1	-

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) - Rs. 21580.91 Lakhs
- (b) Two per cent of average net profit of the company As per section 135(5) - Rs. 431.62 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 - Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] - Rs. 431.62 Lakhs
6. (a) Amount spent on CSR Projects (Both Ongoing Project and other than Ongoing Project):
- (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)] - N.A.

Annexure - I (Contd..)**(e) CSR amount spent or unspent for the Financial Year :**

Total Amount Spent for the Financial Year. (Rs. In Lakhs)	Amount Unspent (in Rs.) – Nil				
	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.
Rs. 434.08	N.A.	N.A.	N.A.	N.A.	N.A.

(f) Excess amount for set off, if any

S. No.	Particulars	Amount (Rs. In Lakhs)
(I)	Two percent of average net profit of the company as per section 135(5)	431.62
(II)	Total amount spent for the Financial Year	434.08
(III)	Excess amount spent for the financial year [(ii)-(i)]	2.46
(IV)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(V)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.46

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 created/acquired - NA

9. Specify the reason (s), if the company has failed to spend two percent of the average net profit as per section 135(5) - N.A.**For and on Behalf of the Board of Directors**Place: Hamirgarh, Bhilwara
Date: 05th August, 2023**Dinesh Nolkha**
(Managing Director)
DIN – 00054658**Ratan Lal Nolkha**
(Chairman of CSR Committee)
DIN : 00060746**Registered Office :**16-17 KM Stone, Chittor Road,
Hamirgarh, Bhilwara - 311025

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, 2023.

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.
- Replacement of old Auto cone winder with new Energy efficient winders.
- Installing centrifugal compressor in place of screw type compressor.
- Installing variable frequency drive in humidification plant

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

As renewable/green energy initiatives, the Company has installed 8.40 MW Roof Top Solar Power Plant for captive consumption of Solar Power at Hamirgarh & Begun Units. The Company is under process to install 7.00 MW Roof Top Solar Power Plant for captive consumption of Solar Power at Hamirgarh & Begun Units.

(iii) Capital Investments on energy conservation equipments

Estimated expenditure on energy conservation equipment is Rs 1335.67 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. During the year Company has set up state of art Fabric Designing facilities to develop innovative designs.

(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 :

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
(a) Capital	-	-
(b) Recurring	510.63	487.84
Total (a+b)	510.63	487.84
% to total turnover	0.21%	0.18%

C. Foreign Exchange Earnings and Outgo

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
(a) Earnings (Exports on FOB Value)	126412.85	180028.83
(b) Outgo - Capital Goods	12845.23	437.36
- Recurring :-		
- Components, Spares Parts	3018.27	1352.21
- Raw Materials	27868.37	14342.91
- Sales Commission, Overseas Freight & Others	2335.34	3669.29
- Travelling	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: 05th August, 2023

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 (Rs. Lakhs)	Qualifications	Experience Years	Commencement of employment	Whether Permanent/ Contractual	Age Years	Last Employment
Sh. Dinesh Nolkha	Managing Director	148.05	FCA, FCMA	28	01.01.1996	Contractual	52	-
Sh. Nitin Nolkha	Jt. Managing Director	137.63	B.Com., MBA	23	01.10.1998	Contractual	47	-
*Sh. Ratan Lal Nolkha	Chairman	120.43	FCA, FCS, FCMA	52	06.09.1997	Contractual	77	BSL Ltd.
Sh. Sandeep Kumar	President (Operations)	51.29	B. Tech	31	01.04.2007	Permanent	52	ST Cotex
Sh. Ramesh Chand Mishra	Vice President (Processing)	42.01	M. Tech	36	01.11.2021	Permanent	59	Morarjee Textiles
Sh. Umesh Toshniwal	Vice President (Mktg.)	40.50	B.Com	29	01.04.1993	Permanent	51	-
Sh. Purushottam Maheshwari	Chief Financial Officer	39.98	B.Com, FCA	38	01.08.2006	Permanent	61	BSL Ltd.
Sh. Anil Kumar Jain	Vice President (Commercial)	39.54	B.Sc, CMA,CS	33	03.03.2018	Permanent	57	Sutlej Textiles
Sh. Vijay Kumar Chandulal Dave	GM (Finish Fabric)	30.40	M.Sc Chemistry	30	17.06.2019	Permanent	54	Alok Industries
Sh. Inderjeet Singh	General Manager (Spinning)	30.37	B. Tech. (Tex.)	26	29.06.2018	Permanent	50	Welspun India

* Employed for the part of the financial year and receipt of remuneration for any part of that year, at rate which, in aggregate, was not less than Rs. 8.50 Lakhs per month

Sh. Ratan Lal Nolkha, Sh. Dinesh Nolkha and Sh. Nitin Nolkha 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 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 Rs. 102 Lakhs or more and employed for part of the year and was in receipt of remuneration aggregating to Rs. 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 2022-23 :-

Name of Directors	Ratio
Executive Directors :-	
Sh. Dinesh Nolkha, Managing Director	64.42:1
Sh. Nitin Nolkha, Jt. Managing Director	59.89:1
Non Executive Directors :-	
Sh. Ratan Lal Nolkha, Chairman	52.40:1
Non Executive Independent Directors :-	
Smt. Aditi Mehta	1.31:1
Dr. Rabisankar Chattopadhyay	1.85:1
Sh. Rohit Swadheen Mehta	1.52:1

Non-Executive Independent 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 2022-23:-

Name of Directors & KMP	% increase/ (Decrease) in remuneration
Executive Directors :-	
Sh. Dinesh Nolkha, Managing Director	(52.58)
Sh. Nitin Nolakha, Jt. Managing Director	(54.68)
Non Executive Directors :-	
Sh. Ratan Lal Nolkha, Chairman	(62.54)
Non Executive Independent Directors :-	
Smt. Aditi Mehta	(16.67)
Dr. Rabisankar Chattopadhyay	(2.30)
Sh. Rohit Swadheen Mehta	366.67
CFO & Company Secretary :-	
Sh. P. Maheshwari, Chief Financial Officer	11.27
Sh. Sudhir Garg, Company Secretary & GM (Legal)	13.29

3. The percentage increase in the median remuneration of employees in the financial year 2022-23 :- 4.78
4. The number of permanent employees on the rolls of company:- 5229
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: - 5.27

Average % increase/(Decrease) in the Salary of the Managerial Personnel :- (51.92)

The variable component of Salary i.e. Commission of Executive Directors/Non-Executive Director decreased due to lower profit of the Company and resulted into substantial decrease 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: 05th August, 2023

Dinesh Nolkha
Managing Director
(DIN – 00054658)

Nitin Nolakha
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 approach a new phase in our journey as Nitin Spinners Limited, wanted 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 have proudly published our Business Responsibility and Sustainability Report (BRSR) for the FY21-22 on a voluntary basis, a year ahead of SEBI mandate. Sustainability has remained a top priority for our organization, and this year as we publish our report for the FY22-23, I am pleased to share with you the key findings and initiatives taken in this regard.

Our BRSR report for this year highlights the significant progress we have made in advancing our sustainability initiatives. It affirms our commitment to sustainable practices and showcases our progress in integrating environmental and social considerations into our business operations.

1. Environmental Responsibility

- We continued focus on Cotton development and research purpose with long term focus on rural development.
- Energy Efficiency: We continue to implement energy-efficient technologies and processes across our manufacturing facilities.
- Water management: Robust water management practices have been adopted, including the implementation of recycling and reuse systems.
- Waste reduction: Our waste management programs have been successful in minimizing waste generation and promoting recycling and responsible disposal.

2. Supply Chain Sustainability

- Responsible sourcing: 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 and Recycled Polyester Fiber from the pet bottles.
- Supplier Engagement: further we are working to closely collaborate with our suppliers to promote responsible practices, encourage continuous improvement and create a sustainable supply chain ecosystem.

3. Social Responsibility

- Employee Welfare: 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 labour practices.

- Community Engagement: We continue to actively engage with local communities, supporting social initiatives, education programs and community development programs. Some of our initiatives include 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 a part of Swachh Bharat Abhiyan. Contribution in providing vocational training to under privilege students. Contributions of building construction for old age homes.

4. Governance and Ethics:

- Transparent Reporting: We maintain a high level of transparency in our reporting practices to provide stakeholders with comprehensive information on our sustainability performance. We also 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 value 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:

- Continuous improvement in water and waste management aiming for zero waste to landfill.
- Expansion of sustainable sourcing practices and collaboration with suppliers to promote sustainability.
- Strengthening our social impact through targeted community development initiatives and employee welfare program.

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. We are committed to providing the necessary resources and support to continue our sustainability initiatives.

Dinesh Nolkha

Business Responsibility and Sustainability Report (Contd..)

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	FY2023 (1st April 2022 to 31st March 2023)
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)	Rs. 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 & GM (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 and therefore disclosures are on a standalone basis.

II. Products / Services

14. 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%

15. 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	68%
2.	Knitted Fabric	13911	4%
3.	Woven Fabric	13121	21%

III. Operations

16. 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

Business Responsibility and Sustainability Report (Contd..)

17. Markets served by the entity:

a. Number of locations

Locations	Total
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 56.36% of the total turnover of the entity

c. A brief on types 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

18. 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)	654	654	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	654	654	100%	-	-
WORKERS						
4.	Permanent (F)	4575	4537	99%	38	1%
5.	Other than Permanent (G)	113	113	100%	-	-
6.	Total workers (F + G)	4688	4650	99%	38	1%

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)	3	3	100	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	3	3	100	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	36	36	100	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	36	36	100	-	-

Business Responsibility and Sustainability Report (Contd..)

19. Participation/Inclusion/Representation of women

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

20. Turnover rate for permanent employees and workers

	Turnover rate FY 2022-23			Turnover rate FY 2021-22			Turnover rate FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.1%	NA	4.1%	3.67%	NA	3.67%	4.74%	NA	4.74%
Permanent Workers	18%	0%	18%	16.35%	14%	15.18%	17.69%	14%	15.85%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (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

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - **YES**

(ii) Turnover (in Rs.) - **240670.74 Lakhs (FY 2022-23)**

(iii) Net worth (in Rs.)- **102890.11 Lakhs (As on 31st March'23)**

VII. Transparency and Disclosures Compliances

23. 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 2022-23			FY 2021-22		
		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 (other than shareholder)	Y**	-	-	-	-	-	-
Shareholders	Y**	1	-	-	-	-	-
Employees and workers	Y***	-	-	-	-	-	-
Customers	Y****	3	-	-	1	-	-
Value Chain Partners	Y*	-	-	-	-	-	-

No complaints have been received from communities, value chain partners and employees during the FY 2021-22 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.

Business Responsibility and Sustainability Report (Contd..)

***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/>.

24. 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 implications)
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	We have closed coal-based power generation unit at our Hamirgarh plant and shifted to grid power. 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 scarce 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	Negative

Business Responsibility and Sustainability Report (Contd..)

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):



Principle P1:

Transparency & Accountability

- 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



Principle P2:

Product Responsibility

- Integrated Management Systems Policy ISO 9001, 14001, 45001 & 50001)



Principle P3:

Employee Development

- Equal Opportunity Employer Policy
- Policy on Prevention of Sexual Harassment of Women at workplace



Principle P4:

Stakeholder Engagement

- Corporate Social Responsibility (CSR) Policy
- Dividend Distribution Policy
- Archival Policy



Principle P5:

Human Rights

- Human Rights Policy
- Policy on Prevention of Sexual Harassment of Women at workplace
- SA 8000



Principle P6:

Environment Principle

- Integrated Management Systems Policy ISO 9001, 14001, 45001 & 50001)



Principle P7:

Policy Advocacy

- Public and Regulatory Policy



Principle P8:

Inclusive Growth

- Corporate Social Responsibility (CSR) Policy



Principle P9:

Customer Value

- Customer Centricity Policy
- Data Privacy and Cyber Security Policy

Business Responsibility and Sustainability Report (Contd..)

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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
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, 2023: Mr. Dinesh Nolkha, MD Mr. Rabisankar Chattopadhyaa, 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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.																	

Business Responsibility and Sustainability Report (Contd..)

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:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-----Not Applicable -----								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

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%

Business Responsibility and Sustainability Report (Contd..)

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.

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 2022-23	Previous Financial Year 2021-22	Details of improvements in environmental and social impacts
R & D	Not Applicable	Not Applicable	
Capex			

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

- a) Replacement of Old type motors with Energy Efficient Motors.
- b) Replacement of centrifugal compressors with energy efficient screw type compressors.

- c) Replacement of old Auto cone winder with new Energy efficient winders.

- d) Installing variable frequency drive in humidification plant.

Estimated expenditure on energy conservation equipment is Rs 1335.67 lakhs.

Business Responsibility and Sustainability Report (Contd..)

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 and recycled Polyester Fiber. We also use recycled cotton fiber in our manufacturing. For the FY we have procured 26% 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	% of employees covered by										
	Total (A)	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	654	124	19%	654	100%	-	-	-	-	-	-
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	654	124	19%	654	100%	-	-	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

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

Category	% of workers covered by										
	Total (A)	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	4537	4537	100%	4537	100%	NA	NA	-	-	-	-
Female	38	38	100%	38	100%	38	100%	-	-	-	-
Total	4575	4575	100%	4575	100%	38	100%	-	-	-	-
Other than Permanent workers											
Male	113	113	100%	113	100%	NA	NA	-	-	-	-
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	113	113	100%	113	100%	NA	NA	-	-	-	-

Business Responsibility and Sustainability Report (Contd..)

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

Benefits	FY 2022-23			FY 2021-22		
	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*	19%	100%	Y	18.89%	94.3%	Y

*All eligible employees are covered under ESI balance are under Personal Accident Insurance Policy

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.

