



NITIN SPINNERS LTD.



REF: NSL/SG/2021-22/
August 21, 2021

BSE Ltd.
Department of Corporate Services
PhirozeJeejeebhoy Towers
Dalal Street
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza,
BandraKurla Complex
Bandra (E),
Mumbai – 400 051.

Company Code – 532698

Company ID - NITINSPIN

Sub. : Notice for 29th Annual General Meeting and Annual Report 2020-21

Dear Sir,

As required under Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the Annual Report of the Company for the financial year 2020-21 along with the Notice convening the 29th Annual General Meeting scheduled to be held on Thursday, 16th September, 2021 at 03:00 PM (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The notice convening the 29th AGM and Annual Report 2020-21, are being sent to the members by email whose email addresses are registered with the Company/RTA/Depository participant(s). The Annual Report & Notice for AGM are also uploaded on the website of the Company at www.nitinspinners.com.

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

This is for your information and records please.

Thanking you,
Yours faithfully

For : Nitin Spinners Ltd.

(Sudhir Garg)
Company Secretary & GM (Legal)



Encl. a/a

CIN. : L17111RJ1992PLC006987

Regd. Office & Plant : 16-17 Km. Stone, Chittor Road, Hamirgarh, Bhilwara (Raj.) 311 025

Tel. : 286110 to113, Fax : 91-1482-286114 & 117

E-mail : nsl@nitinspinners.com, Website : www.nitinspinners.com

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NITIN SPINNERS LIMITED

CIN: L17111RJ1992PLC006987

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

Phone: 01482-286110-113, Fax - 01482-286114

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

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Shareholders of **NITIN SPINNERS LIMITED** will be held on **Thursday, 16th September, 2021 at 03.00 P.M. (IST)** through Video Conference (VC)/Other Audio Visual Means ("OAVM"), to transact following business:-

ORDINARY BUSINESS:-

Item No. 1 - Adoption of Audited Financial Statements

To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Board's and Auditors' Reports thereon.

Item No. 2 - Declaration of Dividend

To declare Dividend of Rupees 1.50 per Equity Shares for the financial year ended 31st March, 2021.

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

To appoint a Director in place of Shri Nitin Nolakha (DIN 00054707) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:-

Item No. 4 - Re-appointment of Shri Ratan Lal Nolkha, Executive Chairman

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

"RESOLVED THAT pursuant to provisions of Section 196, 197, 198 and 203 read with Schedule V & all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment thereof for the time being in force) and provisions of Articles of Association and all other applicable rules, laws and acts, if any, subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approval as may be applicable Shri Ratan Lal Nolkha (DIN 00060746), be and is hereby re-appointed as Chairman and Whole Time Director designated as Executive Chairman of the Company for a further period of 3 (three) years with effect from 1st September, 2021 to 31st August, 2024 on following terms & conditions, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under this resolution and under Schedule V of the Companies Act, 2013 and/or statutory modification(s) or re-enactment(s) thereof :-

- I. **Basic Salary** : Rupees 4,60,000/- (Rupees Four Lakhs Sixty Thousand only) per month with an annual increase of Rupees 30,000/- (Rupees Thirty Thousand only) in the month of September every year.
- II. **Commission** : In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission as may be decided by the Board of Directors from time to time but not exceeding 1% of the net profit of the company in a financial year as computed under section 198 of the Companies Act, 2013 subject to necessary approvals as may be required.
- III. **Perquisites** : In addition to the above basic salary and commission Shri Ratan Lal Nolkha shall be entitled for the following perquisites and allowances:-

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

Category "A"

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

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

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

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

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

Category "B"

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

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

Category "C"

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

Sitting Fee

No sitting fee shall be paid to Shri Ratan Lal Nolkha, Executive Chairman for attending Meeting of Board of Directors or any committee thereof.

Shri Ratan Lal Nolkha, Executive Chairman shall be liable to retire by rotation.

RESOLVED FURTHER THAT that if in any financial year during the currency of tenure of the Executive Chairman, the Company has no profits or its profits are inadequate the aforesaid remuneration including the perquisites shall be paid/ payable to Shri Ratan Lal Nolkha, Executive Chairman, subject to the applicable provisions of Schedule V to the Companies Act, 2013

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

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

Item No. 5- Re-appointment of Shri Nitin Nolakha, Joint Managing Director

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

"RESOLVED THAT pursuant to provisions of Section 196, 197, 198 and 203 read with Schedule V & all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment thereof for the time being in force) and provisions of Articles of Association and all other applicable rules, laws and acts, if any, subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approval as may be applicable Shri Nitin Nolakha (DIN 00054707) be and is hereby re-appointed as Whole-Time Director designated as Joint Managing Director of the Company for a further period of 3 (three) years with effect from 1st October, 2021 to 30th September, 2024 on following terms & conditions, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under this resolution and under Schedule V of the Companies Act, 2013 and/or statutory modification(s) or re-enactment(s) thereof :-

- I. **Basic Salary** : Rupees 3,30,000/- (Rupees Three Lakhs Thirty Thousand only) per month with an annual increase of Rupees 30,000/- (Rupees Thirty Thousand only) in the month of October every year.
- II. **Commission** : In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission as may be decided by the Board of Directors from time to time but not exceeding 1% of the net profit of the company in a financial year as computed under section 198 of the Companies Act, 2013 subject to necessary approvals as may be required.
- III. **Perquisites** : In addition to the above basic salary and commission Shri Nitin Nolakha shall be entitled for the following perquisites and allowances:-

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

Category "A"

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

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

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

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

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

Category "B"

1. **Provident Fund** : Company's contribution to provident fund shall be as per the scheme of the Company.
2. **Superannuation/Annuity Funds** : Company's contribution to superannuation/annuity fund shall be in accordance with the scheme of the Company.

3. **Gratuity** : As per the rules of the Company, payable in accordance with the approved fund at the rate of half a month salary for each completed year of service.

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

Category "C"

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

Sitting Fee

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

Shri Nitin Nolakha, Joint Managing Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT that if in any financial year during the currency of tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate the aforesaid remuneration including the perquisites shall be paid/payable to Shri Nitin Nolakha, Joint Managing Director, subject to the applicable provisions of Schedule V to the Companies Act, 2013

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

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

Item No. 6 - Ratification of Remuneration of Cost Auditors for the Financial Year 2021-22

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the payment of the remuneration of Rupees 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses, to M/s. Vivek Laddha & Associates, Cost Accountants (Firm Reg. No. 103465) who were appointed by the Board of Directors of the Company as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for financial year 2021-22, be and is hereby ratified and approved.

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

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

**Place: Hamirgarh, Bhilwara
Date: 03rd AUGUST, 2021**

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

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

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular No. 20/2020 dated 5th May 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 permitted holding of Annual General Meeting (AGM) through Video Conference (VC)/Other Audio-Visual Mode (OAVM), without the physical presence of the Members at a common venue. The MCA vide its General Circular No. 02/2021 dated 13th January, 2021 (collectively all circulars issued by MCA are referred to as "MCA Circulars") and SEBI vide its circular SEBI/HO/CFD/CMD2/CIR/P/2021 dated 15th January, 2021 (collectively all circulars issued by SEBI are referred to as "SEBI Circulars") extended the above exemptions till 31st December, 2021. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA and SEBI Circulars, the AGM of the Company is being held through Video Conference (VC)/Other Audio-Visual Mode (OAVM), without physical presence of the Members at a common venue. The deemed venue for the 29th AGM shall be the Registered Office of the Company.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM/Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA AND SEBI CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA AND SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
3. In terms of aforesaid "MCA and SEBI Circulars", the Company is sending this AGM Notice along with the Annual Report -2020-21 in electronic form only to those Members whose e-mail addresses are registered with the Company/ Depositories. The Notice convening the AGM and the Annual Report-2020-21 has been uploaded on the website of the Company at www.nitinspinners.com and can also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also available on the website of CDSL at www.evotingindia.com.
4. Pursuant to Section 102 of the Companies Act, 2013, the explanatory statement setting out the material facts concerning each item of Special Business to be conducted at the 29th AGM is annexed hereto. Pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") the brief profile and other the additional information of Shri Ratan Lal Nolkha and Shri Nitin Nolkha, Directors seeking re-appointment are annexed hereto.
5. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members and other non-individual members intending to appoint their authorized representatives to attend the AGM through VC or OAVM and to vote thereat through remote e-Voting/e-Voting are requested to send a certified copy of the Board Resolution/Power of Attorney to the Scrutinizer by e-mail at cs.vmanda@gmail.com with a copy marked to investorrelations@nitinspinners.com.
6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 10th September, 2021 to Thursday, 16th September, 2021 (both days inclusive) for the purpose of determining the entitlement of Dividend, if declared at the AGM.
9. The Dividend as recommended by the Board, if declared at the Meeting, will be paid, after deduction of applicable tax (TDS), within 30 days of the date of declaration i.e. 16th September, 2021 to those Members :-

- (a) who hold shares in physical form and whose names appear as Members in the Register of Members of the Company after giving effect to valid Share Transfers in physical form lodged with the Company/Registrar and Transfer Agent on or before 09th September, 2021, however transfer of shares in physical form are not allowed from 01.04.2019 and
 - (b) who hold shares in dematerialization form and whose names appear as Beneficial Owners in the list of Beneficial Owners on 09th September, 2021 to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
10. Pursuant to Finance Act 2020, dividend income will be taxable at the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) under the link <https://www.bigshareonline.com/InvestorRegistration.aspx> and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 2021-22 does not exceed Rs. 5000/-. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
 11. A Resident individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending mail to the Company's RTA namely at tds@bigshareonline.com latest by Thursday, September 09, 2021. The Tax related forms can be downloaded from the link <https://www.bigshareonline.com/Resources.aspx>
 12. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending the mail to the Company's RTA namely at tds@bigshareonline.com latest by Thursday, September 09, 2021. The Tax related forms can be downloaded from the link <https://www.bigshareonline.com/Resources.aspx>
 13. In case the shareholders have not updated the Bank Account mandate for receipt of dividend online through ECS or any other electronic mode, the following instructions are to be followed :-
 - (i) Visit the website of RTA, Bigshare Services Pvt. Ltd. HYPERLINK www.bigshareonline.com under Investor Services>E-Mail/Bank detail registration under link <https://www.bigshareonline.com/InvestorRegistration.aspx>. Fill the details and upload required documents.
 - (ii) In case shares are held in dematerialization form, such shareholders, alternatively, can contact Depository Participants (DP) and register/update bank account details in their DEMAT Account as per process followed/ advised by the DP.
 14. In case the Company is unable to pay dividend to any Member directly in their Bank account through Electronic Clearing Services or any other electronic means due to non-registration of Electronic Bank Mandate, the Company shall dispatch the dividend warrants to such members at their registered address.
 15. In order to provide protection against fraudulent encashment of dividend warrants, members are requested to intimate the Company's Registrar and Share Transfer Agent "Bigshare Services Private Limited", particulars of their Bank Account viz. Name of Bank, Name of Branch, Complete address of the Bank with Pin Code Number, Bank Account Number and IFS Code.
 16. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The details of unpaid or unclaimed shares from the F.Y. 2013-14 to F.Y. 2019-20 are available on the website of the company i.e. www.nitinspinners.com under "Investor Relation" Members wishing to claim dividends that remain unclaimed are requested to correspond with the Company/ the Company' RTA.