Business Responsibility and Sustainability Report (Contd..)

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	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	654	654	100%	654	100%	593	593	100%	475	80%
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	654	654	100%	654	100%	593	593	100%	475	80%
Workers										
Male	4650	4650	100%	4650	100%	4607	4607	100%	3686	80%
Female	38	38	100%	38	100%	5	5	100%	5	100%
Total	4688	4688	100%	4688	100%	4612	4612	100%	3691	80%

9. Details of performance and Career development reviews of employees:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	654	654	100%	593	593	100%
Female	NA	NA	NA	NA	NA	NA
Total	654	654	100%	593	593	100%
Workers						
Male	4537	4537	100%	4607	4607	100%
Female	38	38	100%	5	5	100%
Total	4575	4575	100%	4612	4612	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 FY21-22 and FY22-23.

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:

Business Responsibility and Sustainability Report (Contd..)

- 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

Business Responsibility and Sustainability Report (Contd..)

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
Shareholders	No	AGM, Investors meet, Investor Grievance redressal mechanism	Ongoing	Business Strategies and Performance
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 2022-23			FY 2021-22		
	Total (A)	No. of employees /workers covered (B)	% (B / A)	Total (C)	No. of Employees/ workers covered (D)	% (D / C)
Employees						
Permanent	654	524	80%	593	475	80%
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	654	524	80%	593	475	80%
Workers						
Permanent	4575	4575	100%	4573	3630	80%
Other than permanent	113	113	100%	39	31	80%
Total Employees	4688	4688	100%	4612	3661	80%

Business Responsibility and Sustainability Report (Contd..)

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

Category	FY 2022-23					FY 2021-22				
	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	654	-	-	654	100%	593	-	-	593	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	4,537	-	-	4537	100%	4568	-	-	4568	100%
Female	38	-	-	38	100%	5	-	-	5	100%
Other than Permanent										
Male	113	-	-	113	100%	39	-	-	39	100%
Female	-	-	-	-	-	-	-	-	-	-

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD) (Other Than KMP) only Sitting Fee is being paid	2	3.87 Lakhs	1	3.0 Lakhs
Key Managerial Personnel	5	120.43 Lakhs	NA	NA
Employees other than BoD and KMP	649	4.70 Lakhs	NA	NA
Workers	4537	2.27 Lakhs	38	1.44 Lakhs

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.

Business Responsibility and Sustainability Report (Contd..)

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

Benefits	FY 2022-23			FY 2021-22		
	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. 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.

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

No, this is being assessed by the legal function.

9. 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.

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

Not Applicable

Business Responsibility and Sustainability Report (Contd..)

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 2022-23	FY 2021-22
Total electricity consumption (A)	840116 GJ	881912 GJ
Total fuel consumption (B)	520536 GJ	972491 GJ
Energy consumption through other sources (C)	49591 GJ	46564 GJ
Total energy consumption (A+B+C)	1410242 GJ	1900967 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	586.0 GJ / Crore of turnover	706.3 GJ / Crore of turnover
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 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	333034	425225
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	333034	425225
Total volume of water consumption (in kilolitres)	333034	425225
Water intensity per rupee of turnover (Water consumed / turnover)	138.38 KL/Crores of turnover	157 KL/Crores of turnover
Water 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.

Business Responsibility and Sustainability Report (Contd..)

4. 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.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	mg/Nm ³	140.1	-
Sox	mg/Nm ³	170.6	-
Particulate matter (PM)	mg/Nm ³	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.

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

Parameter	Unit	FY 2022-23	FY 2021-22
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	48771	48500
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	189026	193531
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO ₂ Equivalent / Crores of Turnover	98.8	90
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.

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

Energy Consumption is the main source of Green House Gas Emission for the company. We closed the coal based captive power generation plant to reduce the GHG emissions. Also, we continuously look out for energy conservation measures in all areas of operations across our both the Units.

- The Company has taken following measures for energy savings in the previous year:
 - a) Replacement of Old type motors with Energy Efficient Motors.
 - b) Replacement of centrifugal compressors with energy efficient screw type compressors.
 - c) Replacement of old Auto cone winder with new Energy efficient winders.
 - d) Installing variable frequency drive in humidification plant

Business Responsibility and Sustainability Report (Contd..)

Estimated expenditure on energy conservation equipment is Rs 1335.67 lakhs.

- Steps taken by the Company for utilizing alternate sources of energy -
 - a) Renewable Energy - As renewable/green energy initiatives, the Company has installed 8.40 MW Roof Top Solar Power Plant for captive consumption of Solar Power at Hamirgarh & Begun Units. The Company is under process to install 7.00 MW Roof Top Solar Power Plant for captive consumption of Solar Power at Hamirgarh & Begun Units.
 - b) Biomass – We have started using Mustard Husk Pellets for co-processing for our boilers at Begun Plant

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	72.18	67.30
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)- Used Oil	0.80	0.79
Other Non-hazardous waste generated (H). Please specify, if any.	-	-
Total (A+B + C + D + E + F + G + H)	72.98	68.09
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*	72.98	68.09
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	72.98	68.09
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.

9. 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.

10. 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.

Business Responsibility and Sustainability Report (Contd..)

11. 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.

12. 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 and regulations 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 2022-23.

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 2022-23.

Business Responsibility and Sustainability Report (Contd..)

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:

	As at 31 st March, 2023	As at 31 st March, 2022
Directly sourced from MSMEs/ small producers	25% of the ginned cotton Procured in India are purchased directly from MSMEs/Small Producers. Apart from that a significant part of the cotton procurement is done thru Cotton Corporation of India (CCI) and other aggregators who procure MSMEs/Small producers	25% of the ginned cotton Procured in India are purchased directly from MSMEs/Small Producers. Apart from that a significant part of the cotton procurement is done thru Cotton Corporation of India (CCI) and other aggregators who procure MSMEs/Small producers
Sourced directly from within the district and neighboring districts	Purchases from nearby districts amount to 15% of total purchases.	Purchases from nearby districts amount to 15% of total purchases.

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	-

Business Responsibility and Sustainability Report (Contd..)

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.

Benefits	FY 2022-23			FY 2021-22		
	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	-	-	-	-	-	-
Others	3	-	-	1	-	-

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

No Product recall was done during FY 2022-23

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.

For and on Behalf of the Board of Directors

Place: Hamirgarh, Bhilwara
Date: 05th August, 2023

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, 2023

[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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ('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, 2023 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.

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.

Place: Jaipur
Date: 06.05.2023
UDIN: F003355E000263001

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

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: 06.05.2023
UDIN: F003355E000263001

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

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, 2023

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, 2023 ("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;
- (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) 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

S. 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), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	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	---
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	---

S. No.	Particulars	Compliance status (Yes/ No/ NA)	Observations/ Remarks by PCS
4.	Disqualification of Director: None of the Directors of the listed entity are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	---
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies; (b) Disclosure requirement of material as well as other subsidiaries.	NA	The Listed Entity does not have any subsidiaries
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 SEBI LODR Regulations, 2015.	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/ during the 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) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee, in case no prior approval has been obtained.	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 SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	---
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	---
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by Stock Exchange(s) (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 Exchange(s)
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.	NA	There was no non-compliance observed in the listed entity

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019: **Not Applicable as 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.**

- (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.**

Place: Jaipur
Date: 06.05.2023
UDIN: F003355E000263010

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

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, 2023 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. Ratan Lal Nolkha	00060746
2.	Mr. Dinesh Nolkha	00054658
3.	Mr. Nitin Nolkha	00054707
4.	Ms. Aditi Mehta	06917890
5.	Mr. Rabisankar Chattopadhyay	06928729
6.	Mr. Rohit Swadheen Mehta	09449679

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: 06.05.2023
UDIN: F003355E000263054

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

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

Management Discussion and Analysis

Global economic overview and outlook

Global economic activity experienced a broad- slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all impacted the growth. The growth rate declined to 3.4% in 2022 from 6.4% in 2021.

The global economic output is expected to witness steady growth, driven by stabilising inflationary pressures due to central banks' policies, reviving consumer sentiment and investor confidence. The employment scenario in the US and other advanced economies has recovered from pandemic levels and rising disposable income is also likely to support growth in the coming years. Emerging and developing countries are also witnessing growth across multiple sectors, powered by government focus on infrastructure and manufacturing sectors. China has also recovered from its COVID impact on the economy and businesses.

The global economy is anticipated to experience a growth rate of 2.8% in CY23, which is expected to gradually increase and stabilise at 3.0% in CY24. Emerging markets and developing economies, including India, are powering ahead in many cases, with growth rates expected to witness a significant upsurge this year.

[Source- IMF World Economic Outlook, April 2023]

Indian economic overview

Despite global challenges, India's economic activity has remained robust due to a favourable domestic policy environment and the Government's continued emphasis on structural reforms and Indian economy's growth slowed to 7.2% in the financial year 2022-23, as compared to a 9.1% rise in the previous fiscal year.

Various high-frequency indicators, such as GST collections, railway and air traffic, electronic toll collections and E- Way bill volume, suggest a robust economic recovery in India. This persistent growth momentum has positioned India as an attractive investment destination. Furthermore, India is expected to retain its status as the fastest- growing G-20 nation in the coming years.

The Indian government's initiatives, such as the PM Gati Shakti - National Master Plan, the National Monetisation Plan (NMP) and the Production-Linked Incentive (PLI), have been instrumental in fostering economic growth. The Reserve Bank of India (RBI) has also taken prudent and proactive measures to ensure financial stability and address liquidity constraints. These factors have contributed to the Indian economy's resilience and stimulated substantial investments.

Outlook

India is expected to be among the fastest growing major economies of the world in 2023- 24, accounting for 15% of global growth—the second largest contribution, and higher than that of the US and EU put together.

A combination of rising disposable income, easy access to credit and lowering interest rates in the wake of a stabilising inflation trajectory will bode well for economic growth of the country, going forward.

Global textile and apparel industry

The global textile industry is valued at roughly USD 985 billion, and it is expected to grow at a CAGR of nearly 4.2%, reaching approximately USD 1.268 billion by 2028.

While inflation is the most concerning issue the changing consumer preferences, rapid population growth, rising preferences for ecofriendly, organic, and functional textiles, technological advancements, and government regulations and initiatives are some of the major factors propelling the market.

Indian textile and apparel industry

India holds the position of being the world's second-largest producer of textiles and garments, while also ranking as the sixth-largest exporter of textiles, encompassing apparel, home, and technical products. Its contribution to the global trade in textiles and apparel stands at 4%. The textiles and apparel industry contributes 2.3% to India's GDP, 13% to industrial production, and 12% to exports. The sector employs approximately 45 million workers, including 3.5 million handloom workers. In 2021, the size of India's textile market reached US\$ 223 billion, exhibiting a compound annual growth rate (CAGR) of 10.23% since 2016.

Outlook

The year 2023 has arrived with high hopes for the Indian textile industry. Following a period of turmoil and uncertainty, the sector appears to be on track for good stable development. This positive mood is the outcome of several initiatives taken by the Union Government to strengthen the prospects of the textile sector. These actions, which include bolstering technological and MMF textiles through the PLI programme, developing mega textile parks, signing FTAs and MoUs with other nations, and so on, are intended to propel the Indian textile sector to new heights.

Management Discussion & Analysis (Contd..)

Indian Cotton Textiles industry

India holds the position of being the largest global producer of cotton. Estimated cotton production stood at 312.03 lakh bales during the cotton season of 2021-22, and it is projected to reach 330 lakh bales in 2022-23. The cotton textiles industry encountered several challenges in FY 2022-23, including soaring cotton prices, disparities between international and domestic cotton prices, and sluggish demand. As a result, the industry had to reduce production and experienced lower profit margins. However, there has been a recent cooling down of cotton prices by approximately 45% from their peak of Rs 1.1 lakh, and the disparity between international and domestic prices has also significantly diminished.

Opportunities

China plus one strategy

The 'China Plus One' strategy presents a significant opportunity for India to enhance its manufacturing capabilities and attract more foreign investment. India's textile exports are predicted to increase by 81% to USD 65 billion by 2026. This growth will be supported by the global 'China Plus One' sentiment. This increase will result in 7.5-10 million new jobs.

Increased retail industry

The retail sector in India is highly distributed and largely unorganised. This sector contains over 13 million retail outlets and accounts for approximately 95 to 96 percent of India's total retail business. However, going forward, growth in organised retailing is expected due to economic growth, changing lifestyle of the people and globalisation. Moreover, the Indian retail industry is seeing robust development as a result of increasing expenditure spending by Indian consumers, particularly the younger generation, and an increase in disposable incomes. Apart from that, metropolises and small towns are witnessing a significant shift in customer tastes and lifestyle, and have therefore become attractive markets for merchants.

Rise in per capita income

The demand for textiles and clothing will be driven by an increase in disposable income and a growing middle class. With new Capex, the textile industry may concentrate on value-added or premium items. This will assist businesses with the adequate capacity to meet the upcoming demand early and boost their profitability.

FDI opportunities

Among growing countries, India has the most free and transparent rules regarding Foreign Direct Investment

(FDI). India is an appealing destination for FDI in the textile industry. Under the automatic method, 100% FDI is permitted in the textile sector.

Growth in domestic market

The domestic textiles and apparel market in India is one of the emerging markets in the world. Rising income levels of consumers and rapid urbanisation are key factors for the increase in demand in the domestic market. The organised retailing sector flourishing and further inviting FDI into the sector. As a result of this several international companies are interested in starting up their business functions in India soon. These all are a clear evidence that the Indian domestic trade is going to touch new heights.

Threats

Infrastructure bottlenecks

The poor quality of Indian Infrastructure implores serious setbacks in the textile industry in India. The bulk of India's cotton textile plants employ outmoded technology. According to one estimate, more than 60% of the spindles in India are older than 25 years. Automatic looms make up just 18% of all looms in the country, compared to the worldwide average of 62% and 100% in the US.