Any Member, who has not claimed the final dividend for the financial year 2013-2014 is requested to approach the Company/the Company's RTA for claiming the same as early as possible but not later than 16th October, 2021. Thereafter, the same shall be transferred to IEPF Authority.

17. Shares in respect of which dividend remains unclaimed for seven consecutive years are also required to be transferred to the IEPF as per Section 124 of the Companies Act, 2013 and the relevant Rules thereunder. The details of such equity shares to be transferred to the IEPF Authority are uploaded on the website of the Company at www.nitinspinners.com under "Investor Relations" section. Shareholders are requested to approach the Company/the Company's RTA for claiming the same as early as possible, but not later than 16th October, 2021. The Company has already sent reminders to all such Members at their registered addresses in this regard.
18. Members desiring inspection of the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 during AGM may send their request in writing to the Company at investorrelations@nitinspinners.com
19. Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to investorrelations@nitinspinners.com up to the date of the AGM.
20. 2000 unclaimed Equity Shares were lying in DEMAT Suspense Account as on 31.03.2021. During the year 2020-21 no claim was received in respect these Shares.
21. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed Companies can be transferred only in dematerialized form with effect from 01.04.2019 except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares that are held by them in physical form.
22. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Company or its RTA by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in Demat form are requested to submit the aforesaid information to their respective Depository Participant. The shareholders holding shares in physical form can register their nomination by sending request to the RTA of the Company.
23. Queries, if any, on accounts and operations may please be sent to the company seven days in advance of the meeting from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, so as to reach the Company's e-mail address at investorrelations@nitinspinners.com on or before 09th September, 2021. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
24. Members are requested to :
 - (a) Notify the change in address, if any, with PIN code numbers immediately to the Company (in case Shares held in physical mode)
 - (b) Quote their regd. Folio Number/DP and client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
25. Sh. Manoj Maheshwari, FCS 3355, Practicing Company Secretary and Partner of M/s V. M. & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting process to be carried at the AGM in a fair and transparent manner.

Instructions for Voting through electronic means

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

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

- (i) The voting period begins on 12.09.2021 at 9.00 A.M. (IST) and ends on 15.09.2021 at 5.00 P.M. (IST) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 09.09.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date through e-voting system would not be entitled to vote at the meeting venue, however, they shall be entitled to attend the Meeting. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi /Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank OR Details Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.
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- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Nitin Spinners Limited on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs.vmanda@gmail.com with a copy marked to investorrelations@nitinspinners.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting i.e. by 09th September, 2021** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting by 09th September, 2021** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 4 & 5

The tenure of appointment of Shri Ratan Lal Nolkha, Executive Chairman is expiring on 31.08.2021 and that of Shri Nitin Nolakha, Joint Managing Director is expiring on 30.09.2021. The resolution at item no. 4 and 5 seek approval of the members in respect of re-appointment of Shri Ratan Lal Nolkha, Executive Chairman and Shri Nitin Nolakha, Joint Managing Director. They have given consent for re-appointment and confirmed that they have not been debarred from being re-appointed as Director by any of the regulatory authority. The Nomination and Remuneration Committee has recommended for their re-appointment. In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on 3rd August, 2021, re-appointed Shri Ratan Lal Nolkha as Chairman and

Whole Time Director designated as Executive Chairman for three years w.e.f. 01.09.2021 and Shri Nitin Nolkha as Whole Time Director designated as Joint Managing Director for three years w.e.f. 01.10.2021 on the terms and conditions set out in the resolution.

Justification for re-appointment of Shri Ratan Lal Nolkha as required under section 196(3) of the Companies Act, 2013

Shri Ratan Lal Nolkha is one of the promoters of the Company and he has attained age of 70 on 08.05.2016. He is driving force for growth of the Company and he has rich and varied experience of more than five decades in the industry. Therefore, it is in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Shri Ratan Lal Nolkha, Chairman and Whole Time Director designated as Executive Chairman. Accordingly, approval of the members is sought for passing a Special Resolution for his re-appointment, as set out in Schedule V to the Act and also under sub-section (3) of Section 196 of the Act.

Save and except Shri Ratan Lal Nolkha and Shri Nitin Nolkha, being appointees and Shri Dinesh Nolkha being relative of the appointees and their relatives, none of the other Directors/Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 and 5 of the notice.

The Board of Directors recommends the Special Resolutions as set out at item no. 4 and 5 of the Notice for approval by the shareholders.

INFORMATION PURSUANT TO PARA 1(A) OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013

I. General Information

1. **Nature of Industry :** The Company is in the business of manufacturing of Cotton Yarn and Fabric.
2. **Date or expected date of commercial production :** The Company was incorporated on 15.10.1992 and commercial production was commenced in November, 1993.
3. **Financial Performance based on given indicators :** The financial performance of the Company during the previous three financial years is as under:-

(Rs. in Crores)

	Financial Year Ended		
	31.03.2021	31.03.2020	31.03.2019
Revenue from Operations	1624.41	1438.06	1242.51
Profit Before interest & Depreciation	259.16	171.90	180.84
Interest	61.61	55.56	28.90
Profit Before Depreciation	197.51	116.34	151.94
Depreciation	91.03	80.69	54.64
Exceptional items	—	—	—
Profit before Tax	106.52	35.65	97.30
Provision for Tax	37.65	11.83	33.19
Profit After Tax	68.87	23.82	64.11

4. **Export performance :** Export sale of the Company for the year 2020-21 was Rs. 1016.57 crores against Rs. 783.17 crores in the year 2019-20.
5. **Foreign investments or collaborations, if any: NIL**

II. Information About The Appointee :
1. Background details

Shri Ratan Lal Nolkha aged about 75 years is one of the key promoters of the Company. He is Director of the Company since its incorporation and holding 61,50,000 Equity Shares in the Company as on 30.06.2021. He is member of all three pioneer institutions i.e. Institute of Chartered Accountants (ICAI), Institute of Company Secretary of India (ICSI) and Institute of Cost Accountants of India. He has vast experience of more than five decades in the Textile Industries. He was earlier associated with Surya Roshni Ltd., RSWM Ltd. and BSL Ltd. at senior positions. He was the Managing Director of BSL Ltd. for eight years before joining your Company as Whole-Time Director in the year 1997.

Shri Nitin Nolakha aged about 45 years was appointed Director of the Company on 01.10.1998 and holding 18,50,000 Equity Shares in the Company as on 30.06.2021. He is a Bachelor of Commerce and Master of Business Administration (MBA). He is one of the key promoters of the Company and has vast experience of more than 23 years in the Textile Industry.

2. Past Remuneration and Proposed Remuneration
Shri Ratan Lal Nolkha:-

Past Remuneration	Proposed Remuneration
Basic Pay Rs. 4.30 Lakhs P.M. with an increment of Rs. 35000/- per annum. Other perquisites as mentioned in the resolution. (From 01.09.2018 to 31.08.2021) Present basic pay is Rs. 4.30 Lakhs P.M.	Basic Pay Rs. 4.60 Lakhs P.M. with an increment of Rs. 30000/- per annum. Other perquisites as mentioned in the resolution. (From 01.09.2021 to 31.08.2024)

Shri Nitin Nolakha :-

Past Remuneration	Proposed Remuneration
Basic Pay Rs. 3.00 Lakhs P.M. with an increment of Rs. 30000/- per annum. Other perquisites as mentioned in the resolution. (From 01.10.2018 to 30.09.2021) Present basic pay is Rs. 3.00 Lakhs P.M.	Basic Pay Rs. 3.30 Lakhs P.M. with an increment of Rs. 30000/- per annum. Other perquisites as mentioned in the resolution. (From 01.10.2021 to 30.09.2024)

3. Recognition or awards

Shri Ratan Lal Nolkha is member of various Chamber/Organizations relating to trade and industry and he was Chairman of North India Textile Research Association (NITRA), Rajasthan Textile Mills Association and Mewar Chamber of Commerce and Industries. Presently, he is Vice Chairman of Confederation of Indian Textile Industry (CITI).

Sh. Nitin Nolakha is associated with Chamber/Organizations relating to trade and industry and religious associations.

4. Job Profile and his suitability

Shri Ratan Lal Nolkha is looking after the overall affairs of the Company subject to superintendence, control and directions of the Board of Directors.

Sh. Nitin Nolakha is looking after Plant Operations, Procurement / Sourcing, Administration & Management subject to superintendence, control and direction of the Chairman, Managing Director and Board of Directors.

Taking into account of their qualifications, experience and comparison with similarly situated managerial personnel in the industry and responsibilities placed on them and in view of his contribution to the Company since their appointment, the Board considers their remuneration is in the best interest of the Company.

5. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :-**

The Company has paid up share capital of Rs. 56.22 Crores and is listed with two Stock Exchanges i.e. BSE Ltd. & National Stock Exchange of India Ltd. with approx 27000 shareholders. It is engaged in the business of manufacturing of Cotton Yarn and Fabrics with Turnover of Rs. 1624.41 Crores during the F.Y. 2020-21. The Company has established integrated textile unit at Begun in the year 2020 and it is fully functional. Considering the number of units and size of the Company and profile of Shri Ratan Lal Nolkha and Shri Nitin Nolakha, responsibilities shouldered by them the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies in the same Industry.

6. **Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any**

Except the payment of remuneration for their services detailed in the resolution and payment of rent and interest to Redial Trading & Investment Pvt. Ltd. and rent payment to Smt. Sushila Devi Nolkha they have no other pecuniary relationship with the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives except Shri Ratan Lal Nolkha, Sh. Dinesh Nolkha and Sh. Nitin Nolakha being related to each other are interested in this resolution.

III. **Other information :**

1. **Reasons of loss or inadequate profit :-**

The Company earned profit before tax of Rs. 106.52 Crores for the financial year 2020-21 as compared to Profit before Tax of Rs. 35.65 Crores in the year 2019-20. During the financial year 2020-21, the Company is having adequate profit. In the coming years the company may have inadequate profits and therefore these resolutions have been proposed as Special Resolution.

2. **Steps taken or proposed to be taken for improvement :-**

The Company has been continuously taking effective steps to bring down the cost of production and overheads. The Company has reported good performance in spite of challenge of COVID-19 Pandemic.

3. **Expected increase in productivity and profits in measurable terms :-**

The Company has taken initiatives to improve the profitability of the Company and will continue in its endeavor to improve performance and Management expects a reasonable growth in business, gross revenue and net profit in the coming year.

Item No. 6

The Board of Directors on the recommendation of the Audit Committee have appointed, M/s. Vivek Laddha & Associates, Cost Accountants, Bhilwara (Firm Reg. No. 103465) as Cost Auditors of the Company for the Financial Year 2021-22 at a Remuneration of Rupees 75,000/- (Rupees Seventy Five Thousand only) plus applicable taxes and reimbursement of actual out of pocket expenses. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the Remuneration payable to the Cost Auditors is required to be ratified by the Members.