Competition from other exporting countries

The Indian textile business faces competition from nations such as China, Germany, Bangladesh, Sri Lanka, Turkey, Vietnam, Italy, and others. These nations have already established their core competencies and well-known USPs in the global market. Bangladesh's apparel exports have already overtaken those of India. Vietnam has grown its market share in international trade in recent years. Ethiopia and Myanmar, on the other hand, are luring foreign customers and investors. All of these nations will be serious competitors for India in the near future.

Availability and price of cotton

Natural disasters that significantly harm cotton harvests in India may result in sharp price increases, supply disruptions and unpredictability.

Company overview

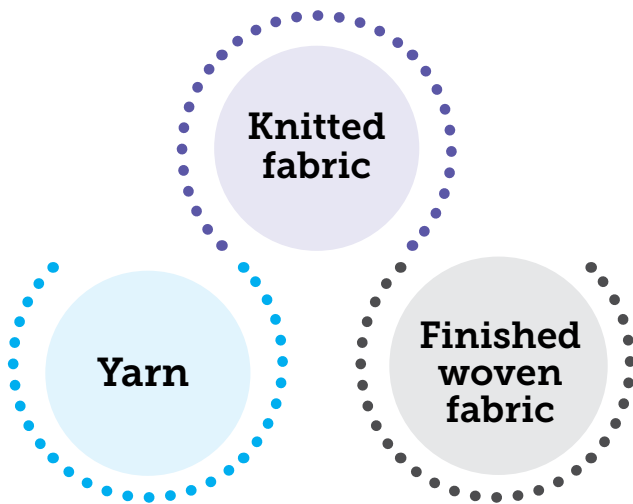
Founded in 1992 in Bhilwara of Rajasthan, Nitin Spinners is India's leading manufacturer of cotton yarn, knitted fabrics and finished woven fabrics. Commenced with just 385 rotors and an investment of INR 3 Cr, it has now expanded which include knitted textiles, completed woven fabrics, mixed yarns, open-end yarns, and ring-spun yarns.

Management Discussion & Analysis (Contd..)

The Company's manufacturing facilities are strategically located near the regions where it sources raw materials from. Additionally, it has good access to important markets and ports. The Company's operations include investments in cutting-edge technology, ongoing development and value addition, dedication to consistent product quality, a focus on customer happiness, and prompt product delivery.

50+ countries Global presence	307,344 Spindles	3,488 Rotors	222 Airjet weaving machine	77 Circular knitting machine
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Key products



Financial and product wise performance

Particulars	(₹ in Crores)	
	2022-23	2021-22
Revenue from operations	2406.71	2692.32
Other income	3.31	1.84
Total income	2410.02	2694.16
Earnings before Interest, Tax and Depreciation & Amortization	300.37	653.45
Profit for the year	164.81	326.14
EPS (Basic) (In INR)	29.32	58.01
EPS (Diluted) (In INR)	29.32	58.01

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

Details of Significant changes in Key Financial Ratios

Particulars	2022-23	2021-22	% change	Reason for change
Inventory turnover	5.36	7.08	-24.29%	lower sales realisation
Interest coverage ratio	7.97	11.81	-32.51%	lower operating profits
Current ratio	1.50	1.83	-18.04%	Funds Deployed in Expansion project
Debt equity ratio	0.65	0.57	14.04%	Fresh term loans taken for expansion project
Debtors turnover	10.39	13.25	-21.58%	Debtors realization period increased marginally
Operating profit margin	12.46%	24.25%	-48.62%	lower margins due to high volatility in raw material prices and lower global demand
Net profit margin	6.85%	12.11%	-43.44%	lower margins due to high volatility in raw material prices and lower global demand
Return on Avg net worth	17.31%	45.32%	-61.80%	Decrease in operating margins due to volatility in raw material prices and weak global demand
Earnings per share	29.32	58.01	-49.45%	Lower net profits

Management Discussion & Analysis (Contd..)

Risk and concerns

Risk management measures are essential to a governance system. Therefore, it contributes to its strategic goals and safeguards its value, assets, and reputation. Here are some of the risks and mitigation strategies of Nitin Spinners:

Risk	Impact	Mitigation
Competition risk	Increased competition may have a negative effect on return on invested capital, market share, and margin profile	Focus on value addition, quality , customer service , wide product portfolio and cost efficiencies help the company mitigate this risk
Foreign currency exchange rate risk	Stronger Indian Rupee might reduce income given that exports account for 63% of total revenue.	The company mitigates this risk by robust currency hedging mechanism and export pricing
Raw material price Inflation risk	A rise in cotton prices might have a negative effect on the Company's profitability.	The company continuously monitors cotton prices and follos a consistent stocking policy to avoid speculation and hedge against sharp movements
Reputation risk	Any late payments to lenders or suppliers or subpar products might erode consumer confidence in our integrity and have a negative influence on business success.	The company continuously makes conscious efforts to meet all stakeholder expectations and have strict quality control procedures
Customer concentration risk	In the event that one significant client fails, any concentration of customers may result in revenue loss.	The company continously strive to add new customers across geographies to diversify customer base

Environment and safety

Clean and safe environmental operations form Nitin Spinners' key priorities. The Company conducts all its operations, ensuring the safety of everyone concerned, compliance with statutory and industrial requirements for environment protection, and conservation of natural resources to the extent possible. Additionally, British Standards India (BSI) has granted the Company accreditation for its OHSAS18001:2007 (Occupational Health & Safety Management System) management system.

Human resources

Human resources are an essential asset for a company to achieve long-term success. To recruit, maintain, and grow its talent pool, the Company has constantly recognised talent, provided training, and rewarded performance. In addition, it is dedicated to promoting employee safety and well-being, and it takes pride in luring in the talent required for its further expansion.

Most importantly, it highlights the elimination of all forms of workplace and professional discrimination (including, but not limited to, gender, age, ethnicity, political affiliation, and religion). Professional equality, gender equality and the employment of individuals with disabilities are all given special consideration. Additionally, the BSI certified it with S.A. 8000:2014 (Social Accountability System) accreditation.

5229

Total strength (As of 31st march 2023)

Internal control and their adequacy

Nitin Spinners has appropriate systems for internal control. These systems are continually improved and modified to meet the changes in the business conditions and the statutory and accounting requirements. The Company also has a robust Management Information System, an integral part of the control mechanism. The Audit Committee of the Board of Directors reviews the efficiency and effectiveness of the internal control systems. It then suggests solutions to improve and strengthen. The internal control system was tested during the year, and no material weakness in design or operations was found.

Segment-wise performance

The Company operates in a single segment of Textile.

Cautionary statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions, may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

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 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. The Company has more than 50% Non-Executive Directors, it has a Non-Executive Chairman and the numbers of Independent Directors are 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 2022-23, four meetings of the Board of Directors were held on 12.05.2022, 06.08.2022, 08.11.2022 and 02.02.2023. 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 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 30th Annual General Meeting of the Company was held on 15.09.2022.

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 15.09.2022	Directorship in other Companies	No. of other Committees in which Member or Chairperson	
					Chairman	Member
Sh. Ratan Lal Nolkha (DIN: 00060746)	Promoter Non-Executive	4	No	2	Nil	Nil
Sh. Dinesh Nolkha (DIN: 00054658)	Promoter Executive	4	Yes	3	Nil	Nil
Sh. Nitin Nolkha (DIN: 00054707)	Promoter Executive	4	Yes	3	Nil	Nil
Dr. Rabisankar Chattopadhyay (DIN: 06928729)	Independent Non-Executive	4	Yes	Nil	Nil	Nil
Smt. Aditi Mehta (DIN: 06917890)	Independent Non-Executive	3	Yes	Nil	Nil	Nil
Sh. Rohit Swadheen Mehta (DIN: 09449679)	Independent Non-Executive	4	Yes	Nil	Nil	Nil

Designation of Sh. Ratan Lal Nolkha was changed from Executive Chairman to Non-Executive Chairman w.e.f. 01.10.2022.

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. The details of shareholding of Non-Executive Directors in the Company as on 31.03.2023 are as under :-

S. No.	Name of Non-Executive Director	Shareholding as on 31.03.2023
1.	Sh. Ratan Lal Nolkha	61,50,000 Shares
2.	Dr. Rabisankar Chattopadhyay	99 Shares
3.	Sh. Rohit Swadheen Mehta	22,000 Shares

No convertible instrument has been issued by the Company. None of the Directors are related to each other except three Promoter Directors as Sh. Ratan Lal Nolkha is father of Sh. Dinesh Nolkha & Nitin Nolkha and Sh. Dinesh Nolkha & Sh. Nitin Nolkha are brothers.

All the Independent Directors have given declaration and confirmation of their independence and inclusion of 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, as amended. It is hereby confirmed that in the opinion of Board, the Independent Directors fulfill the conditions specified under the Listing Regulations 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	✓	✓	✓			✓
2.	Sh. Dinesh Nolkha, Managing Director	✓	✓	✓	✓	✓	✓
3.	Sh. Nitin Nolkha, Jt. Managing Director	✓		✓	✓	✓	✓
4.	Dr. Rabisankar Chattopadhyay, Independent Director	✓		✓	✓		✓
5.	Smt. Aditi Mehta, Independent Director	✓	✓	✓			✓
6.	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 15th September, 2022.

Meetings and Attendance

The committee met four times during the financial year 2022-23. The dates on which Audit Committee Meetings were held are 12.05.2022, 06.08.2022, 08.11.2022 and 02.02.2023. 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	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.

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

Corporate Governance Report (Contd..)

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 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 and Sh. R. L. Nolkha, Non-Executive Chairman of the Company. 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.

Meetings and Attendance

During the financial year 2022-23 two meetings of the Committee were held on 12.05.2022 and 06.08.2022. 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	2

Performance Evaluations:-

The Nomination & Remuneration Committee(NRC) and Board is responsible for undertaking a formal annual evaluation of its own performance, committees and individual Directors with a view to review their functioning and effectiveness and to determine whether to extend or continue the term of appointment of the directors including independent directors. During the year, NRC and the Board carried out the performance evaluation of itself, Committees and each of the executive directors/non-executive directors/independent directors. The criteria for performance evaluation of Independent Directors are contained in Nomination, Remuneration and Evaluation Policy of the Company. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, etc. The criteria for performance evaluation of the Committees included aspects such as structure and composition of Committees, effectiveness of Committee Meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The detailed Policy inter-alia including criteria for performance evaluation is available under web link <https://nitinspinners.com/wp-content/uploads/2021/07/Nomination-Remuneration-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 Chairman, Managing Director and Jt. Managing Director are governed as per terms and conditions approved by the Board of Directors and Shareholders on the recommendation of Nomination and Remuneration Committee.

Corporate Governance Report (Contd..)

Details of Remuneration paid to Promoter Directors

(Rs. in Lakhs)

S. No.	Name of Directors	Category of Directors	Basic Salary	Contribution to P.F.	Commission	Others	Total
1	Sh. Ratan Lal Nolkha	Promoter & Non-Executive Director	27.60	3.31	89.52	-	120.43
2	Sh. Dinesh Nolkha	Promoter & Executive Director	50.70	6.08	89.52	1.75	148.05
3	Sh. Nitin Nolkha	Promoter & Executive Director	41.40	4.97	89.51	1.75	137.63

Designation of Sh. Ratan Lal Nolkha was changed from Executive Chairman to Non-Executive Chairman w.e.f. 01.10.2022.

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. Notice period shall be as per the terms of the policy on appointments of the Company.

Stock option to Executive Directors - Nil

Non-Executive Directors do not draw any remuneration except sitting fee of Rs. 50,000/- for attending every Board Meeting and Rs. 25,000/- for attending every Committee Meeting. Total sitting fee of Rs. 11,75,000/- was paid during the financial year 2022-23. The details of remuneration paid to Non-Executive Directors during the financial year 2022-23 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.	Smt. Aditi Mehta	Independent Non-Executive Director	3.00
2.	Dr. Rabisankar Chattopadhyay	Independent Non-Executive Director	4.25
3.	Sh. Rohit S Mehta	Independent Non-Executive Director	3.50
4.	Sh. R. L. Nolkha	Non-Executive Director	1.00

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. Designation of Sh. R. L. Nolkha was changed from Executive Chairman to Non-Executive Chairman w.e.f. 01.10.2022. Dr. Rabisankar Chattopadhyay is holding 99 and Sh. Rohit S. 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 2022-23. 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 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,

Corporate Governance Report (Contd..)

CFO of the Company as Members with Sh. Dinesh Nolkha as Chairman of the Committee.

Meeting and Attendance

The Committee meets as and when required and during the financial year 2022-23, two meetings of the Committee were held on 23.07.2022 and 07.11.2022.

Name of Member	No. of Meetings attended
Sh. Dinesh Nolkha, Chairman	2
Dr. Rabisankar Chattopadhyay, Member	2
Sh. Purushottam Maheshwari, Member	1

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Your company has Stakeholders Relationship Committee constituted by the Board of Director 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:-

Composition

The composition of Stakeholders Relationship Committee is as under:

S. No.	Name of the Director	Designation	Nature of Directorship
1	Dr. Rabisankar Chattopadhyay	Chairman	Independent & Non-Executive
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 2022-23, one meeting of the Committee was held on 07.11.2022 and same was attended by all the members of the Committee.

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

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

Details of Complaints received and status thereof:-

One complaint was received from Investors during the financial year 2022-23 and the same was resolved to the satisfaction of Investor. No complaint was pending at the end of the year.

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, 2023. No request for dematerialization of Equity Shares of the Company was pending for approval as at the 31st March, 2023.

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
28th AGM	16.09.2020	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
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 Nolakha, 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

During the financial year 2022-23, 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 12.05.2022 without the attendance of Non-Independent Directors and members of management to inter-alia to:

- 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 Companies Act, 2013 and Listing Regulations in this regard. There were no materially significant transactions with related parties during the financial year. 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://>

Corporate Governance Report (Contd..)

nitinspinners.com/wp-content/uploads/2022/01/Related-Party-Policy.pdf

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/2021/07/Code-of-Conduct-for-Directors.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) Regulation, 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/2021/07/VIGIL-MECHANISM.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 2022-23.

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.

Corporate Governance Report (Contd..)

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/2023/07/Familiarization-Programmes-2022-23.pdf>

Loans and Advances

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

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.

During the year the Company has paid total fee of Rs. 13.65 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.

There is change in Senior Management Personnel during the financial year.

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

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

The details about commodity price risk or 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 2022-23 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 2022-23, 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 18th September, 2023 at 3.00 PM IST through Video Conference (VC)/Other Audio Visual Means (OAVM)
- B.** Date of Book Closure 12.09.2023 to 18.09.2023
(Both the days Inclusive)
- C.** Dividend Payment date Within 30 days from the date of AGM.
- D.** Financial Year April 1, 2023 to March 31, 2024

E. Tentative Financial Calendar for next Year for 2023-24:

Period	Date of Board Meeting
1st Quarter ending June, 2023	Last week of July, 2023 or first week of August, 2023
2nd Quarter ending September, 2023	Last week of October, 2023 or First week of November, 2023
3rd Quarter ending December, 2023	Last week of January, 2024 or First week of February, 2024
Year ending 31st March, 2024	April/May 2024
AGM for year ending 31st March, 2024	August/September 2024

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

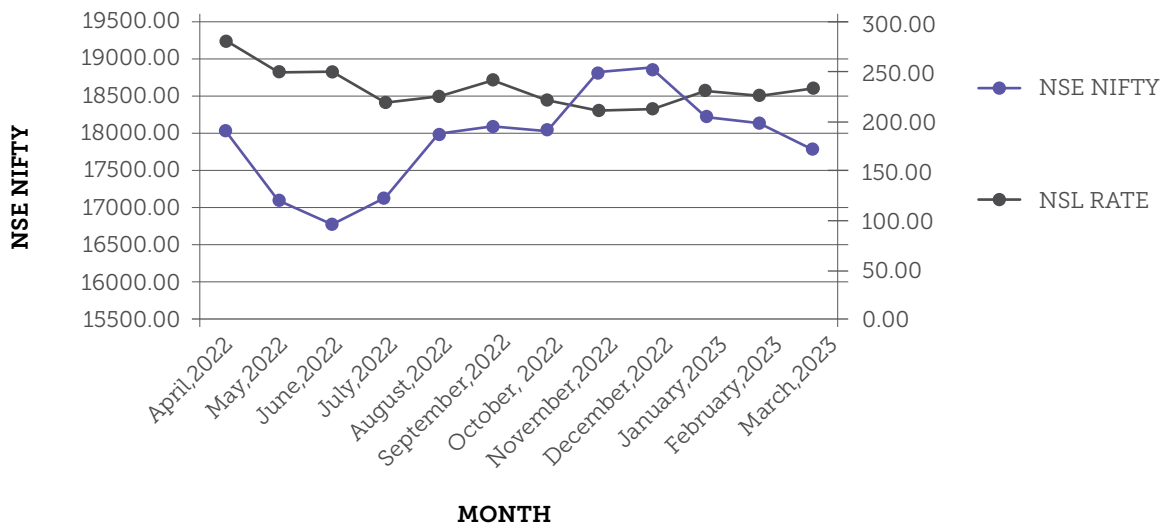
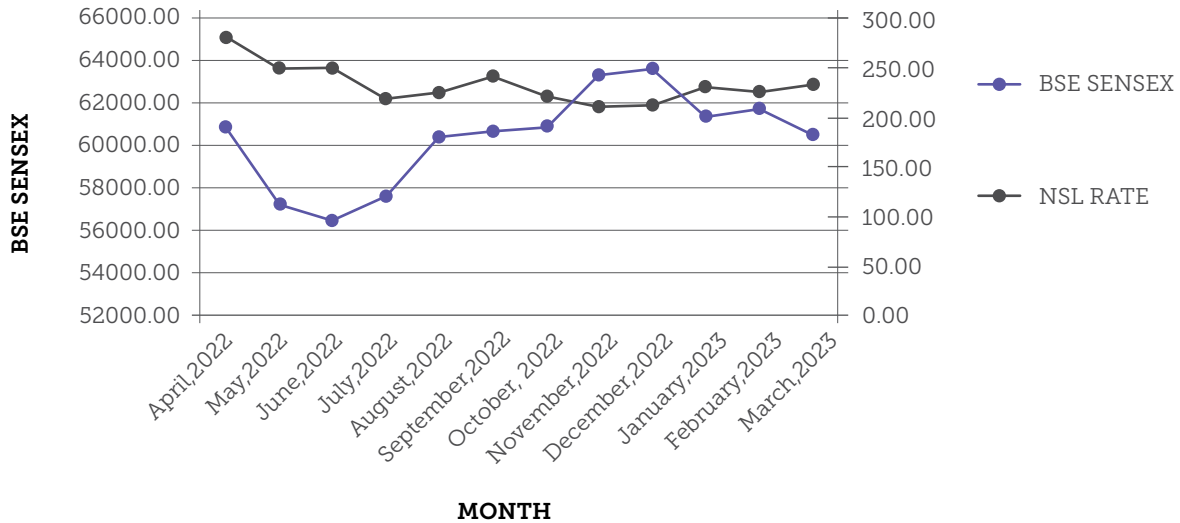
The applicable listing fee for the Financial Year 2023-24 has been paid to both the Stock Exchanges.

G. Stock Price Data :

Month	BSE		NSE	
	High	Low	High	Low
April, 2022	279.95	227.00	278.00	227.00
May, 2022	248.25	197.80	247.95	197.15
June, 2022	247.90	182.10	248.00	181.90
July, 2022	217.80	197.75	217.80	204.00
August, 2022	223.85	196.00	224.00	201.00
September, 2022	239.55	208.25	239.75	213.60
October, 2022	220.60	199.00	222.00	207.90
November, 2022	210.00	182.25	210.00	182.00
December, 2022	212.60	183.00	214.00	190.60
January, 2023	228.55	196.00	228.50	205.95
February, 2023	223.90	199.55	223.75	205.35
March, 2023	232.20	205.45	232.50	211.50

Corporate Governance Report (Contd..)

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



I. Dematerialisation of Share and Liquidity:

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

Particulars	31st March, 2023		31st March, 2022	
	No. of Shares	%	No. of Shares	%
No. of Shares Dematerialised				
- NSDL	4,80,94,932	85.55	4,78,96,555	85.20
- CDSL	81,25,058	14.45	83,22,815	14.80
No. of Shares in Physical Mode	10	0.00	630	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

The SEBI vide PR No. 12/2019 dated 27th March, 2019 mandated that w.e.f. 01st April, 2019 no request for effecting transfer of securities shall be processed unless shares are held in DEMAT form however this is not applicable on transmission or transposition of securities. Accordingly, no request for transfer of shares in physical form was received by the Company. The cases of transmission & transposition of shares in physical form is processed and completed by Bigshare Services Private Ltd., Mumbai within a period of 15 days from the date of receipt thereof provided all the documents are in order and after taking necessary approvals from the Company. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing regulations, a practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued.

L. Distribution of Shareholding as on 31st March, 2023:

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% to Shares
Up to 500	36692	89.0172	3812329	6.7811
501 to 1,000	2168	5.2597	1740731	3.0963
1,001 to 2,000	1064	2.5813	1612318	2.8679
2,001 to 3,000	437	1.0602	1125843	2.0026
3,001 to 4,000	197	0.4779	703997	1.2522
4,001 to 5,000	158	0.3833	751316	1.3364
5,001 to 10,000	255	0.6186	1923505	3.4214
10,001 & above	248	0.6018	44549961	79.2421
Total	41219	100	56220000	100

Corporate Governance Report (Contd..)

M. Category wise Shareholding

Particulars	31st March, 2023		31st March, 2022	
	No. of Shares	%	No. of Shares	%
Promoters and Promoters' Group	3,17,13,770	56.41	3,16,25,000	56.25
Public				
-Institutional	48,91,483	8.70	53,16,080	9.46
-Others	1,96,14,747	34.89	1,92,78,920	34.29
Total	5,62,20,000	100.00	5,62,20,000	100.00

N. Credit Ratings of the Company

During the year 2022-23, 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

Dinesh Nolkha
Managing Director
(DIN – 00054658)

Nitin Nolkha
Joint Managing Director
(DIN – 00054707)

Place: Hamirgarh, Bhilwara
Date: 05th August, 2023

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, 2023 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

(Dinesh Nolkha)

Managing Director
DIN - 00054658

Place: Hamirgarh, Bhilwara

Date: 06th May, 2023

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, 2023.

Place: Hamirgarh, Bhilwara

Date: 06th May, 2023

(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, 2023 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: 05-08-2023

Independent Auditor's 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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, 2023, 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, 2023 is 22.18% 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 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: <ul style="list-style-type: none"> (i) Selected a sample of inventory items and compared the quantities we counted to the quantities recorded. (ii) Observed a sample of management's inventory count procedures to assess compliance with Company's policy, and (iii) 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.

Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> 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. 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>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, 2023 the trade receivables balances (net of provisions) consist of 10.04% 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></p> <p>Please refer to Note-7 of Notes to Financial Statements for relevant disclosures of trade receivables.</p>	<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></p> <p>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.

Those 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, 2023 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2023, 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.29)
 - 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 – 33 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.
- (c) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under clause 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

S.P. Jhanwar

Partner

Membership No.- 074414

Place: Bhilwara

Date: 6thMay, 2023

UDIN No 23074414BGQJXN9843

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, 2023 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 2023 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 Statue	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
Total			18.98	18.48	0.50		

(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.

during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(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.

(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) 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.

(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.

(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.

(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.

(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

(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;

(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.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans

(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 accordingly this clause is not applicable.

(b) There is no unspent amount accordingly this clause is not applicable.

(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

Place: Bhilwara

Date: 6thMay, 2023

UDIN No 23074414BGQJXN9843

Partner

Membership No.- 074414

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, 2023 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, 2023, 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

Place: Bhilwara
Date: 6thMay, 2023

S.P. Jhanwar
Partner
Membership No.- 074414

Balance Sheet

as at 31st March 2023

(₹ in Lacs)

Particulars	Note No.	As at 31 st March, 2023	As at 31 st March, 2022
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	1,01,004.06	1,01,063.08
(b) Capital Work-in-Progress	3	34,026.49	8.25
(c) Other Intangible Assets	4	105.39	124.30
(d) Other Non-Current Assets	5	7,063.06	5,814.24
Total Non-Current Assets (A)		1,42,199.00	1,07,009.87
(2) Current Assets			
(a) Inventories	6	49,204.24	40,629.23
(b) Financial Assets			
(i) Trade Receivables	7	22,266.23	24,068.12
(ii) Cash and Cash Equivalents	8	6.98	25.96
(iii) Other Bank Balances	8A	35.52	35.11
(iv) Other Financial Assets	9	136.33	232.14
(c) Other Current Assets	10	7,950.09	10,436.35
Total Current Assets (B)		79,599.39	75,426.91
Total Assets (A+B)		2,21,798.39	1,82,436.78
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	11	5,622.00	5,622.00
(b) Other Equity	12	97,268.11	81,958.70
Total Equity (A)		1,02,890.11	87,580.70
(2) LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
Borrowings	13	56,114.51	40,718.68
(b) Provisions	14	504.45	494.29
(c) Deferred Tax Liabilities (Net)	15	9,271.46	12,512.15
Total Non-Current Liabilities (B)		65,890.42	53,725.12
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	41,858.70	28,136.09
(ii) Trade Payables	17		
- Due to Micro & Small Enterprises		247.26	254.24
- Due to Others		4,981.39	7,955.07
(iii) Other Financial Liabilities	18	4,790.24	1,767.52
(b) Other Current Liabilities	19	884.84	1,781.11
(c) Provisions	20	57.10	54.90
(d) Current Tax Liabilities (Net)	21	198.33	1,182.03
Total Current Liabilities (C)		53,017.86	41,130.96
Total Liabilities (B+C)		1,18,908.28	94,856.08
Total Equity and Liabilities (A+B+C)		2,21,798.39	1,82,436.78
Significant Accounting Policies	1		
Disclosures and Additional Informations	29-53		

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 & General Manager (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date : 06.05.2023

Statement of Profit & Loss

for the year ended 31st March 2023

(₹ in Lacs)