None of the Directors /Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the Notice. The Board of Directors recommends the Ordinary Resolution as set out at item no. 6 of the Notice.

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

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

**Place: Hamirgarh, Bhilwara
Date: 03rd AUGUST, 2021**

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

Annexure to Notice for AGM dated 03rd August, 2021
**Details of Directors Seeking Re-appointment at the forthcoming Annual General Meeting
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015 and Secretarial Standard 2 on General Meetings)**

Name of Director	Sh. Ratan Lal Nolkha	Sh. Nitin Nolakha
Date of Birth	08.05.1946 (Age around 75 years)	26.01.1976 (Age around 45 years)
DIN	00060746	00054707
Nationality	Indian	Indian
Qualification	B.Com, FCA, FCS & FCMA.	B.Com & MBA
Date of First appointment on the Board	15.10.1992	01.10.1998
Date of previous Re-Appointment	01.09.2018	01.10.2018
Expertise/Experience in specific functional areas	He has vast experience of more than Five decades in Textile Industries. He is looking after the overall affairs of the Company subject to superintendence, Control and directions of the Board of Directors. He has expertise in Finance, Management, Administration and Legal field.	He has vast experience of more than 23 years in Textile Industry. His functional experience covers Plant operations, Procurement / Sourcing, Administration and Management. He has expertise in Finance, Management, Administration, Technical operations and Marketing fields.
Directorship held in other Companies	<ul style="list-style-type: none"> • Redial Trading & Investment Pvt. Ltd. • Nitin Finance & Investment Pvt. Ltd. • Confederation of Indian Textile Industry • Textile Sector Skill Council • Directorship in any other listed entity - Nil 	<ul style="list-style-type: none"> • Nitin Finance & Investment Pvt. Ltd. • Nitin Infra Developers Pvt. Ltd. • Directorship in any other listed entity - Nil
Relationship with other Directors, Manager and other KMP of the Company	Related to Sh. Dinesh Nolkha Managing Director and Sh. Nitin Nolakha, Joint Managing Director of the Company.	Related to Sh. R. L. Nolkha Chairman and Sh. Dinesh Nolkha, Managing Director of the Company.
Terms and conditions of appointment/ continuation of Directorship	As per Resolution purposed in the Notice of AGM at item no. 4	As per Resolution purposed in the Notice of AGM at item no. 5
Details of last Remuneration drawn (F.Y. 2020-21)	Rs. 133.33 Lakhs	Rs. 118.48 Lakhs
Details of proposed Remuneration	As per Resolution purposed in the Notice of AGM at item no. 4	As per Resolution purposed in the Notice of AGM at item no. 5
Number of Meetings of the Board attended during the year	Held	4
	Attended	4
Chairman / Member of the Committee of the Board of Directors of this Company	Chairman - Corporate Social Responsibility Committee Member - Nomination and Remuneration Committee	Member - Stakeholders Relationships Committee
Committee Membership in other Companies	Nil	Nil
Shareholding in the Company as on August 03, 2021	6150000 equity shares	1850000 equity shares

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

**Place: Hamirgarh, Bhilwara
Date: 03rd August, 2021**

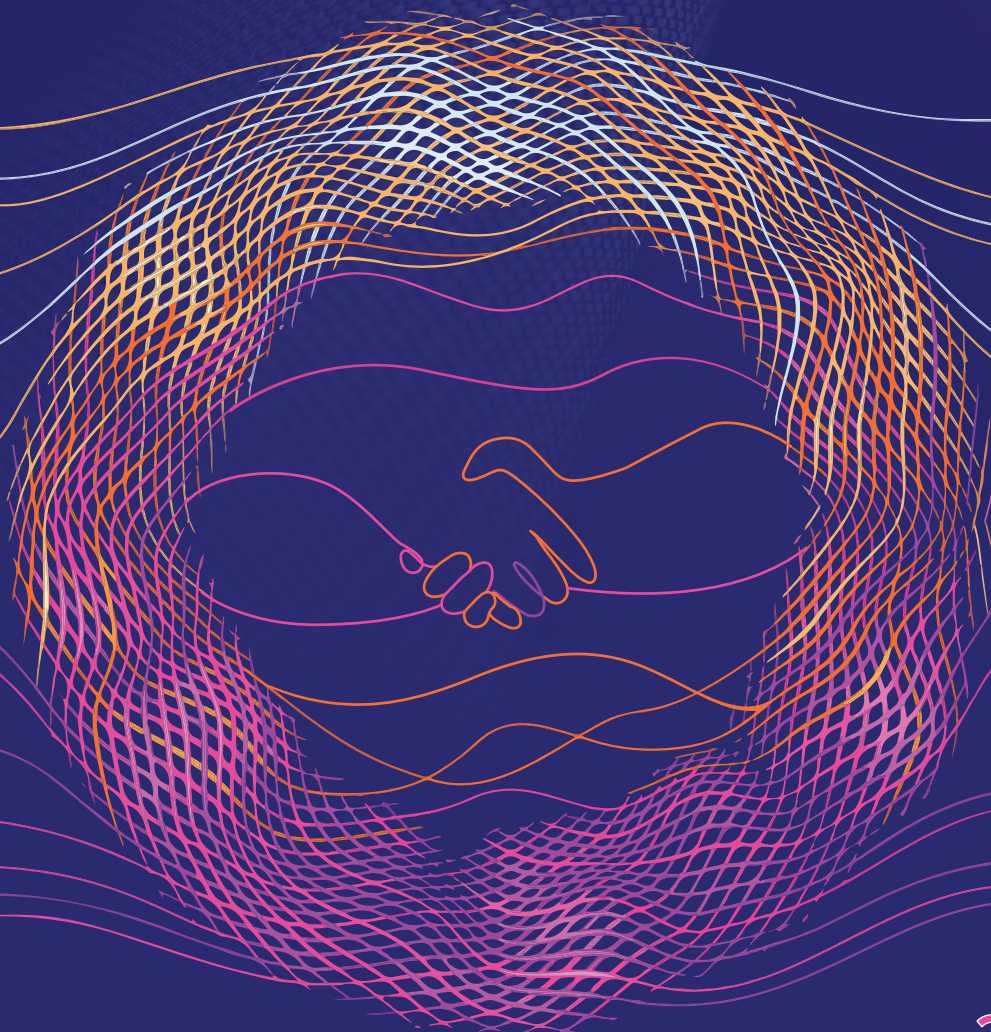
**Sudhir Garg
Company Secretary & GM (Legal)
(Membership No. ACS 9684)**



NITIN

Nitin Spinners Limited

Enduring Commitment Towards Excellence



Annual Report

2020-21

As You Glance Down

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An electronic version of this report is available online at:
<https://nitinspinners.com/investor-relation/annual-reports/>
Scan this QR code to navigate investor related information

Cautionary Statement Regarding Forward-Looking Statement

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT business, including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability, and unauthorised use of our intellectual property and general economic conditions affecting our industry. From time to time, Nitin Spinners may make additional written and oral forward-looking statements, including statements contained in our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Excellence that Comes with Commitment

Two decades and counting, Nitin Spinners Limited ('Nitin Spinners' or 'the Company') has marked a new epoch in the textile industry curated through excellence in quality and committed delivery and services. The Company's glorious legacy helps it deliver lasting excellence, in a way creating a niche for its customers.

The strong dedication and commitment towards its customers globally have led the Company to achieve the highest turnover and profit during the year despite the unexpected turn of events, making 2020-21 a landmark year for the Company. It is now set to embark on a new journey with optimising capacity utilisation, increased value addition, diversified product portfolio to cater to a diverse set of customers.

Highlights of 2020-21

₹ **1,624** Crores ▲ **+13%**

Annual Revenue

₹ **257** Crores ▲ **+52%**

Earnings Before Interest, Taxes, Depreciation, and Amortisation

₹ **12.25** Per Share ▲ **+189%**

Earning Per Share

₹ **69** Crores ▲ **+189%**

Profit After Tax

Investor information

CIN : L17111RJ1992PLC006987

BSE Code : 532698

NSE Symbol : NITINSPIN

Bloomberg Code : NSPL:IN

AGM Date : 16th September, 2021

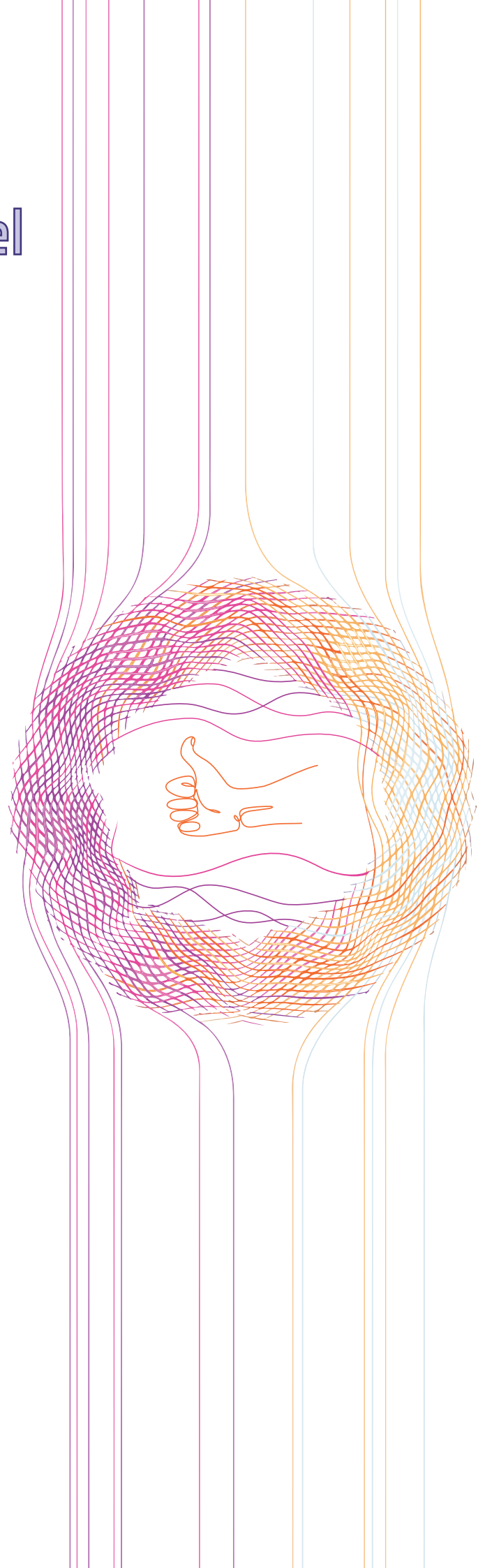
AGM Mode : Virtual Meeting

Committed to Excel

Incorporated in 1992, Nitin Spinners Limited has positioned itself as one of the leading manufacturers of cotton yarn, blended yarn, knitted fabrics, and finished woven fabrics. It continues to invest in the latest technologies backed by its robust distribution network and a strong focus on R&D, Quality and Service. It has thus created an irreplicable value for its clients in India and abroad.

Established in Bhilwara, Rajasthan, the Company is equipped with state-of-the-art technology from leading European and other global suppliers. It is connected to India's major cities, giving easy access to procure raw materials. The Company also installed a composite textile project at Begun, Chittorgarh, in Rajasthan to manufacture cotton, blended yarns, and grey & finished woven fabrics.

It is certified with ISO 9001:2015, ISO 14000, and ISO 50001 Management certifications and OSHAS certification for occupational safety and SA 8000 for social accountability. It is also certified with GOTS standard for Organic cotton, GRS for use of sustainable Fibres and also for use of Supima and Giza Cotton



28

Years

of inception

₹ 1,624

Crores

Total revenue

₹ 69

Crores

PAT

50+

Present in countries
across the globe

3,00,048

Total spindles installed

3,488

Total rotors installed

5,000+

Employee strength

168

Total air-jet weaving machines
installed along with dyeing,
finishing and printing facilities

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 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 leading-edge technology
- » To provide a safe, fulfilling, and rewarding work environment for employees
- » To promote partnerships with Government agencies and institutions of international recognition
- » To provide training to our employees for their future development

Products That Spell Excellence

Yarn

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



Knitted Fabric

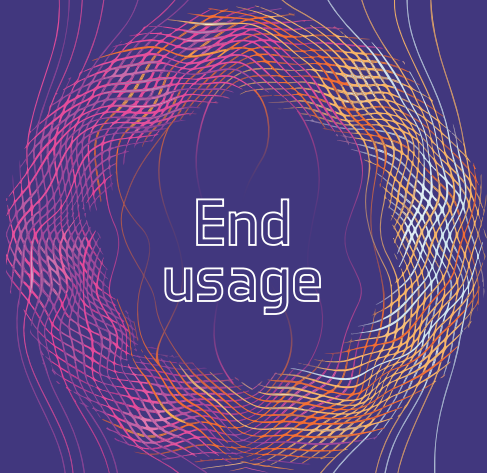
- › Single Jersey
- › Open width with Elastene
- › 3 t fleece
- › Interlock
- › Rib



Woven Fabrics

- › 100% cotton & cotton blends in piece dyed
- › Yarn-dyed variations in different weaves
- › Finishes, including special finishes and Stretch Fabrics





End Usage



Woven Apparel



Knitted Apparel



Furnishing Fabrics



Denims



Terry Towel



Medical Fabrics



Tea Bags



Bed Linen



Inner Wear



Comfort Wear



Masks



Sports Wear



Winter Wear



Baby Wear



Fashion and Image Wear



Uniform



Industrial and Protective Wear



Health Care Apparel



Hotel Apparel



Defence Wear

Our Enduring Footprint Across the Globe



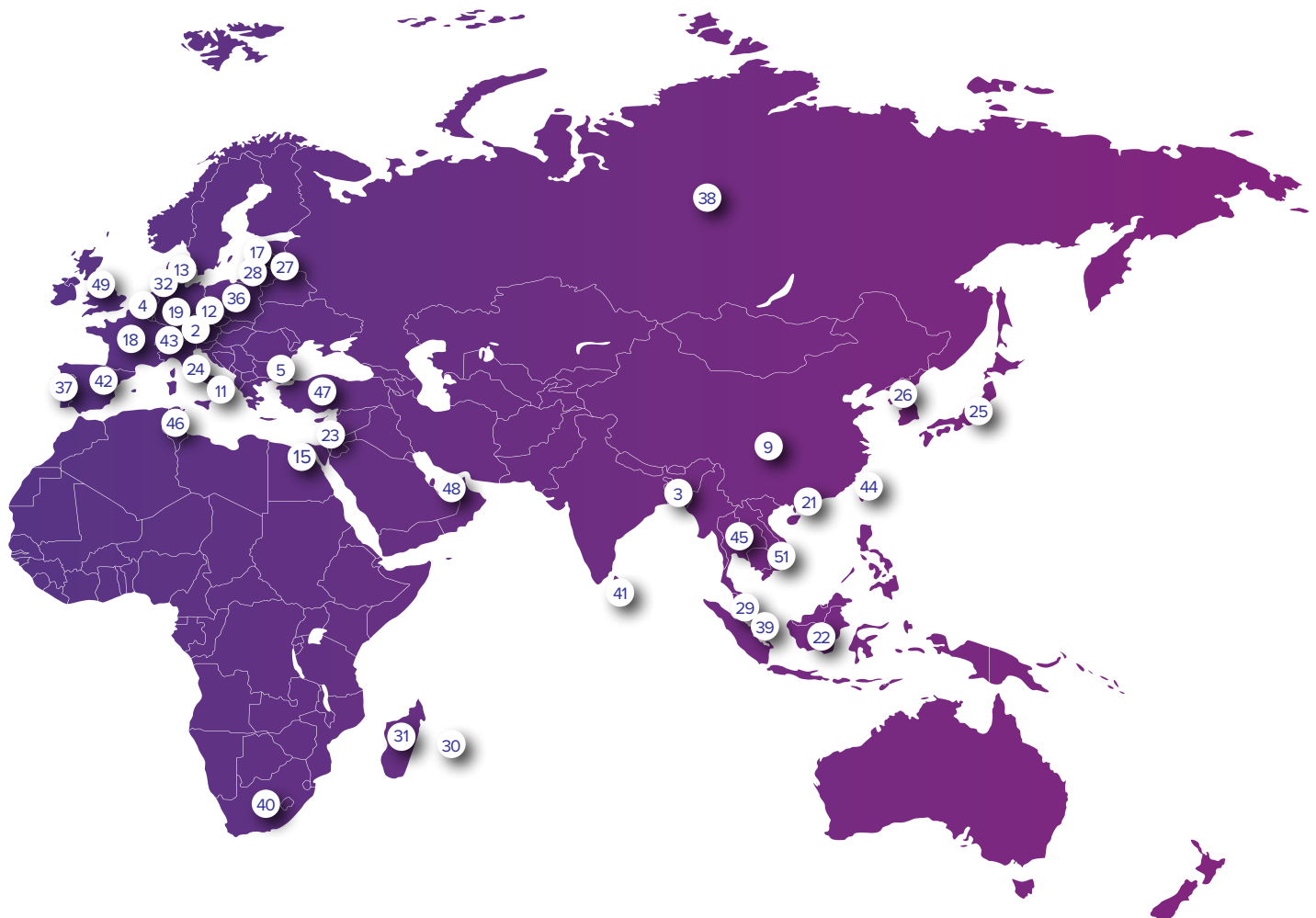
Highlights of the year

Crossed ₹ **1,000** crore turnover from exports

Exporting more than **63%** of turnover to over 50 countries

Developing successfully **value-added** and
sustainable products

This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.



- | | | | | |
|---------------|-----------------|----------------|------------------|--------------|
| 1. Argentina | 12. Czech | 23. Israel | 34. Paraguay | 45. Thailand |
| 2. Austria | 13. Denmark | 24. Italy | 35. Peru | 46. Tunisia |
| 3. Bangladesh | 14. Ecuador | 25. Japan | 36. Poland | 47. Turkey |
| 4. Belgium | 15. Egypt | 26. Korea | 37. Portugal | 48. U.A.E |
| 5. Bulgaria | 16. El Salvador | 27. Latvia | 38. Russia | 49. UK |
| 6. Brazil | 17. Estonia | 28. Lithuania | 39. Singapore | 50. USA |
| 7. Canada | 18. France | 29. Malaysia | 40. South Africa | 51. Vietnam |
| 8. Chile | 19. Germany | 30. Mauritius | 41. Sri Lanka | |
| 9. China | 20. Guatemala | 31. Madagaskar | 42. Spain | |
| 10. Colombia | 21. Hong Kong | 32. Netherland | 43. Switzerland | |
| 11. Croatia | 22. Indonesia | 33. Panama | 44. Taiwan | |

Our Excellence Drivers

Nitin Spinners has been a market pioneer and a globally recognised textile manufacturer brand for over two decades. The Company has strategically created a competitive portfolio of the most delicate quality – yarn, knitted fabrics, and finished woven fabrics, which has helped it serve diversified and leading clientele from across the globe. The core values of the Company [Quality, Reliability and Customer Satisfaction] are integral to its business. It has also been certified globally, adding to its quality assurance and excellent business model.

Cutting-edge manufacturing facilities

The Company has achieved higher productivity even in crucial times like the ongoing Covid-19 pandemic. This was possible through advanced technology backed by continuous investments in R&D.

Strategic location

The Company enjoys logistics and cost advantages, as its domestic manufacturing plants are located in the cotton-growing region.

Reliable customer base

The Company provides a diversified portfolio of products, matched with its unparalleled quality standards and best-in-class after-sale services. This sides in the favour of diversified international clients.



Focus on sustainable products and processes

The Company is increasingly offering products made from Sustainable fibres like Organic and BCI cotton, Recycled fibres. It is also promoting use of green power and also ensures zero liquid discharge for environment protection.

Exceptional innovation track record

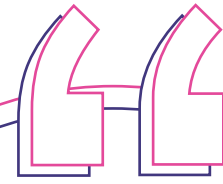
The Company's R&D department is well equipped and continuously engaged in development of new products, process improvements and also developing products based on specific customer requirements. The Company state-of-the-art fabric design studio and pilot plants help it to develop wide range of innovative designs according to fashion requirements and also match exact colours as per customers' samples.

Highly qualified promoters and management team

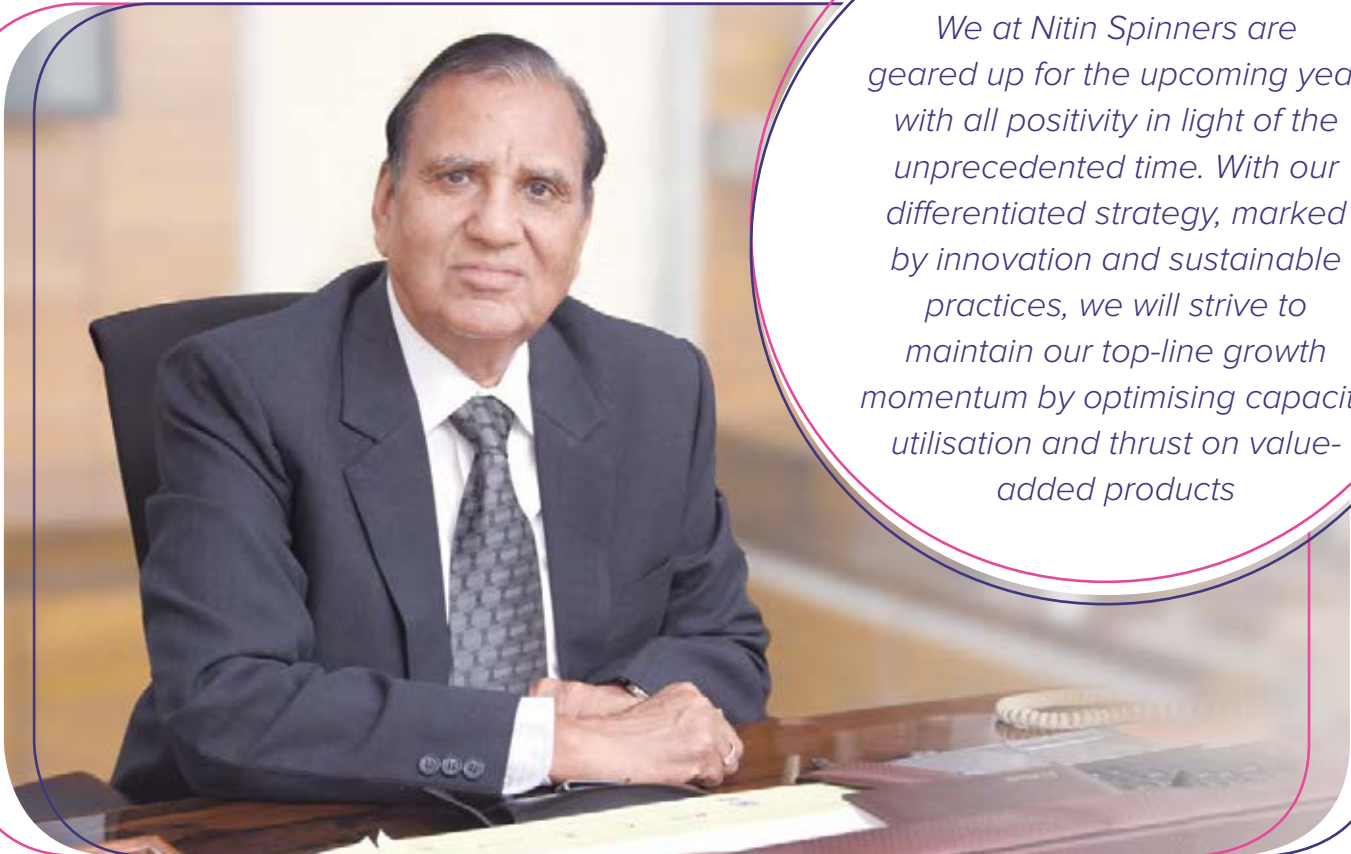
The Company has enabled a robust business model with the help of the vast professional promoters and key executives. The well-versed and powerful management only adds more strength to the team.