Particulars	Note No.	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
I Revenue from Operations	22	2,40,670.74	2,69,231.73
II Other Income	23	330.95	184.02
III Total Income (I+II)		2,41,001.69	2,69,415.75
IV Expenses			
Cost of Materials Consumed	24	1,64,106.42	1,57,034.97
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25	(1006.70)	(9413.70)
Employee Benefits Expenses	26	13,316.31	13,272.98
Finance Cost	27	3,768.24	5,533.72
Depreciation & Amortisation Expenses	2,4	8,680.87	8,740.39
Other Expenses	28	34,549.05	43,175.83
Total Expenses (IV)		2,23,414.19	2,18,344.19
V Profit before Exceptional Items & Tax		17,587.50	51,071.56
VI Exceptional Items		-	454.38
VII Profit/(Loss) Before Tax (V-VI)		17,587.50	50,617.18
VIII Tax Expenses			
1. Current Tax		4,375.32	16,774.35
2. Earlier Year		(42.10)	-
3. Deferred Tax		(3,226.77)	1,229.06
Total Tax Expenses (VIII)		1,106.45	18,003.41
IX Profit/(Loss) for the period from Continuing Operations After Tax (VII-VIII)		16,481.05	32,613.77
X Other Comprehensive Income			
1 Items that will not be reclassified to Profit or Loss (Net of Tax)			
Remeasurements of Defined Benefit Plans		299.25	347.94
Income tax related to Defined Benefit Plans		(24.87)	(121.59)
		274.38	226.35
2 Items that will be reclassified to profit or loss (Net of Tax)			
Change in Fair Value of Effective portion of Cash Flow Hedge		(79.30)	142.06
Tax on Cash Flow Hedge Recognised during the year		38.78	(49.64)
		(40.52)	92.42
Total Other Comprehensive Income for the year, net of Income Tax		233.86	318.77
XI Total Comprehensive Income for the year (IX+X)		16,714.91	32,932.54
XII Earning Per Equity Share (Rupees Per Share)			
(1) Basic		29.32	58.01
(2) Diluted		29.32	58.01
Significant Accounting Policies	1		
Disclosures and Additional informations	29-53		

In terms of our report of even date

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

S. P. JHANWAR
Partner
M. No. 074414

For and on behalf of the Board

DINESH NOLKHA
Managing Director
(DIN - 00054658)

P. MAHESHWARI
Chief Financial Officer
(PAN - ABAPM8005C)

NITIN NOLAKHA
Joint Managing Director
(DIN - 00054707)

SUDHIR GARG
Company Secretary & General Manager (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara
Date : 06.05.2023

Cash Flow Statement

for the year ended 31st March 2023

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Exceptional Items	17,587.50	51,071.56
Adjustments for :-		
Depreciation	8,680.87	8,740.39
Interest Expenditure	3,768.24	5,533.72
Loss/ (Profit) on sale of Property, Plant & Equipment	(90.13)	(20.17)
Actuarial (loss)/gains on Defined Benefit Obligations	299.25	347.94
Operating Profit Before Working Capital Changes (1)	30,245.73	65,673.44
Adjustments for :-		
Decrease/(Increase) Inventories	(8,575.01)	(5,160.83)
Decrease/ (Increase) Trade Receivables	1,801.89	(7,483.54)
Decrease/ (Increase) Other Current & Non Current Assets	2,062.62	(2,580.72)
Increase/(Decrease) Current & Non Current Liabilities	(841.85)	2,880.96
Total Adjustments (2)	(5,552.35)	(12,344.13)
Cash Generated from Operations (1-2)	24,693.38	53,329.31
Less : Taxes Paid	5,316.92	10,186.01
Net Cash Generated from Operating Activities (A)	19,376.46	43,143.30
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & Equipment	(8,699.64)	(5,045.53)
Capital WIP including Capital Advances	(34,827.33)	(4,201.26)
Receipts of Capital Subsidy	50.00	26.94
Sale of Property, Plant & Equipment	136.83	629.37
Net Cash Generated/(Used) in Investing Activities (B)	(43,340.14)	(8,590.48)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from /(Repayment) of Short Term Borrowings (Net)	12,297.61	(9,331.67)
Proceeds from Long Term Borrowings	26,010.79	-
Repayment of Long Term Borrowings	(9,189.96)	(17,976.93)
Interest Paid	(3,768.24)	(5,533.72)
Dividend Paid	(1,405.50)	(1,686.60)
Net Cash Generated/(Used) From Financing Activities (C)	23,944.70	(34,528.92)
Net Increase / (Decrease) in Cash & Cash Equivalent (A+B+C)	(18.98)	23.90
Opening Balance of Cash & Cash Equivalent	25.96	2.06
Closing Balance of Cash & Cash Equivalent	6.98	25.96

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 & General Manager (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date : 06.05.2023

Statement of Changes in Equity

for the year ended 31st March 2023

A. Equity Share Capital

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	Number	(₹ In Lacs)	Number	(₹ In Lacs)
Equity Share Capital				
Balance at the beginning of reporting period	5,62,20,000	5,622.00	5,62,20,000	5,622.00
Changes in equity share capital due to prior period errors	-	-	-	-
Restate balance at the beginning of current reporting period	5,62,20,000	5,622.00	5,62,20,000	5,622.00
Changes in equity share capital during the current year	-	-	-	-
Balance at the end of the reporting period	5,62,20,000	5,622.00	5,62,20,000	5,622.00

B. Other Equity

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 2021	150.00	13,727.12	5,000.00	31,802.82	32.81	50,712.75
Changes in accounting Policy or prior period errors	-	-	-	-	-	-
Restate balance as at 1st April 2021	150.00	13,727.12	5,000.00	31,802.82	32.81	50,712.75
Profit for the year ended 31 st March 2022				32,613.77		32,613.77
Other Comprehensive Income/ (Expenses) (OCI)						
(a) Remeasurement of Defined Benefit obligation (Net of Tax)				226.36		226.36
(b) Adjustment for Effective portion of Cash Flow Hedge (Net of Tax)					92.42	92.42
Dividends (Including Dividend Tax)				(1,686.60)		(1,686.60)
Balance as at 31st March 2022	150.00	13,727.12	5,000.00	62,956.35	125.23	81,958.70
Changes in accounting Policy or prior period errors	-	-	-	-	-	-
Restate balance as at 31st March 2022	150.00	13,727.12	5,000.00	62,956.35	125.23	81,958.70
Profit for the year ended 31 st March 2023				16,481.05		16,481.05
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)
Dividends (Including Dividend Tax)				(1,405.50)		(1,405.50)
Balance as at 31st March 2023	150.00	13,727.12	5,000.00	78,306.28	84.71	97,268.11

In terms of our report of even date

For KALANI & CO.
Chartered Accountants
(Firm Reg. no. 000722C)

S. P. JHANWAR
Partner
M. No. 074414

For and on behalf of the Board

DINESH NOLKHA
Managing Director
(DIN - 00054658)

P. MAHESHWARI
Chief Financial Officer
(PAN - ABAPM8005C)

NITIN NOLAKHA
Joint Managing Director
(DIN - 00054707)

SUDHIR GARG
Company Secretary & General Manager (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara
Date : 06.05.2023

Notes to the Financial Statements

for the year ended 31st March 2023

Note No. 1 - Company Information and Significant 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 recognised 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. Significant Accounting Policies

A summary of the significant 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 recognised as an Asset if and only if it is probable that future economic benefits associated with the item will flow to the

Notes to the Financial Statements

for the year ended 31st March 2023

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 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 recognised 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 recognised 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 recognised 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 derecognised. The costs of the day-to-day servicing of Property, Plant and Equipment are recognised in Statement of Profit or Loss as and when incurred.

1.3. Derecognition

Property, Plant and Equipment are derecognised 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 recognised 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 recognised 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

Notes to the Financial Statements

for the year ended 31st March 2023

recognised 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.

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 recognised 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 derecognised 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 recognised 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 recognised 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.

Notes to the Financial Statements

for the year ended 31st March 2023

8. Government Grants

Government grants are recognised 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 recognised 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 recognised.

9. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised 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 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 recognised as a finance cost.

The amount recognised 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 recognised 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 recognised 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 significant accounting policies related to revenue recognition. Refer Note 1 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for Revenue prior to April 1, 2018.

Revenue is recognised 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

Notes to the Financial Statements

for the year ended 31st March 2023

"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.

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 recognised upon transfer of control of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognised 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 recognised 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 recognised 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 recognised 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 recognised 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.

Notes to the Financial Statements

for the year ended 31st March 2023

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 recognised 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 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 unrecognised 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 recognised as provision for employee benefit. Any actuarial gains or losses in respect of gratuity are recognised 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 recognised 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 recognised in Statement of Profit and Loss A/c except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which it is recognised 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 recognised under 'Income Tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance.

Deferred Tax is recognised 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

Notes to the Financial Statements

for the year ended 31st March 2023

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 recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in OCI or Equity, in which case it is recognised in OCI or Equity.

A Deferred Tax Asset is recognised 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 recognised 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.

14. Leases:

14.1 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 recognised 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.

14.2 Accounting for

14.2.1 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

Notes to the Financial Statements

for the year ended 31st March 2023

made under operating leases are recognised as an expense over the lease term.

14.2.2 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 recognised under borrowings. At 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.

15. 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 recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised 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 recognised.

16. Dividends

Dividends and Interim dividends payable to a Company's shareholders are recognised as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

17. 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.

18. 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.

19. 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 recognised 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

Notes to the Financial Statements

for the year ended 31st March 2023

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 recognised at fair value and in case of loans, net of directly attributable transaction cost. Fees of recurring nature are directly recognised 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 derecognised 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 recognised 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 recognised 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 recognised 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 recognised 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 recognised 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.

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.

Notes to the Financial Statements

for the year ended 31st March 2023

20. 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. 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 recognising 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 2023

Note 2 : Property, Plant and Equipment

Particulars	Gross Carrying Amount				Depreciation/Amortisation			Net Carrying Amount	
	As at 1 st April 2022	Addition	Deduction	As at 31 st March 2023	For the Year	Deduction	As at 31 st March 2023	As at 31 st March 2023	As at 31 st March 2022
	(₹ in Lacs)								
Tangible Assets									
Free Hold Land	1,529.69	93.26	-	1,622.95	-	-	-	1,622.95	1,529.69
Buildings	31,755.04	12.19	-	31,767.23	986.17	-	4,835.66	26,931.57	27,905.55
Plant & Machinery	1,00,221.31	8,274.46	108.72	1,08,387.05	7,113.44	28.39	39,244.02	69,143.03	68,062.34
Electric Installations	3,443.69	235.15	0.28	3,678.56	290.72	0.21	1,591.52	2,087.04	2,142.68
Furniture & Fixtures	1,224.95	10.51	1.79	1,233.67	116.16	1.11	460.62	773.05	879.38
Office Equipments	459.11	15.90	0.08	474.93	68.56	-	375.00	99.93	152.67
Vehicles	569.93	35.94	54.29	551.58	64.68	38.75	205.09	346.49	390.77
Right of Use- Building	10.14	-	10.14	-	-	10.14	-	-	-
Total	1,39,213.86	8,677.41	175.30	1,47,715.97	8,639.73	78.60	46,711.91	1,01,004.06	1,01,063.08
Previous Year	1,37,814.33	5,001.82	3,602.29	1,39,213.86	8,700.24	2,511.77	38,150.78	1,01,063.08	1,05,852.02

2.1 All Property, Plant and Equipments mentioned above (except Right of Use - Building) having net block of ₹ 101004.06 Lacs (Previous Year - ₹ 1,01,063.08 Lacs) are held as security towards Borrowings as specified in Note 13.

2.2 Deduction in Plant & Machinery include ₹ 50.00 Lacs (Previous Year - ₹ 26.94 Lacs) received as Capital Subsidy received 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	Historical Cost (₹ in Lacs)							Total
	Free Hold Land	Buildings	Plant & Machinery	Electric Installation	Furniture & Fixtures	Office Equipments	Vehicles	
Gross Block as on 1st April 2022	1,529.69	33,438.09	1,17,712.88	4,513.44	1,267.29	549.09	607.98	1,59,628.60
Addition during the year 2022-23	93.26	12.19	8,274.46	235.15	10.51	15.90	35.94	8,677.41
Deduction during the year 2022-23	-	-	(656.67)	(1.59)	(13.46)	(1.59)	(77.63)	(761.08)
Total Historical Cost as on 31st March 2023	1,622.95	33,450.28	1,25,330.67	4,747.00	1,264.34	563.40	566.29	1,67,544.93

Notes to the Financial Statements

for the year ended 31st March 2023

Note 3 : Capital Work In Progress

(₹ in Lacs)

Particulars	As at 1 st April 2022	Addition	Deduction/ Adjustments	Capitalised	As at 31 st March 2023
Building	-	10,216.27	-	12.19	10,204.08
Plant & Machinery	-	28,887.15	-	8,175.47	20,711.68
Electric Installations	-	2,559.03	-	235.16	2,323.87
Computer & Printers	-	30.77	-	19.86	10.91
Furniture & Fixtures	-	27.93	-	10.19	17.74
Office Equipment	-	17.54	-	10.06	7.48
Pre Operative Exp					
- Electricity Charges	-	51.21	-	-	51.21
- Finance Charges	-	159.07	-	6.61	152.46
- Insurance Charges	-	21.05	-	-	21.05
- Interest on Term Loan	-	307.26	-	43.16	264.10
- Legal & Professional Exp	8.25	14.30	-	-	22.55
- Rates & Taxes	-	30.32	-	-	30.32
- Salary, Wages & Stipend	-	190.56	-	-	190.56
- Staff Recruitment Exp	-	1.39	-	-	1.39
- Travelling Exp	-	17.09	-	-	17.09
Total	8.25	42,530.94	-	8,512.70	34,026.49

3.1 Ageing of Capital Work in Progress

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	34,018.24	8.25	-	-	34,026.49
Total	34,018.24	8.25	-	-	34,026.49

As at 31st March 2022

(₹ in Lacs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in Progress	8.25	-	-	-	8.25
Total	8.25	-	-	-	8.25

Notes to the Financial Statements

for the year ended 31st March 2023

Note 4 : Other Intangible Assets

Particulars	Gross Carrying Amount		Depreciation/Amortisation		Net Carrying Amount	
	As at 1 st April 2022	As at 31 st March 2023	As at 1 st April 2022	For the Year	As at 31 st March 2023	As at 31 st March 2022
Computer Software	268.92	291.15	144.62	41.14	185.76	124.30
Total	268.92	291.15	144.62	41.14	185.76	124.30
Previous Year	225.21	268.92	104.47	40.15	124.30	120.74

(₹ in Lacs)

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:

Particulars	Computer Software
Gross Block as on 1st April 2022	276.89
Addition during the year 2022-23	22.23
Deduction during the year 2022-23	-
Total Historical Cost as on 31st March 2023	299.12

(₹ in Lacs)

Notes to the Financial Statements

for the year ended 31st March 2023

Financial Assets

Note 5 : Other Non Current Assets

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Security Deposits	1,682.86	1,216.21
Deferred Transaction Cost	63.51	90.43
Capital Advances	5,316.69	4,507.60
Total	7,063.06	5,814.24

Current Assets

Note 6 : Inventories

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Raw Material	26,656.23	19,333.12
Work-In-Process	4,875.75	4,696.21
Finished Goods	16,432.42	15,605.26
Stores and Spares	1,094.94	898.96
Fuel	144.90	95.68
Total	49,204.24	40,629.23

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 2023	As at 31 st March 2022
Cotton	26,159.91	18,333.07
Yarn	34.32	156.41
Polyster & Other Fibers	172.14	438.92
Dyes & Chemical	289.86	404.72
Total	26,656.23	19,333.12

6.3 Finished Goods consist of:

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Yarn	10,313.61	9,004.15
Fabric	5,558.75	6,117.43
Saleable Waste	560.06	483.68
Total	16,432.42	15,605.26

Note 7 : Current Financial Assets - Trade Receivables

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Secured		
Considered Good	-	-
Unsecured		
Considered Good	22,266.23	24,068.12
Receivables having Significant Increase in Credit Risks	73.10	121.23
Less : - Provision for Doubtful Debts	73.10	121.23
Net	-	-
Total	22,266.23	24,068.12

Notes to the Financial Statements

for the year ended 31st March 2023

Note 7 : Current Financial Assets - Trade Receivables (Contd..)