Chairman's Message



We at Nitin Spinners are geared up for the upcoming year with all positivity in light of the unprecedented time. With our differentiated strategy, marked by innovation and sustainable practices, we will strive to maintain our top-line growth momentum by optimising capacity utilisation and thrust on value-added products



Dear Shareholders,

I am pleased to share with you, the glimpses of the year gone by. When we stepped into 2020, very few had foreseen the profound challenges that the world and we would face in the months to follow. After Covid-19 triggered a healthcare catastrophe and a colossal economic disruption around the globe, today, when we look back, we are amazed by the agility and the effectiveness with which we navigated the crisis, despite all the challenges of lock downs, restrictions on travel, and running the operations while ensuring the safety of the workforce.

We are proud to present you, the Annual Report of 2020-21 with the remarkable topline growth of 13% and bottomline growth of 189%, witnessed in the time of a global pandemic. In the course of the year, we have, maintained steady growth in all our segments and have achieved highest ever turnover and profits of ₹ 1,624 Crores and ₹ 69 Crores, respectively.

I am happy to announce that the Board of Directors have recommended a dividend of ₹ 1.50 per Equity Share.

Our financial metrics are the indicator of our resilience and growth. Our strong product portfolio has helped us boost our business growth and deepen our connection with the consumers across markets and operational categories. Optimum utilisation of capacities and cost efficiencies also helped to achieve these results.

Export Award

I am delighted to share with you that the Company has been conferred with the following prestigious Texprocil Awards

- ▶ TEXPROCIL Silver Trophy for the second highest export performance in Cotton Yarn - Counts 50s & below under Category III for the year 2019-20
- ▶ TEXPROCIL Gold Trophy for the highest export performance in Cotton Yarn - Counts 51s & above under Category I for the year 2019-20

Thriving Together in New Normal

Our cutting-edge manufacturing facilities and strong focus on R&D, help us constantly innovate our products. This assists us in meeting the demands of the ever-burgeoning consumer base worldwide. We are aligned to evolve our brand portfolio into different value-adding products to fuel the growth and keep us in accordance with our vision and mission.

Our new composite textile project to manufacture Cotton and Blended yarns and Grey & Finished Woven Fabrics has been firmly established in terms of quality, productivity and acceptance of products. The infrastructure helped us expand our presence into the value-adding products. Our Finished Woven Fabrics are supplied to well-known domestic and international brands globally.

Sustainable, Environment Friendly and Response to Covid-19

The world is currently going through a significant crisis, and we at Nitin understand our responsibility and duty towards our employees and the society. We have established multiple Covid centres on the Company campus, providing quarantine facilities to the people affected. Proper tracking of health parameters is of utmost priority, and we follow it unfailingly. In addition, we constantly extend our help towards the local administrations for the people reeling under the virus and vaccination drive.

Our operations are rooted in sustainability and mandating optimal utilisation of resources to conserve the environment. We have several practices in place which help us create a harmonious balance with the planet. We are increasing the use of sustainable fibres in our product range, promoting the use of green energy and ensure a zero liquid discharge.

As a part of community development, we are constantly creating employment opportunities and conducting several awareness drives in the areas of cleanliness, social issues, and education.

Way Forward

We at Nitin Spinners are geared up for the upcoming year with all positivity in light of this unprecedented time. With our differentiated strategy, marked by innovation and sustainable practices, we will strive to maintain our top-line growth momentum by optimising capacity utilisation.



We look forward to enhance value-added products in our portfolio and continue to yield higher profitability. We will focus on debottlenecking our existing manufacturing facilities to increase the production base. At the same time, we will continue to offer innovative and value-added products and explore newer markets across the geographies.

Gratitude to All

I express my sincere gratitude to our Shareholders, Bankers, Customers, Suppliers, State and Central Governments, Board of Directors, and Committed Employees, who stood by us in these trying times. We hope to emerge out of the ongoing situation better than ever. I hope and pray for the well-being and prosperity of all.

Regards,

R.L. Nolkha
Chairman

Business Model

We transform resources through our business activities and generate output in the form of innovative products. Our focus is always on leveraging our size, scale and expertise, for generating significant and meaningful value for all our stakeholders.

Our Inputs

Financial Resources

Prudent financial management and strong balance sheet position

Manufacturing Resources

Fully integrated operations from Yarn to Finished Fabrics with the Latest Technology from globally renowned suppliers.

Intellectual Resources

- Robust investment in R&D, helped in innovating new value-added products
- State-of-the-art innovation centres
- Quality control labs installed for each process of production
- All quality certifications received as per international standards
- Certified by OEKOTex, Global Organic Textile Standard (GOTS), which prescribes standards for the processing of fibres from certified organic agriculture and GRS for use of recycled fibres

Human Resources

- Skilled, passionate and experienced 5,000+ workforce
- Regular training and development programmes
- Safe and healthy work environment
- Engaging working culture
- Steered by highly experienced and skilled promoter and management team

Social and CSR Resources

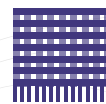
- Installation of energy-efficient equipment. Zero liquid discharge system and Sewage Treatment Plant
- Promoting education among special children, construction of rooms in schools
- Rural development activity by construction of drainage system
- Installation of solar rooftop system in hostel building
- Contribution for Cotton Development and Research activities

How we create value across integrated business product portfolio



68%

Yarn



15%

Woven Fabrics



11%

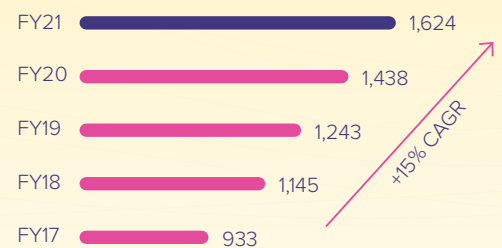
Knitted Fabrics



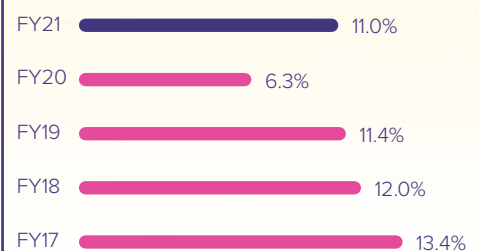
06%

Others

Revenue from Operations (₹ in Crores)



Average ROCE (%)



Integrated operations – Fibre to Finished goods

Best-in-class technology and state-of-the-art machineries resulting in cost efficiency and faster turn-around time

Growing contribution of value-added products, while focusing on the core

Constantly fortifying global presence, while connecting deeply with the Indian brands



Key driving force

Strong clientele throughout domestic and international markets

Steadily expanding asset portfolio by adding infrastructure to focus on value-added products

Optimisation of raw material procurement considering global and local perspective

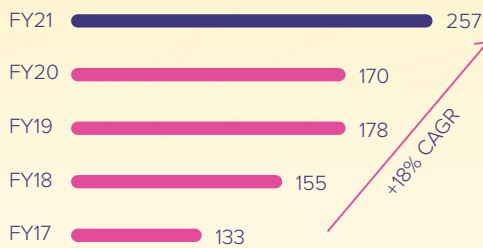
Effectively positioning ourselves to benefit from the government policies to maximise ROE

Supported by

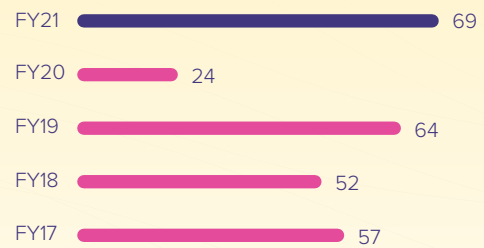


Outcomes

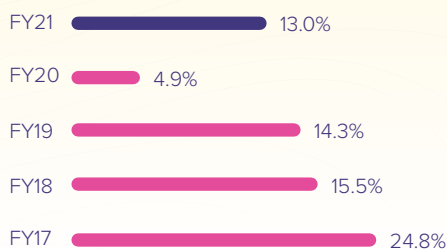
EBITDA (₹ in Crores)



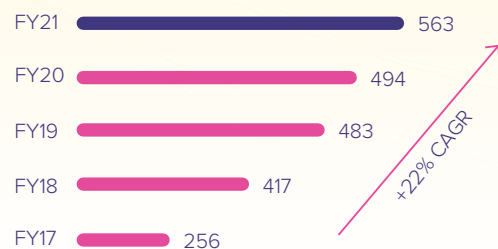
PAT (₹ in Crores)



Average ROE (%)



Net Worth (₹ in Crores)



Research & Development: Striving for Excellence

Research & Development is the foundation as well as the guiding principle of Nitin Spinners. The Company makes considerable investments in R&D and constantly tracks the ever-emerging market trends to stay up-to-date. This helps the Company provide superior quality to the consumers. All yarn and fabric produced go through layers of tests before getting added to the product portfolio. The in-house observation team analyses the quality of the raw material in depth for processing it into the optimum product.

Interacting with consumers is an ongoing process, helping the Company understand the market-specific needs and develop new products accordingly. It has specially installed a state-of-the-art design studio to create fabric samples suiting the current fashion requirements. Steered by innovation and strong customer focus, the team constantly aims to develop new-age products, leading to value creation for both global and domestic client bases.

To meet the growing demand and offer exact colour samples, the Company has installed a pilot plant, a spectrophotometer, and a colour computer. It benefits the Company to offer an endless variety of colour samples to its customers.

The final output is then tested at every stage during production process at its well-equipped Quality Control lab to cross-check the quality as per internationally accepted norms. This ensures that this product is of superior quality. This advanced technology and prime focus on customers have made the Company one of the finest yarn and fabric manufacturers.



Infrastructure: Committed Towards Growth

Quality, reliability, and customer satisfaction form the core value of Nitin Spinners. The Company achieves this through its strategically located state-of-the-art manufacturing base, uniquely positioned in the proximity of cotton growing areas and ports. It helps in a quick delivery turnaround time to the clients. The environment-friendly, globally certified plants are designed for farm-to-finish production across the diverse product range.

The Company actively invests in the upgrade of machinery and equipment at its manufacturing base. It helps to cater to the ever-growing demand of the industry and helps in providing single-point solutions through the hybrid product portfolio.

To maintain the ever burgeoning product range, the Company has installed a capacity of 3,00,048 spindles, 3,488 rotors, 63 knitting machines, 168 woven fabrics looms, and a capacity to produce 30 million meters of finished fabrics. With adequate resources, the Company has achieved higher productivity and efficient utilisation

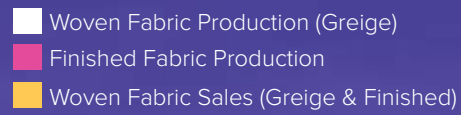
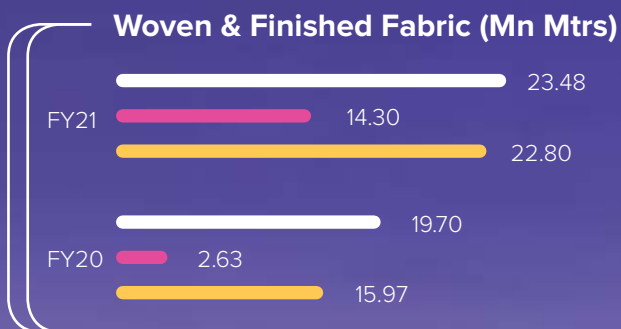
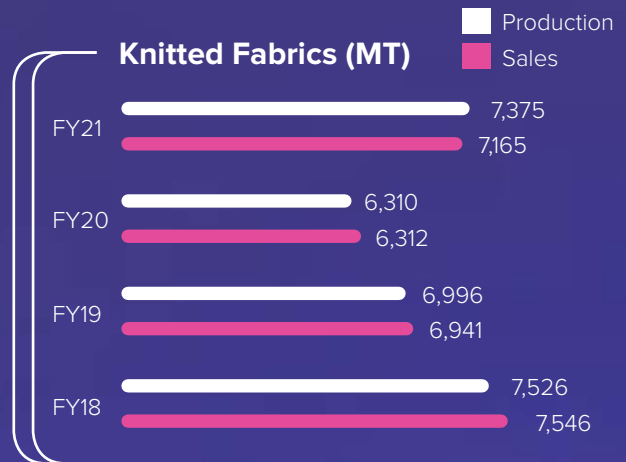
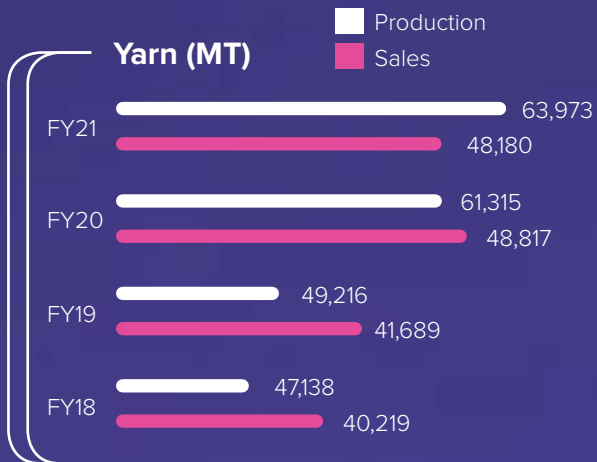
of sources. Further, to enhance and diversify the product portfolio, the Company has recently installed a composite textile project at Begun, in district Chittorgarh (Rajasthan), to manufacture cotton and blended yarns and grey and finished woven fabrics. It will also help the Company cater to all the fabric sourcing needs of the apparel manufacturers.

Given that power is a significant input in the business, all the plants have multiple captive solar power generators installed. It is also equipped with zero-discharge facilities, helping it recycle and upcycle its waste, thereby ensuring sustainability. It also aids in minimising its energy cost.

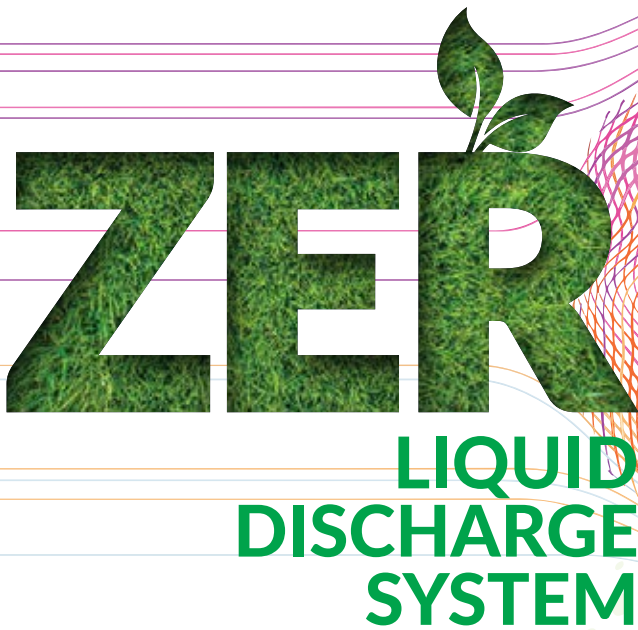
All the operative units are globally certified, a testimonial to the Company's high-quality production. The Company believes in carrying out quality tests as a continuous process. Each batch of raw material sourced is tested on required parameters before going into the production process. Through vertically integrated in-house facilities, it monitors all the functions. It helps in serving end-consumer needs.



Production and Sales of the Company's products:



Going Beyond Business to Achieve Excellence



ZER
**LIQUID
DISCHARGE
SYSTEM**

The graphic features the word 'ZER' in large, bold, green letters filled with a grass texture, topped with a small green leaf. Below it, the words 'LIQUID DISCHARGE SYSTEM' are written in a smaller, bold, green font. To the right, a stylized illustration shows a dark blue circular opening with a thick, dark blue liquid dripping down into a white, bubbly foam at the bottom. The background consists of a series of horizontal, wavy lines in shades of pink, orange, and yellow, creating a sense of motion and energy.

Environment and Industrial Safety

Nitin Spinners is committed to continuously improve its environmental management system through effective supervision of its products, activities and services associated with its manufacturing operations. The Company believes in creating a harmonious environmentally compliant enterprise that aims use of recycled and sustainable fibres for recycling/upcycling of its waste.

The Company has adopted a Zero Liquid Discharge system, wherein it makes sure there is no liquid disposal helping it create an awareness on water pollution. It has

also installed sewage treatment plant to conserve water. The value of environmental conservation is deeply ingrained in the Company's core thought process and all its members. It continuously ensures that all its operations abide by the industrial requirements for environment protection and conservation of natural resources to the extent possible.


The Company is also accredited with OHSAS18001:2007 (Occupational Health and Safety Management System) certification from the British Standards India (BSI).

Social

The Company is committed to delivering impactful value that goes beyond business. It constantly seeks to strengthen its initiatives to create a sustainable value for the

community at large. It continues to work dedicatedly towards addressing the deep-rooted aspirations of the communities.

During the year, the Company undertook various initiatives that impacted the lives of the community at large, including:

	Construction of women's hostel in Bhilwara		Installation of solar rooftop system
	Promoting education among special children, construction of rooms in schools		Construction of toilets as a part of Swachh Bharat Abhiyan
	Contribution towards Covid-19 relief		Rural development by drainage construction
	Contribution for cotton development and research		Installation of energy-efficient equipment. Zero liquid discharge system and sewage treatment plant

Our Enduring Commitment Towards SDG

The Company contributes towards Sustainable Development Goals (SDG) that has been adopted by all UN Member States in 2015, as a part of the 2030 Agenda for Sustainable Development. These are our sustainable goals:



Ensure healthy lives and promote well-being for all



Ensure inclusive, equitable quality education and promote lifelong learning opportunities for all



Achieve gender equality and empower all women and girls



Ensure access to affordable, reliable, sustainable and modern energy for all



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work environment for all



Take urgent action to combat climate change and its impacts

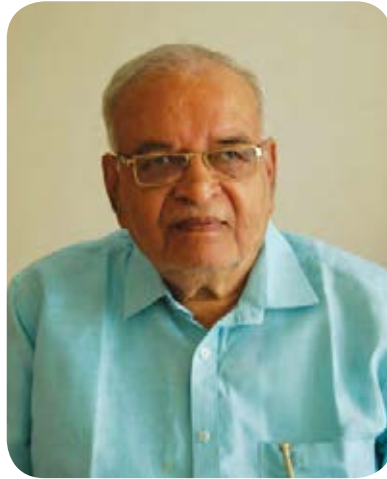


Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Governance: Committed to Deliver



Shri R.L. Nolkha
Chairman



Shri Y.R. Shah
Independent Director



Shri Dinesh Nolkha
Managing Director



Smt. Aditi Mehta
Independent Director



Shri Nitin Nolkha
Joint Managing Director



Dr. R. Chattopadhyay
Independent Director

Corporate Information

BOARD OF DIRECTORS

SHRI R.L. NOLKHA

Chairman

SHRI Y.R. SHAH

Independent Director

SHRI DINESH NOLKHA

Managing Director

SMT. ADITI MEHTA

Independent Director

SHRI NITIN NOLAKHA

Joint Managing Director

DR. R. CHATTOPADHYAY

Independent Director

KEY EXECUTIVES

SHRI SANDEEP GARG

President (Operations)

SHRI P. MAHESHWARI

Chief Financial Officer

SHRI UMESH TOSHNIWAL

Vice President (Marketing)

SHRI K. L. PAREEK

Vice President (HR)

SHRI ANIL JAIN

Vice President (Commercial)

SHRI SUDHIR GARG

Company Secretary and GM (Legal)

BANKERS

Punjab National Bank

State Bank of India

Bank of Baroda

Union Bank of India

AUDITORS

M/S. KALANI & CO.

Chartered Accountants

SECRETARIAL AUDITOR

M/S V. M. ASSOCIATES

Company Secretaries

COST AUDITORS

VIVEK LADHA & ASSOCIATES

Cost Accountants

REGISTERED OFFICE

16-17 Km. Stone, Chittor Road, Hamirgarh,

Bhilwara - 311025 (Rajasthan)

CIN: L17111RJ1992PLC006987

Telephone: 01482 - 286110 - 113

Fax: 01482-286117

Email: nsl@nitinspinners.com

Website: www.nitinspinners.com

Works

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

BOARD'S REPORT

To
The Members

Your Directors have pleasure to present the 29th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the year ended 31st March, 2021.