Note 7.1 Ageing and other information has been depicted in Note no. 35

Note 8 : Current Financial Assets - Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Cash in Hand	6.92	4.05
Balance with Banks in :		
Current Accounts	0.06	21.91
Total	6.98	25.96

Note 8A : Current Financial Assets - Bank Balances other than Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Unclaimed Dividend Accounts	30.73	32.21
Fixed Deposits	4.79	2.90
Total	35.52	35.11

- 1) The yearwise details of Unclaimed Dividend is given in Note No. 39.
- 2) Fixed Deposits are pledged with bank against Bank Guarantees.

Note 9 : Other Current Financial Assets

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Derivative Assets (Net)	113.20	192.51
Advances to Employees	23.13	39.63
Total	136.33	232.14

Note 10 : Other Current Assets

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Advances to Suppliers	376.92	1,687.22
Employees Benefit Fund*	455.70	228.67
Prepaid Expenses	260.96	272.25
Amount Receivable under TUFS /RIPS	515.79	3,382.79
Income Tax Refundable	116.04	116.04
GST Credit Receivables	3,839.22	212.78
GST Refundable	783.41	1,192.78
Other Receivables**	1,602.05	3,343.82
Total	7,950.09	10,436.35

* Denoted fund contributed in excess of Net Liabilities to Gratuity Fund Refer Note No. 34

** Other receivables includes amount of Export Incentive and Duty drawback etc.

Notes to the Financial Statements

for the year ended 31st March 2023

Equity & Liabilities

Equity

Note 11 : Share Capital

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Authorised : 6,00,00,000 (Previous Year : 6,00,00,000) Equity Shares of Rs. 10/- Each	6,000.00	6,000.00
Total	6,000.00	6,000.00
Issued, Subscribed & Fully Paid up : 5,62,20,000 (Previous Year : 5,62,20,000) Equity Shares of Rs. 10/- Each fully paid up ranking pari passu	5,622.00	5,622.00
Total	5,622.00	5,622.00

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.	1,79,73,770 (31.97%)	1,78,95,000 (31.83%)
Ratan Lal Nolkha	61,50,000 (10.94%)	61,50,000 (10.94%)

b. Reconciliation of the number of Shares outstanding is set out below :

Particulars	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	5,62,20,000	5,62,20,000
Add : Shares issued during the year	-	-
Equity Shares at the end of the year	5,62,20,000	5,62,20,000

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.	Particulars	No. of Shares		% of Total Shares	% Change during the year
		As at 31 st March 2023	As at 31 st March 2022		
1	Ratan Lal Nolkha	61,50,000	61,50,000	10.94%	-
2	Dinesh Nolkha	11,55,000	11,53,000	2.05%	0.17
3	Nitin Nolakha	18,50,000	18,50,000	3.29%	-
4	Sushila Devi Nolkha	16,50,000	16,50,000	2.93%	-
5	Ratan Lal Nolkha HUF	16,50,000	16,50,000	2.93%	-
6	Krishna Nolkha	2,70,000	2,70,000	0.48%	-
7	Dinesh Nolkha HUF	3,60,000	3,56,000	0.64%	1.12
8	Ranjeeta Nolkha	1,90,000	1,90,000	0.34%	-
9	Nitin Nolakha HUF	2,05,000	2,01,000	0.36%	1.99
10	Pratyush Nolkha	2,60,000	2,60,000	0.46%	-
11	Redial Trading and Investment Pvt Ltd	1,79,73,770	1,78,95,000	31.97%	0.44

Notes to the Financial Statements

for the year ended 31st March 2023

Note 12 : Other Equity

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Capital Redemption Reserve	150.00	150.00
Securities Premium	13,727.12	13,727.12
General Reserve	5,000.00	5,000.00
Other Reserve - Cash Hedge Reserve	84.71	125.23
Retained Earnings	78,306.28	62,956.35
Total	97,268.11	81,958.70

Note 12.1 : Particular of Other Equity

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
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	13,727.12	13,727.12
Additions during the year	-	-
Deductions during the year	-	-
Net Balance	13,727.12	13,727.12
c. General Reserve		
Opening Balance	5,000.00	5,000.00
Additions during the year	-	-
Deductions during the year	-	-
Net Balance	5,000.00	5,000.00
d. Other Reserve - Cash Hedge Reserve		
Opening Balance	125.23	32.81
Additions during the year	(40.52)	92.42
Net Balance	84.71	125.23
e. Retained Earnings		
Opening Balance	62,956.35	31,802.82
Add: Profit for the year	16,481.05	32,613.77
Less : Allocation / Appropriation		
Dividend Paid	1,405.50	843.30
Interim Dividend Paid	-	843.30
Transfer to General Reserve	-	-
Actuarial Loss/(Gain)	(274.38)	(226.36)
Sub Total	1,131.12	1,460.24
Net Balance	78,306.28	62,956.35
Total (a to e)	97,268.11	81,958.70

Note 13 : Non Current Financial Liabilities - Borrowings

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Term Loans from Banks		
Term Loans from Banks	66,679.51	49,858.68
Less: Taken to Short Term Borrowings being Current Maturities	10,565.00	9,140.00
Total	56,114.51	40,718.68

Notes to the Financial Statements

for the year ended 31st March 2023

Note 13 : Non Current Financial Liabilities - Borrowings (Contd..)

13.1 Security

Term Loans of ₹ 66,679.51 Lacs (Previous Year ₹ 49,858.68 Lacs) are secured by way of first charge on all immovable and movable Property, Plant & Equipment except Right of Use - Building (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 ₹ 6,450.00 Lacs in 7 variable quarterly installments upto Dec. 2024 and ₹ 34,218.72 Lacs in 17 variable quarterly installments upto June 2027. Fresh term loan of ₹ 65,500.00 Lacs sanctioned for expansion project and out of this ₹ 26,010.79 Lacs has been disbursed upto 31st March 2023. The repayment of fresh term loan shall start from December 2024 in 28 variable quarterly installment and ended upto September 2031.

Note 14 : Non Current Liabilities - Provisions

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Provision for Employee Benefits	504.45	494.29
Total	504.45	494.29

Note 15 : Deferred Tax Liability

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
A. Deferred Tax Liability		
- Depreciation	9,253.05	12,561.23
- Deferred Transaction Cost	15.98	31.60
Total (A)	9,269.03	12,592.83
B. Deferred Tax Assets		
- Employee Benefits Expenses & Others	231.25	328.28
Total (B)	231.25	328.28
Total (A-B)	9,037.78	12,264.55
Add : Deferred Tax related to OCI	233.68	247.60
C. Deferred Tax Liability (Net)	9,271.46	12,512.15

Note 15.1 Further information has been disclosed in Note No. 30

Note 16 : Current Financial Liabilities - Borrowings

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Working Capital Loan from Banks (Secured)	31,293.70	18,996.09
Current Maturities of Long Term Debt	10,565.00	9,140.00
Total	41,858.70	28,136.09

Notes to the Financial Statements

for the year ended 31st March 2023

Note 16 : Current Financial Liabilities - Borrowings (Contd..)

16.1 Security

Working capital loans of ₹ 31,293.70 Lacs (PY ₹ 18,996.09 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 except Right of Use - Building (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.

16.2 Terms of Repayment

Working Capital Loans and Loans from Corporates are repayable on Demand.

Note 17 : Current Financial Liabilities - Trade Payable

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
For Goods Purchased		
Due to Micro & Small Enterprises	247.26	249.65
Due to Others	982.27	2,175.45
For Services & Others		
Due to Micro & Small Enterprises	-	4.59
Due to Others	3,999.12	5,779.62
Total	5,228.65	8,209.31

Note 17.1 Ageing of Trade Payable has been depicted in Note no. 40

Note 17.2 Refer to Note No. 41 for disclosure related to Micro, Small & Medium Enterprises

Note 18 : Other Current Financial Liability

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Retention Money	-	5.12
Unclaimed Dividend	30.73	32.21
For Capital Goods		
Due to Micro & Small Enterprises	190.63	-
Due to Others	3,472.09	-
Security Deposit	6.67	23.39
Other Payable	1,090.12	1,706.80
Total	4,790.24	1,767.52

Note 18.1 Refer to Note No. 41 for disclosure related to Micro, Small & Medium Enterprises

Note 19 : Other Current Liabilities

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Advances From Customers	496.01	1,398.85
Statutory Dues	341.81	316.50
Security Deposit	47.02	65.76
Total	884.84	1,781.11

Notes to the Financial Statements

for the year ended 31st March 2023

Note 20 : Current Liabilities - Provisions

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Provision for Employee Benefits	57.10	54.90
Total	57.10	54.90

Note 21 : Current Tax Liabilities

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Provision for Tax (Net of Advance Tax, TDS & TCS)	198.33	1,182.03
Total	198.33	1,182.03

Note 22 : Revenue from Operations

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Revenue from Contract with Customers		
Sale of Products		
Yarn	1,57,258.92	1,85,343.97
Fabrics	65,361.26	67,665.28
Others	15,869.68	13,385.73
Sale of Services	13.67	2.19
Other		
Foreign Exchange Fluctuation (Net)	2,167.21	2,834.56
Total	2,40,670.74	2,69,231.73

Note 23 : Other Income

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Interest Received	123.81	110.55
Insurance Charge Collected	54.64	42.43
Profit on Sale of PPE	90.13	20.17
Reversal of Provision for Doubtful Debts & Bad Debts Recovered	50.50	-
Miscellaneous Income	11.87	10.87
Total	330.95	184.02

Note 24 : Cost of Material Consumed

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Inventory at Opening		
Cotton	18,333.07	22,182.45
Yarn	156.41	321.75
Polyster & Other Fibers	438.92	573.80
Dyes & Chemical	404.72	261.65
Total	19,333.12	23,339.65
Add : Purchases & Expenses		
Cotton	16,1152.18	14,4469.44
Yarn	1,319.51	2,264.76

Notes to the Financial Statements

for the year ended 31st March 2023

Note 24 : Cost of Material Consumed (Contd..)