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 2020-21	Previous Year 2019-20
Revenue From Operations	1624.41	1438.06
Gross Profit Before Finance Cost, Depreciation & Exceptional item	259.16	171.90
Finance Cost	61.61	55.56
Profit before Depreciation, Exceptional items and Tax	197.55	116.34
Depreciation	91.03	80.69
Exceptional items	-	-
Profit before Taxation	106.52	35.65
Provision for Taxation - Current Tax (Net of MAT Credit)	-	-
- Earlier Year	-	(0.44)
- Deferred Tax	37.65	12.27
Profit after Tax	68.87	23.82
Other Comprehensive Income/(Loss) net of Income Tax	3.82	(3.85)
Total Comprehensive Income for the period	72.69	19.97

OPERATIONAL PERFORMANCE

REVENUE FROM OPERATIONS

In spite of challenges posed by COVID-19 pandemic, your Company has registered highest ever Revenue and Profit. The Revenue from Operations during the year under review is ₹ 1624.41 Crores against ₹ 1438.06 Crores in the previous year, registering an increase of 12.96%. The revenue of Yarn increased by 3.86% during current year from ₹ 1054.51 Crores to ₹ 1095.23 Crores. The revenue from Yarn constitutes 67.42% of the total revenue. Revenue of Fabric has increased from ₹ 277.84 Crores in the previous year to ₹ 423.71 Crores during year under review and registered growth of 52.50%. The Fabric revenue constitutes 26.09% of the total revenue from operations.

EXPORTS

Exports registered remarkable increase of 29.80% as it has increased to ₹ 1016.57 Crores in the current year from ₹ 783.17 Crores in the previous year. Exports constituted 62.58% of the total revenue during the year. The Company's focus of increasing export of value added products resulted in significant growth of 92% in Fabrics Exports which has increased to ₹ 126.89 Crores during this year from ₹ 65.97 Crores in the last year.

PROFITABILITY

The Company has registered significant increase in Operating Profit (EBIDTA) as it has increased from ₹ 171.90 Crores in the previous year to ₹ 259.16 Crores in current year. As percentage to revenue from operations the Operating Profits (EBIDTA) increased from 11.95% in previous year to 15.95% in current year. The Company has reported Net Profit of ₹ 68.87 Crores in the current year against ₹ 23.82 Crores in the previous year.

DIVIDEND

Your Directors are pleased to recommend Dividend of 15% i.e. ₹ 1.50 per Equity Shares on the fully paid-up Equity Share of ₹ 10/- each for the financial year 2020-21 subject to approval of shareholders at the ensuing Annual General Meeting. No interim dividend declared during the reporting period. If the dividend, as recommended above, is declared by the Shareholders at the ensuing Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 8.43 Crores.

TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for 2020-21 in the profit and loss account.

BOARD'S REPORT (Contd.)

COMBATING COVID-19

With the wholehearted support from all our employees, suppliers and channel partners, we managed to serve our domestic as well as international customers and ensured growth in our business. Measures on continuous engagement with our employees facilitated us in safeguarding our workforce and their family members from the Covid-19 impact. We, at the Board level, are very appreciative of the support offered by the team and their family members. Without their commitment and support, we would not have been able to successfully adapt to the newer ways of working during the year. We are intensifying our efforts in managing the Covid-19 situation in view of the intensity of the ongoing second wave. We are cautious and yet hopeful, that our efforts in this direction will help us in managing the safety of all our relevant stakeholders and serve our customers with limited disruption.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to make a positive contribution to communities where it operates. Pursuant to Section 135 of the Companies Act, 2013, the Company constituted CSR committee and formulated CSR Policy as guiding principle for undertaking CSR activities. 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.

During the current year, the Company has incurred expenditure of ₹ 143.16 Lacs on CSR activities against obligation of ₹ 136.25 Lacs. The disclosures of CSR activities pursuant to Section 134(3) 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Ratan Lal Nolkha, Director of the Company who retired and being eligible, was re-appointed at the Annual General Meeting of the Company held on 16th September, 2020.

Shri Nitin Nolakha, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment for consideration of members of the Company at the ensuing Annual General Meeting.

Tenure of Shri Ratan Lal Nolkha, Executive Chairman and Shri Nitin Nolakha, Joint Managing Director is expiring on 31st August, 2021 and 30th September, 2021 respectively. Based on performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends their re-appointment for another term of three years.

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

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 Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended. They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

All the Directors, Key Managerial Personnel and Senior Managerial 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 (FRN 000722C) were appointed Statutory Auditors at the 25th Annual General Meeting held on 4th September, 2017 for five years till the conclusion of 30th Annual General Meeting to be held in the calendar year 2022. Accordingly, they have conducted Statutory Audit for the 2020-21 and shall continue to be Statutory Auditors for the Financial Year 2021-22. They have confirmed their eligibility to continue as Statutory Auditors of the Company for the 2021-22 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, 2021, issued by M/s Kalani & Co., Chartered Accountants, 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 2020-21 under the provisions of Section 204 of the Companies Act, 2013. Accordingly, they have conducted Secretarial Audit for the Financial Year 2020-21 and Secretarial Audit Report in Form MR-3 is enclosed herewith. The report does not contain any qualification, reservation or adverse remark.

The Board of Directors has re-appointed M/s V. M. & Associates, Company Secretaries (Firm Registration No. P1984RJ039200), being eligible, to conduct Secretarial Audit for the Financial Year 2021-22 under the provisions of Section 204 of the Companies Act, 2013.

BOARD'S REPORT (Contd.)

COST RECORDS AND COST AUDITORS

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

The Board of Directors has appointed M/s. Vivek Laddha & Associates, Cost Accountants (FRN 103465) to conduct Cost Audit of the Cost Records maintained by the Company for the Financial Year 2020-21. Accordingly, they have conducted Cost Audit for the 2020-21 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 (FRN 103465), being eligible, to conduct Cost Audit of the Cost Records maintained by the Company for the Financial Year 2021-2022.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost 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. Your Directors adhere to the requirements set out in Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have implemented all the prescribed requirements. Pursuant to regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Annual Report.

AWARDS AND RECOGNITION

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

1. **Texprocil's Gold Trophy** for highest export performance in cotton yarn – 51 & above counts under category -1 for the Financial Year 2019-20.
2. **Texprocil's Silver Trophy** for second highest export performance in cotton yarn – 50 & below counts under Category III for the Financial Year 2019-20.

HUMAN RESOURCE DEVELOPMENT

Industrial relations continued to be cordial during the period under review. Your Company firmly believes that a dedicated

work force constitutes the primary source of sustainable competitive advantage. Accordingly, human resource development received focused attention. The Company has in house skill training centre and imparts on the job training to its manpower on continuous basis.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Directors inform the members that the Company continuously looks out for energy conservation measures in all areas of operations across its both the Units. Similarly, your Company endeavors to lookout for up-gradation and absorption of technology. Your Company also spends continuously on research and development. Your Directors are glad to inform the members that your Company is a net foreign exchange earner. The relevant detail 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 2020-21, the Board of Directors met four times on 19th June, 2020, 8th August, 2020, 31st October, 2020 and 28th January, 2021. 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-1 issued by Institute of Company Secretaries of India (ICSI) on Board Meetings read with General Circular 11/2020 dtd. 24th March, 2020 of Ministry of Corporate Affairs and Circular SEBI/HO/CFD/CMD1/CIR/P/2020/38 dtd. 19th March, 2020 of SEBI issued in view of COVID-19 Pandemic.

COMMITTEES

The Company has constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of Directors. The details of these committees have been given in the Corporate Governance Report which is integral part of the Board's Report.

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

BOARD'S REPORT (Contd.)

the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard. There is no materially significant related party transaction with Promoters, Directors or Key Management Personnel and any other related party which may have potential conflict with the interest of the Company at large. During the year, the Company has not entered into any related party transactions under the Section 188 of the Companies Act, 2013 and the particulars of contracts or arrangements with related parties are Nil.

LOANS, GUARANTEES OR INVESTMENTS

During the year under review, the Company has not given any Loan, Guarantee or provided security in connection with a loan nor has made any Investments under the 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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/2018/06/VIGIL-MECHANISM.pdf>

During the year under review, there was no instance of fraud reported and all the recommendation of the Audit Committee were accepted by the Board. No employee was denied access to the Audit Committee.

NOMINATION, REMUNERATION & EVALUATION POLICY AND EVALUATION

Pursuant to provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors 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 <http://nitinspinners.com/wp-content/uploads/2019/06/Nomination-Remuneration-Policy.pdf>

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.

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 31st March, 2021 is available on the Company's website at <https://nitinspinners.com/wp-content/uploads/2021/06/MGT-7-2020-21.pdf>

INTERNAL FINANCIAL CONTROL

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

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

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

BOARD'S REPORT (Contd.)

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

The Company has duly 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 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 REPORT (BRR)

The Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) requires top 1000 listed entities based on Market Capitalisation to include BRR in its Board's Report. In compliance of the same Business Responsibility Report has been annexed as **Annexure - IV** with Board's Report forming part of this Annual Report.

OTHER DISCLOSURES

There is 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.

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

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

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

No unclaimed dividend or shares are due for transfer to Investor Education & Protection Fund (IPEF) in terms of provisions of Companies Act, 2013.

The paid-up Equity Share Capital as on 31st March, 2021 was ₹ 56.22 crore and there was no change in the Share Capital of the Company during the Financial Year 2020-21.

The certain disclosures are common under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 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 : 3rd August, 2021

R. L. NOLKHA
Chairman
(DIN – 00060746)

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 organisation 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 recognises 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 organisations. The Company constantly strives to ensure strong corporate culture which emphasises 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-Executive Director	2	2
2.	Sh. Dinesh Nolkha	Member- Executive Director	2	2
3.	Sh. Yeshwantlal Rati Lal Shah	Member - Independent Director	2	2
4.	Smt. Aditi Mehta	Member - Independent Director	2	2

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

Composition of CSR Committee - <https://nitinspinners.com/investor-relation/company-information/>

CSR Policy - <https://nitinspinners.com/wp-content/uploads/2021/08/CSR-Policy.pdf>

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

4. Provide the details 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 (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Nil

6. Average net profit of the Company as per section 135(5) - ₹ 6812.44 Lacs

7. (a) Two Percent of average net profit of the Company as per section135(5) - ₹ 136.25 Lacs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil

(c) Amount required to be set off for the financial year, if any - Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) - ₹ 136.25 Lacs

8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (₹ In Lacs)	Amount Unspent (in ₹) - 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
₹ 143.16	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year : Nil

ANNEXURE - I (Contd.)
(c) Details of CSR amount spent against other than ongoing projects for the financial year:-