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Polyster & Other Fibers	5,836.70	3,431.41
Dyes & Chemical	3,081.98	2,832.18
Grey Fabric & Others	39.16	30.65
Total	1,71,429.53	1,53,028.44
Total	1,90,762.65	1,76,368.09
Less : Inventory at Closing		
Cotton	26,159.91	18,333.07
Yarn	34.32	156.41
Polyster & Other Fibers	172.14	438.92
Dyes & Chemical	289.86	404.72
Total	26,656.23	19,333.12
Total Consumption	1,64,106.42	1,57,034.97

Note 25 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Inventory at Closing		
Finished Goods	16,432.42	15,605.26
Work-In-Progress	4,875.75	4,696.21
Total	21,308.17	20,301.47
Inventory at Opening		
Finished Goods	15,605.26	7,506.39
Work-In-Progress	4,696.21	3,381.38
Total	20,301.47	10,887.77
(Increase)/Decrease in Inventories	(1,006.70)	(9,413.70)

Note 26 : Employee Benefits Expense

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Salary & Wages	11,138.98	11,095.71
Contribution to Provident and Other Funds	1,101.89	1,032.87
Gratuity and Leave Encashment Expenses	406.34	598.28
Staff Welfare Expenses	669.10	546.12
Total	13,316.31	13,272.98

Note 27 : Finance Cost

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Interest Expenses		
On Term Loans	1,405.00	2,549.52
On Others	1,965.23	2,470.62
	3,370.23	5,020.14
Other Borrowing Costs	398.01	513.58
Total	3,768.24	5,533.72

Notes to the Financial Statements

for the year ended 31st March 2023

Note 28 : Other Expenses

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
(a) Manufacturing Expenses		
Power & Fuel	18,941.73	20,907.09
Stores & Spares Consumed	4,559.45	4,784.12
Packing Expenses	2,500.57	2,537.45
Job Charges Paid	33.03	29.82
Repair to :-		
Machinery	166.14	149.85
Building	51.82	72.79
Others	147.10	75.98
Total (a)	26,399.84	28,557.10
(b) Administrative and Other Expenses		
Printing & Stationary	38.44	33.04
Postage & Communication	27.03	29.27
Subscription & Membership Fees	8.04	3.55
Director's Sitting Fee	11.75	9.50
Rates & Taxes	8.77	43.09
Listing Expenses	9.25	7.17
Travelling Exp - Directors	13.00	5.86
- Others	45.61	27.24
Vehicle & Conveyance	188.51	170.22
Charity & Donation	1.62	6.32
CSR Expenditure	434.08	152.84
Legal & Professional	43.06	80.14
Insurance Charges	303.67	352.64
Payment to Auditors	13.65	13.38
Cost Audit Fees	0.75	0.75
Advertisement	17.13	13.20
Software Expenses	49.17	86.46
Provision for Doubtful Debts & Bad Debts Written Off	-	320.09
Miscellaneous Expenses	15.30	14.91
Total (b)	1,228.83	1,369.67
(c) Selling and Distribution Expenses		
Sales Promotion Expenses	113.76	79.05
Sales Commission	1,703.54	2,835.14
Rebate, Claims & Discount	256.90	186.61
Freight & Forwarding	4,833.01	10,140.85
Hank Yarn Obligation Expenses	13.17	7.41
Total (c)	6,920.38	13,249.06
Total (a to c)	34,549.05	43,175.83

Note 28.1 : Payment to Auditors

(₹ in Lacs)

Particulars	Current Year	Previous Year
Audit Fees	11.00	11.00
Tax Audit Fees	1.50	1.50
Legal Services	0.80	0.50
Certification & Others	-	0.06
Reimbursement of Expenses	0.35	0.32
Total	13.65	13.38

Notes to the Financial Statements

for the year ended 31st March 2023

Disclosures and Additional Informations

Note 29 – 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	18.98	66.24
b.	Guarantees		
	- Outstanding Bank Guarantees	42.80	218.76
c.	Other money for which the company is contingently liable		
	- Bills negotiated with Banks (against goods sold under Letter of Credit)	15,037.73	22,122.61

2 Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) ₹ 37,694.12 Lacs (Previous Year – ₹ 52,804.22 Lacs).
- The company has an outstanding export obligation of approx. ₹ 92,281.58 lacs (Previous Year – ₹ 6,609.12 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, 2029 and export obligation of approx. ₹ 3,629.21 lacs (Previous Year – ₹ 7,498.06), 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 13th July, 2024.

Note 30 - 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 2023	For the Year ended 31 st March 2022
Accounting Profit Before Tax	17,587.50	50,617.18
Tax using Company's Domestic Tax Rate for respective year	4,426.42	17,687.67
Effect of Non-Deductible Expenses	138.25	142.45
Effect of Depreciation	15.03	173.29
Effect of Changes in Tax Rate*	(3,431.15)	-
Tax in respect of Earlier Years	(42.10)	-
Tax as per Statement of Profit & Loss	1,106.45	18,003.41

*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 financial year.

(b) Income Tax Expense

i. Income Tax recognized in Statement of Profit and Loss

(₹ in Lacs)

Particulars	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
[A] Current Tax expense:		
Current Year	4,375.32	16,774.35
Adjustment for Earlier Years	(42.10)	-
Total [A]	4,333.22	16,774.35
[B] Deferred Tax Expense		
Origination and Reversal of Temporary Differences	(3,226.77)	1,229.06
Total [B]	(3,226.77)	1,229.06
Total Income Tax [A+B]	1,106.45	18,003.41

Notes to the Financial Statements

for the year ended 31st March 2023

Note 30 - 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 2023	For the Year ended 31 st March 2022
Net Actuarial Gain/ (Losses) on Defined Benefit Plans	299.25	347.94
Tax Expenses in current year	75.32	121.59
Effect of Changes in Tax Rate	(50.45)	-
Net Tax on Defined Benefit Plans	24.87	121.59
Net Gain/ (Losses) on Cash Flow Hedge	(79.30)	142.06
Tax Expenses in current year	(19.96)	49.64
Effect of Changes in Tax Rate	(18.82)	-
Net Tax on Cash Flow Hedge	(38.78)	49.64

(c) Movement in Deferred tax Asset/ Liability

(₹ in Lacs)

Particulars	As at 1 st April 2022	Recognised in P&L A/c	As at 31 st March 2023
(A) Deferred Tax Assets			
- Provision for Employee Benefit and Others	328.28	(97.03)	231.25
- Unabsorbed Depreciation	-	-	-
Total (A)	328.28	(97.03)	231.25
(B) Deferred Tax Liability			
- Impact of Temporary Difference in Depreciation	12,561.23	(3,308.18)	9,253.05
- Amortised Value of Financial Assets	31.60	(15.62)	15.98
Total (B)	12,592.83	(3,323.80)	9,269.03
Net Deferred Tax Liability (B-A)	12,264.55	(3,226.77)	9,037.78
Add: Deferred Tax Related to OCI	247.60	(13.92)	233.68
Net Deferred Tax Liability	12,512.15	(3,240.69)	9,271.46

(d) Reconciliation of Deferred Tax Liabilities (Net)

(₹ in Lacs)

Particulars	2022-23	2021-22
Deferred tax liability at the beginning of the year	12,512.15	5,350.95
Deferred tax (Income)/ Expenses during the year recognised in the Statement of Profit and Loss	(3,226.77)	1,229.06
Deferred tax (Income)/ Expenses during the year recognised in Other Comprehensive Income	(13.92)	171.23
Liability net off through MAT Credit Entitlement	-	(5,760.92)
Deferred tax liability at the end of the year	9,271.46	12,512.15

Note 31 - 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
Shri R.L. Nolkha	Chairman
Shri Dinesh Nolkha	Managing Director
Shri Nitin Nolkha	Joint Managing Director
Shri P. Maheshwari	Chief Financial Officer
Shri Sudhir Garg	Company Secretary & GM (Legal)

Notes to the Financial Statements

for the year ended 31st March 2023

Note 31 - 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 Nolkha	Director's Relative
Nitin Nolkha HUF	Director's Relative
Pratyush Nolkha	Director's Relative
Smt. Pallavi Rohit Mehta	Independent Director's Relative

(c) Related Companies:-

Name of Company	Relationship
Redial Trading & Investment Pvt. Ltd.	Holding 31.97% shares of the Company

(d) Independent Directors

Name of Person	Relationship
Shri Y.R. Shah	Independent Director (till 09 th Dec. 2021)
Shri R. Chattopadhyay	Independent Director
Shri Rohit Swadheen Mehta	Independent Director (since 30 th Dec. 2021)
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 Nolkha 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 2023	For the Year Ended 31 st March 2022
1	Rent Payment		
	Smt. Sushila Devi Nolkha	-	3.00
	Redial Trading & Investment Pvt. Ltd.	-	0.90
2	Remuneration to Key Managerial Person		
	Shri R. L. Nolkha	120.43	321.49
	Shri Dinesh Nolkha	148.05	312.20
	Shri Nitin Nolkha	137.63	303.68
	Shri P. Maheshwari	39.98	35.93
	Shri Sudhir Garg	26.51	23.48
3	Interest Payment on Unsecured Loans		
	Redial Trading & Investment Pvt. Ltd.	-	6.33
4	Sitting Fees Paid to Independent Director		
	Lt. Shri Y. R. Shah	-	0.80
	Shri R. Chattopadhyay	4.25	4.35
	Shri Rohit Swadheen Mehta	3.50	0.75
	Shri R. L. Nolkha	1.00	-
	Smt. Aditi Mehta	3.00	3.60
5	Dividend Paid*		
	Shri R. L. Nolkha	153.75	184.50
	Shri Dinesh Nolkha	28.83	34.59
	Shri Nitin Nolkha	46.25	55.50

Notes to the Financial Statements

for the year ended 31st March 2023

Note 31 - Disclosure as per Ind AS 24 "Related Party Disclosures" (Contd..)

(₹ in Lacs)

Sr. No.	Nature of Transactions	For the Year Ended 31 st March 2023	For the Year Ended 31 st March 2022
	Smt. Sushila Devi Nolkha	41.25	49.50
	Shri R. L. Nolkha HUF	41.25	49.50
	Smt. Krishna Nolkha	6.75	8.10
	Shri Dinesh Nolkha HUF	9.00	10.68
	Smt. Ranjeeta Nolakha	4.75	5.70
	Shri Nitin Nolakha HUF	5.10	6.03
	Shri Pratyush Nolakha	6.50	7.80
	Redial Trading & Investment Pvt. Ltd.	448.71	536.18
	Shri Rohit Swadheen Mehta	0.55	0.33
	Smt. Pallavi Rohit Mehta	0.70	0.42
	Shri P. Maheshwari	0.09	0.04
6	Contribution to Post Employment Benefit Plans		
	Nitin Spinners Employees Gratuity Trust Fund	200.10	1,950.00
7	Assets Transferred (Girls Hostel Constructed under CSR)		
	Shri Sojiram Ratanlal Nolakha Charitable Trust**	-	-

* Dividend of ₹ 247.50 & ₹ 250 paid to Shri R. Chattopadhyay & Shri Sudhir Garg respectively in current year.

** As per the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, effective from 22.01.2021, any capital assets acquired or created by a company out of Corporate Social Responsibility (CSR) obligations cannot be held in its name. Accordingly, in previous year the company has transferred the capital assets created out of its CSR obligations to a Registered Public trust at Nil value against book value of ₹ 454.38 Lacs.

3. Balance due to related parties and maximum balance outstanding during the year are as under:

(₹ in Lacs)

S. No.	Name of related party	Outstanding Balance		Maximum Balance outstanding during the year	
		For the Year ended 31 st March 2023	For the Year ended 31 st March 2022	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
1	Redial Trading & Investment Pvt. Ltd.	-	-	-	100.00

Note 32- Disclosure as per Ind AS 33 "Earning Per Share (EPS)"

i) Basic and Diluted Earnings Per Share (in Rs.)

(₹ in Lacs)

Sr. No.	Particulars	For the Year Ended 31 st March 2023	For the Year Ended 31 st March 2022
a)	Net Profit available to Equity Shareholders	16,481.05	32,613.77
b)	Weighted Average Number of Equity Shares of ₹10 each outstanding during the year (In lacs)	562.20	562.20
c)	Basic/Diluted Earning per share (In Rs.)	29.32	58.01
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 2023	As at 31 st March 2022
Opening Balance of issued Equity Shares	5,62,20,000	5,62,20,000
Effect of Shares issued during the year	-	-
Weighted Average No. of Equity Shares ₹10 each	5,62,20,000	5,62,20,000

Notes to the Financial Statements

for the year ended 31st March 2023

Note 33 - Dividend on Equity Shares

(₹ in Lacs)

Particulars	Year 2022-23	Year 2021-22
(i) Dividend Declared and paid during the year		
Final Dividend for the year ended 31 st March, 2022 of ₹ 2.50 (31 st March 2021- ₹ 1.50) per fully paid Equity Share	1,405.50	843.30
Interim Dividend for the year ended 31 st March, 2023 of ₹ Nil (31 st March 2022- ₹ 1.50) per fully paid Equity Share	-	843.30
Total	1,405.50	1,686.60

(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 2022- ₹ 4 including Interim Dividend) 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 ₹ 1,405.50Lacs.

Note 34 - 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 ₹ 843.80 lakhs (Previous Year ₹ 793.65 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 2023		For the year ended 31 st March 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at the beginning of the year	(228.67)	539.85	1,648.36	472.51
Interest cost	(16.60)	39.19	111.43	31.94
Current service cost	384.54	164.63	390.14	188.88
Benefits paid	(95.62)	(25.72)	(80.66)	(29.37)
Contribution paid to the Fund	(200.10)	-	(1,950.00)	-
Actuarial (Gain)/Loss on obligation & Assets	(299.25)	(165.42)	(347.94)	(124.11)
Present value of obligation at the end of year*	(455.70)	552.53	(228.67)	539.85

* Refer Note No. 10

Notes to the Financial Statements

for the year ended 31st March 2023

Note 34 - Disclosure as per Ind AS 19 "Employee Benefits" 9 (Contd..)

(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 2023		For the year ended 31 st March 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service Cost	384.54	164.63	390.14	188.88
Interest Cost	(16.60)	39.19	111.43	31.94
Net actuarial (gain)/loss recognised in the period	-	(165.42)	-	(124.11)
Expenses recognised in the Profit & Loss statement	367.94	38.40	501.57	96.71

2. Other Comprehensive Income :-

(₹ in Lacs)

Particulars	Gratuity	
	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Actuarial (Gain)/Loss for the year on Projected Benefit Obligations	(299.25)	(347.94)
Unrecognised actuarial (Gain)/Loss at the end of the year	(299.25)	(347.94)

(c) Changes in Plan Assets

(₹ in Lacs)

Particulars	Gratuity	
	For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Fair Value of Plan Assets at the beginning of the year	1,973.54	-
Expected Return on Plan Assets	105.51	23.54
Employer Contribution	200.10	1,950.00
Benefit Paid	-	-
Fair Value of Plan Assets at the end of the year	2,279.15	1,973.54

(d) Reconciliation of the Present value of Defined Obligation and the fair value of the plan assets:

(₹ in Lacs)

Particulars	Year 2022-23		Year 2021-22	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at the end of year	1,823.45	552.53	1,744.87	539.85
Fair value of Plan Assets	(2,279.15)	-	(1,973.54)	-
Liability (Assets) recognised in Balance Sheet	(455.70)	552.53	(228.67)	539.85

(e) The assumptions used in Actuarial Valuation:-

(₹ in Lacs)

Particulars	Year 2022-23	Year 2021-22
Financial Assumptions used to determine the Profit & Loss Charge		
a) Discounting Rate	7.39% p.a.	7.26% 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)

Notes to the Financial Statements

for the year ended 31st March 2023

Note 34 - Disclosure as per Ind AS 19 "Employee Benefits" 9 (Contd..)

(₹ in Lacs)

Particulars	Year 2022-23	Year 2021-22
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, 2023:-

Particulars	Gratuity	Leave Encashment
Defined benefit Obligation - Discount Rate+50 Basis points	(134.58)	(42.28)
Defined benefit Obligation - Discount Rate-50 Basis points	150.96	47.58
Defined benefit Obligation – Salary Escalation Rate+50 Basis points	139.47	47.06
Defined benefit Obligation – Salary Escalation Rate-50 Basis points	(126.13)	(42.24)

(g) Expected Cash Flows as at 31st March, 2023:-

Particulars	Gratuity	Leave Encashment
Within 1 Year	91.57	48.08
1-5 Years	205.49	58.96
Beyond 5 Years	1,526.39	445.49
Total Expected Payments	1,823.45	552.53

(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 35 - 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 on total equity so as 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.

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 2023	As at 31 st March 2022
Long Term Borrowings	56,114.51	40,718.68
Current Maturities of Long Term Debts	10,565.00	9,140.00
Short Term Borrowings	31,293.70	18,996.09
Gross Debt	97,973.21	68,854.77
Less: Cash and Cash Equivalents	(6.98)	(25.96)
Net Debt (A)	97,966.23	68,828.81
Total Equity (B)	1,02,890.11	87,580.70
Gearing Ratio (A/B)	0.95	0.79

Notes to the Financial Statements

for the year ended 31st March 2023

Note 35 - Disclosure as per Ind AS 107 "Financial instrument disclosure" (Contd..)

i. 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.

Company is exposed to following risk from the use of its financial instrument:

- Credit Risk
- Liquidity Risk
- Market Risk

(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

(a) 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.

(b) 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

Particulars	Not Due	Less Than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As on 31.03.2023							
Undisputed Trade Receivable - Considered Good (Unsecured)	19,371.30	2,807.03	87.90			-	22,266.23
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
As on 31.03.2022							
Undisputed Trade Receivable - Considered Good (Unsecured)	21,035.09	2,975.77	56.07	1.19	-	-	24,068.12
Undisputed Trade Receivable - Which have significant increase in credit risk				26.81	94.42	-	121.23
Impairment loss recognised	-	-	-	26.81	94.42	-	121.23

During the previous financial year, The Company has debited ₹ 198.86 Lacs as a Bad Debts and created Provision for Doubtful Debts of ₹ 121.23 Lacs to profit & loss account. During the current year the company has recovered ₹ 2.37 Lacs out of Bad debts written off and ₹ 48.13 Lacs recovered out of provision for Doubtful Debts.

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

Notes to the Financial Statements

for the year ended 31st March 2023

Note 35 - Disclosure as per Ind AS 107 "Financial instrument disclosure" (Contd..)

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.

(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:

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*	4,007.91	13,861.06	21,947.38	60,674.46	39,109.11	1,39,599.92
Trade and other Payables	5,228.65	-	-	-	-	5,228.65

As at 31st March 2022

(₹ 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*	3,255.39	9,509.47	13,440.45	31,841.49	2,249.08	60,295.89
Trade and other Payables	8,209.31	-	-	-	-	8,209.31

*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 31 st March 2023	As at 31 st March 2022
Fixed Rate Borrowings	-	-
Floating-rate Borrowings	17,206.30	16,503.91
Total- Undrawn Facilities	17,206.30	16,503.91

(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

Notes to the Financial Statements

for the year ended 31st March 2023

Note 35 - Disclosure as per Ind AS 107 "Financial instrument disclosure" (Contd..)

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:

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 2023	31 st March 2022
Variable rate instruments		
Long Term Borrowings	56,114.51	40,718.68
Current Maturities of Long Term Debts	10,565.00	9,140.00
Short Term Borrowings	31,293.70	18,996.09
Total	97,973.21	68,854.77

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:

Particulars	Effect of Profit or Loss	
	50 BP decrease	50 BP increase
31st March 2023		
Term Loans	333.40	(333.40)
Loan repayable on demand	156.47	(156.47)
Total	489.87	(489.87)
31st March 2022		
Term Loans	249.29	(249.29)
Loan repayable on demand	94.98	(94.98)
Total	344.27	(344.27)

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.

Notes to the Financial Statements

for the year ended 31st March 2023

Note 35 - Disclosure as per Ind AS 107 “Financial instrument disclosure” (Contd..)

Exposure to Foreign Currency :

(Foreign Currency In Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Exposure on account of Financial Assets		
Trade Receivables (Net of Bill Discounted) (A)		
In USD	148.00	174.24
In Euro	5.61	3.78
In GBP	-	-
In CHF	-	-
Amount hedged through Forward Contracts (B)		
In USD	148.00	174.24
In Euro	5.61	3.78
In GBP	-	-
In CHF	-	-
Net Exposure to Foreign Currency Assets (C = A-B)		
In USD	-	-
In Euro	-	-
In GBP	-	-
In CHF	-	-
Exposure on account of Financial Liabilities		
Trade Payables (D)		
In USD	4.11	8.50
In Euro	0.09	0.14
In GBP	0.02	-
In CHF	0.01	0.47
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	4.11	8.50
In Euro	0.09	0.14
In GBP	0.02	-
In CHF	0.01	0.47
Net Exposure to Foreign Currency Assets/Liabilities (C-F)		
In USD	(4.11)	(8.50)
In Euro	(0.09)	(0.14)
In GBP	(0.02)	-
In CHF	(0.01)	(0.47)

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, 2023 is as under :

(₹ in Lacs)

Particulars	Current Year		Previous Year	
	Foreign Currency	INR	Foreign Currency	INR
Forward Contracts Outstanding (For Hedging)				
USD (Sale)	324.91	26,968.81	533.93	40,913.45
EURO (Sale)	6.66	585.55	7.11	605.69
GBP (Sale)	-	-	-	-
Total	331.57	27,554.36	541.04	41,519.14

Notes to the Financial Statements

for the year ended 31st March 2023

Note 35 - Disclosure as per Ind AS 107 "Financial instrument disclosure" (Contd..)

(₹ in Lacs)

Particulars	Current Year		Previous Year	
	Foreign Currency	INR	Foreign Currency	INR
Unhedged Forex Exposure				
Payable – USD	4.11	337.91	8.50	644.36
Payable – EURO	0.09	8.06	0.14	11.85
Payable – GBP	0.02	2.04	-	-
Payable – CHF	0.01	0.90	0.47	38.55
Total	4.23	348.91	9.11	694.77

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.

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
1% Appreciation in INR		
Impact on Equity	3.49	6.95
Impact on P&L	3.49	6.95
1% Depreciation in INR		
Impact on Equity	(3.49)	(6.95)
Impact on P&L	(3.49)	(6.95)

Note 36 - 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, 2023 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	As at 31 st March 2023
Revenues on the basis of Geographical area	
- Domestic Sales	1,05,037.28
- Export Sales (Including Export Incentives)	1,35,633.46
Total	2,40,670.74

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.

Notes to the Financial Statements

for the year ended 31st March 2023

Note 36 - Disclosure as per Ind AS 115 "Revenue from Contract with Customers (Contd..)

During the year ended 31st March 2023, the company recognizes revenue of ₹ 1,398.85 Lacs arising from opening contract liabilities as of 1st April, 2022.

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 2023 is ₹ 496.01 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, 2023 is insignificant.

Note 37 - 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)	1,05,037.28	73,868.17
- Outside India (Exports - Including Export Incentives)	1,35,633.46	1,95,363.56
Total	2,40,670.74	2,69,231.73

Note 38 - 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 2022-23 – ₹ 431.62 Lacs (Year 2021-22 - ₹ 159.33 Lacs).
- Amount of ₹ 2.46 Lacs available for set off for next financial year 2023-24.

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	-	-

Notes to the Financial Statements

for the year ended 31st March 2023

Note 38 - Disclosure of Corporate social responsibility (CSR) (Contd..)

CSR Expenditure Details during the financial year 2021-22

(₹ in Lacs)

CSR Project Nature	Actual Amount Spent	Amount yet to be Spent	Total	Reason for Amount Unspent	Related Party Transaction (If Involved)
Transfer of Girls Hostel Building to Trust	31.78	-	31.78	-	-
Ensuring Environment Sustainability	12.78	-	12.78	-	-
Rural Development	62.16	-	62.16	-	-
Empowering Women	3.50	-	3.50	-	-
Disaster Management	40.44	-	40.44	-	-
Drinking Water	1.04	-	1.04	-	-
Promotion of Education	0.84	-	0.84	-	-
Promotion of Nationally recognised Sports	0.30	-	0.30	-	-
Total	152.84	-	152.84	-	-

Note 39 : Details of Unclaimed Dividend

The yearwise details of Unclaimed dividend lying in separate bank account is as under :

(₹ in Lacs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Final Dividend Accounts		
- Year 2014-15*	-	4.30
- Year 2015-16	5.16	5.21
- Year 2016-17	4.89	4.95
- Year 2017-18	6.81	6.86
- Year 2018-19	3.61	3.61
- Year 2019-20	1.64	1.67
- Year 2020-21	3.34	3.34
- Year 2021-22	3.34	-
Interim Dividend Accounts		
- Year 2021-22	1.94	2.27
Total	30.73	32.21

*Amount of ₹ 0.15 Lacs of unclaimed dividend paid during the year and remaining amount of ₹ 4.15 Lacs of unclaimed dividend has been transferred to "Investor Education and Protection Fund" during the current financial year 2022-23 on completion of 7 years.

Note 40 : 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 2023						
(i) MSME	241.43	5.83	-	-	-	247.26
(ii) Others*	4,563.15	379.86	38.01	0.37	-	4,981.39
As on 31st March 2022						
(i) MSME	243.98	10.26	-	-	-	254.24
(ii) Others*	6,953.19	985.38	10.90	5.60	-	7,955.07

*Other Trade payable showing in not due include unbilled transaction of ₹ 209.38 Lacs (Previous Year - ₹ 926.68 Lacs).

Notes to the Financial Statements

for the year ended 31st March 2023

Note 41 : Disclosure related to Micro, Small & Medium Enterprises

- A.** Trade Payables include Principal amount ₹ 247.26 Lacs (Previous Year ₹ 254.24 Lacs) and Creditors for Capital Goods include principal amount ₹ 190.63 Lacs (Previous Year ₹ Nil) and Interest amount ₹ Nil (Previous Year ₹ Nil) due to Micro, Small & Medium Enterprises as at 31st March 2023. 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 enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Note 42 : Disclosure of Additional Regulatory Information - Ratios

Particulars	As at 31 st March 2023	As at 31 st March 2022	% Change	Basis of Ratio Calculation	Reason for Change
Current Ratio (Including current maturities of Long term Borrowing)	1.50	1.83	-18.03%	Current Assets/ Current Liabilities	Funds deployed in expansion project in progress
Debt Equity Ratio	0.65	0.57	14.04%	Long Term Borrowing & Current Maturities of long term borrowing/Total Equity	Increased due to fresh term loan taken for new expansion
Debt Service Coverage Ratio (In times)	2.51	2.14	17.29%	PAT+Depreciation & Interest on Term Loan/Repayment of Term Loan & Interest on Term Loan	Improved due to lower interest liability
Return on Equity Ratio	17.31%	45.32%	-61.78%	Profit After Tax/ Total Average Equity	Decrease in operating margins due to volatility in raw material prices and weak global demand
Inventory Turnover Ratio (In times)	5.36	7.08	-24.29%	Revenue from Operations/ Average Inventories	Lower sales realisation
Trade Receivable Turnover Ratio (In times)	10.39	13.25	-21.58%	Revenue from Operations/ Average Trade Receivables	Average Realisation period increased marginally
Trade Payable Turnover Ratio (In times)	27.10	23.92	13.29%	Purchases*/ Average Trade Payables	Average payment period reduced

Notes to the Financial Statements

for the year ended 31st March 2023

Note 42 : Disclosure of Additional Regulatory Information - Ratios (Contd..)

Particulars	As at 31 st March 2023	As at 31 st March 2022	% Change	Basis of Ratio Calculation	Reason for Change
Net Capital Turnover Ratio (In times)	1.20	1.72	-30.23%	Revenue from Operations/Total Equity, Long Term Borrowing & Short Term Borrowing	Decrease in Sale and also fresh term loan taken for expansion in progress
Net Profit Ratio	6.85%	12.11%	-43.44%	Profit After Tax/ Revenue from Operations	Lower operating margin due to volatility in raw material prices and weak global demand
Return on Capital Employed	11.95%	36.65%	-67.39%	EBIT/Average of Total Equity, Long Term Borrowing & Short Term Borrowing	Lower operating margins
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.

Note 43 : Disclosure of Transaction with Companies Struck Off

The Company does not have any transactions with company which have been strucked off.

Note 44 : 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 45 : 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 46 : 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 relevant provisions of The Income Tax Act, 1961.

Note 47 : 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 48 : 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.

Notes to the Financial Statements

for the year ended 31st March 2023

Note 49 : 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 50 : 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 51 : 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 52 : Disclosure of Title Deeds of Immovable Property

The title deeds of all immovable properties are in the name of Company.

Note 53 : Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) has notified certain amendments to Ind AS, through companies (Indian Accounting Standards) Amendment Rules, 2022 on 23rd March 2022.

1. Ind AS 1 - Presentation of Financial Statements
2. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 12 - Income Taxes

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 & General Manager (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date : 06.05.2023



Nitin Spinners Limited

If undelivered please return to:

Nitin Spinners Limited

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