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(6) Amount spent for the project (₹ in Lacs)	(7) Mode of implementation -Direct (Yes / No)	(8) Mode of implementation-Through implementing agency	
				State	District			Name	CSR Registration number
1.	Medical Aid for Animal	Animal Welfare	Yes	Rajasthan	Bhilwara	0.31	No	People for Animals	-
2.	Health Check-up Camps	Health Care	Yes	Rajasthan	Bhilwara	0.71	No	Shri Ganesh Utsav Prabandh and Seva Samti	-
3.	Cotton Development & Research purpose	Rural Development	Yes	Rajasthan	Bhilwara	1.65	No	CITI-CDRA	-
4.	Payment to Widows	Empowering Women	Yes	Rajasthan	Bhilwara	2.51	No	Mahesh Seva Nidhi and Shri Krishna Das Jajoo Smarak Trust	-
5.	COVID Support	Contribution to PM Care Fund	Yes	India	Not Applicable	11.00	No	PM Care Fund	-
6.	COVID Support -Distribution of food packets to migrant workers	Disaster Management	Yes	Rajasthan	Chittorgarh	8.36	Yes	-	-
7.	Bio - Toilets	Sanitation	Yes	Rajasthan	Chittorgarh	2.00	Yes	-	-
8.	Construction of Drainage System	Sanitation	Yes	Rajasthan	Bhilwara	106.48	Yes	-	-
9.	Installation of Solar Panel at Girls Hostel	Ensuring Environment Sustainability	Yes	Rajasthan	Bhilwara	8.08	Yes	-	-
10.	Conservation of Water and Plantation	Ensuring Environment Sustainability	Yes	Rajasthan	Bhilwara	2.10	No	Jaldhara Sansthan	-
	TOTAL					143.16			

- (d) Amount spent in Administrative Overheads - Nil
- (e) Amount spent on Impact Assessment, if applicable - Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 143.16
- (g) **Excess amount for set off, if any**

Sl. No.	Particulars	Amount (₹ in Lakhs)
(I)	Two Percent of average net profit of the Company as per section 135 (5)	136.25
(II)	Total amount spent for the Financial Year	143.16
(III)	Excess amount spent for the financial year [(ii)-(i)]	6.91
(IV)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(V)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6.91

9. (a) **Details of Unspent CSR amount for the preceding three financial years :** Nil
- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :** Nil

ANNEXURE - I (Contd.)

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(assets-wise details)** :
- (a) Date of creation or acquisition of the capital asset(s) : None
- (b) Amount of CSR spent for creation or acquisition of capital asset : Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : N.A.
- (d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset) : N.A.
11. 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.

Place : Hamirgarh, Bhilwara
Date : 3rd August, 2021

Dinesh Nolkha
(Managing Director)

Ratan Lal Nolkha
(Chairman of CSR Committee)

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, 2021.

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 :

- a) Replacement of Old type Spindles taps of Ring Frames Machines with Energy efficient Taps.
- b) Replacement of Six old Two for One (TFO) Machines with high energy efficient TFO.

(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.

(iii) Capital Investments on energy conservation equipments

Estimated expenditure on energy conservation equipments is ₹ 213.03 Lacs.

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.

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

Particulars	[₹ In Lacs]	
	Current Year	Previous Year
(a) Capital	-	153.67
(b) Recurring	396.98	330.94
Total (a+b)	396.98	484.61
% to total turnover	0.24%	0.34%

Foreign Exchange Earnings and Outgo

Particulars	[₹ In Lacs]	
	Current Year	Previous Year
(a) Earnings (Exports on FOB Value)	97568.40	75927.49
(b) Outgo - Capital Goods	69.01	9178.37
- Recurring :-		
- Components, Spares Parts	1138.11	1849.83
- Raw Materials	12531.62	15191.15
- Sales Commission, Overseas Freight & Others	1801.94	1053.49
- Travelling	-	9.95

For and on Behalf of the Board of Directors

R. L. Nolkha

Chairman

(DIN – 00060746)

Place : Hamirgarh, Bhilwara

Date : 3rd August, 2021

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 (₹ Lacs)	Qualifications	Experience Years	Commencement of employment	Whether Permanent/ Contractual	Age Years	Last Employment
Sh. Ratan Lal Nolkha	Chairman	133.33	FCA,FCS, FCMA	50	6 th September, 1997	Contractual	75	Managing Director BSL Limited
Sh. Dinesh Nolkha	Managing Director	125.33	FCA, FCMA	26	1 st January, 1996	Contractual	50	-
Sh. Nitin Nolkha	Jt. Managing Director	118.48	B.Com., MBA	21	1 st October, 1998	Contractual	45	-
Sh. Sandeep Kumar	President (Operations)	38.76	B. Tech	29	1 st April, 2007	Permanent	50	ST Cotex
Sh. Debasis Kumar Das Gupta	Vice President (Weaving)	34.97	M. Tech. (Tex.)	35	17 th April, 2018	Permanent	61	Nahar Ind.
Sh. Purushottam Maheshwari	Chief Financial Officer	31.44	B.Com, FCA	36	1 st August, 2006	Permanent	59	BSL Limited
Sh. Umesh Toshniwal	Vice President (Mktg.)	31.41	B.Com	27	1 st April, 1993	Permanent	49	-
Sh. Anil Kumar Jain	Vice President (Commercial)	31.10	B.Sc, ICWA,CS	31	3 rd March, 2018	Permanent	55	Sutlej Textiles
Sh. Ratnesh Kumar	General Manager (Rotor Spinning)	22.07	B. Tech. (Tex.)	29	29 th April, 2008	Permanent	50	CLC Group
Sh. Inderjeet Singh	General Manager (Spinning)	21.73	B. Tech. (Tex.)	24	29 th June, 2018	Permanent	48	Welspun India

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 ₹ 1,02,00,000 or more and employed for part of the year and was in receipt of remuneration aggregating to ₹ 8,50,000/- 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 2020-21 :-

Name of Directors	Ratio
Executive Directors :-	
Sh. Ratan Lal Nolkha, Chairman	63.24:1
Sh. Dinesh Nolkha, Managing Director	59.45:1
Sh. Nitin Nolkha, Jt. Managing Director	56.20:1
Non Executive Independent Directors :-	
Sh. Yeshwantlal Ratilal Shah	1.14:1
Smt. Aditi Mehta	1.42:1
Dr. Rabisankar Chattopadhyay	1.42:1

Non Executive Directors are being paid only Sitting Fee.

ANNEXURE - III (Contd.)

2. The percentage increase/(Decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21:-

Name of Directors & KMP	% increase/ (Decrease) in remuneration
Executive Directors :-	
Sh. Ratan Lal Nolkha, Chairman	52.98
Sh. Dinesh Nolkha, Managing Director	61.20
Sh. Nitin Nolkha, Jt. Managing Director	70.49
Non Executive Independent Directors :-	
Sh. Yeshwantlal Ratilal Shah	(25.00)
Smt. Aditi Mehta	36.36
Dr. Rabisankar Chattopadhyay	Nil
CFO & Company Secretary :-	
Sh. P. Maheshwari, Chief Financial Officer	Nil
Sh. Sudhir Garg, Company Secretary & GM (Legal)	Nil

3. The percentage increase in the median remuneration of employees in the financial year 2020-21 :- 1.67
4. The number of permanent employees on the rolls of company:- 5172
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :-
- Average % increase in the salary of employees other than Managerial Personnel: - (2.16)
- Average % increase/(Decrease) in the Salary of the Managerial Personnel :- 58.79
- The variable component of Salary i.e. Commission of Executive Directors increased due to higher profit of the Company and resulted into substantial increase in the salary of Managerial Personnel in comparison to other employees. However, the fixed component of Salary has decreased during this year in comparison to previous year.
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

R. L. Nolkha

Chairman

(DIN – 00060746)

Place : Hamirgarh, Bhilwara

Date : 3rd August, 2021

ANNEXURE - IV

BUSINESS RESPONSIBILITY REPORT (BRR)

This Business Responsibility Report ("BRR") for the Financial Year ended 31st March, 2021 conforms to the Business Responsibility Reporting requirement pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has mandated the inclusion of BRR as part of the Company's Annual Report for top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) and the National Guidelines on Responsible Business Conduct issued by Ministry of Corporate Affairs, Government of India in March, 2019.

We at Nitin Spinners believe that following National Guidance on Responsible Business Conduct results in long term value creation for all stakeholders. We understand that our operations has social and environmental impacts and the company is committed towards sustainable development, which requires caring for all stakeholders, maximising the social impact of business and minimising the environmental footprint.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	-	L17111RJ1992PLC006987
2.	Name of the Company	-	NITIN SPINNERS LIMITED
3.	Registered address	-	16-17 KM. STONE, CHITTOR ROAD, HAMIRGARH, BHILWARA - 311025 RAJASTHAN
4.	Website	-	www.nitinspinners.com
5.	E-mail id	-	nsl@nitinspinners.com
6.	Financial Year reported	-	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	-	Yarn - NIC Code – 13111 Cotton Knitted Fabric - NIC Code - 13911 Woven Fabric – NIC Code – 13121 Finish Fabric – NIC Code - 13131
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	-	Yarn, Knitted Fabric, Woven Fabric and Finish Fabric
9.	Total number of locations where business activity is undertaken by the Company	-	2 (Two)
A.	Number of International Locations (Provide details of major 5)	-	Company's manufacturing facilities and offices are located in India
B.	Number of National Locations	-	The Company has 2 state-of-the-art manufacturing facilities located at in the State of Rajasthan. The registered office of the company is located at the factory at Hamirgarh, Bhilwara. The second factory is located in Bhanwaria Kalan, Chittorgarh.
10.	Markets served by the Company – Local / State / National / International	-	Company serves both national and international markets and we export to more than 50 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	-	₹ 5622.00 Lacs
2.	Total Turnover (₹)	-	₹ 162441.22 Lacs
3.	Total profit after taxes (₹)	-	₹ 6887.19 Lacs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	-	The Company's total spending on CSR for the financial year 2020-21 is ₹ 143.16 Lacs against obligations of ₹ 136.25 Lacs which is 2% of the average PAT for the last 3 years
5.	List of activities in which expenditure in 4 above has been incurred	-	Nitin Spinners Limited is committed to sustainable development of all sections of society and preservation of Environment. During the year under review, the Company has carried out activities primarily related to : <ol style="list-style-type: none"> 1. Rural Development - Construction of drainage system at Kanyakheri a nearby village. 2. Disaster Management - Distribution of Food Packets during lockdown, contribution to PM Care 3. Installation of Solar System at Girls Hostel 4. Construction of Bio Toilets 5. Conservation of Water & Plantation Details of CSR policy and activities under section 135 of The Companies Act, 2013 has been attached as Annexure in the Board's Report.

ANNEXURE - IV (Contd.)

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company / Companies	-	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s):	-	N.A.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]:-	-	At present, the BR initiatives have been undertaken at company level. Several stakeholders engage with the Company in the course of its business such as suppliers, distributors, customers, government agencies, similar economic groups and other entities. The Company promotes BR initiatives across its value chain. However, none of them directly participate in the BR initiatives of the Company.

SECTION D : BR INFORMATION

1.	Details of Director/Directors responsible for BR		
A.	Details of the Director/Director responsible for implementation of the BR policy/policies -		
1	DIN Number	-	00054658
2	Name	-	Shri Dinesh Nolkha
3	Designation	-	Managing Director

1. PRINCIPLES OF RESPONSIBLE BUSINESS CONDUCT

Principle 1	:	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	:	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3	:	Businesses should promote the wellbeing of all employees.
Principle 4	:	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
Principle 5	:	Businesses should respect and promote human rights.
Principle 6	:	Business should respect, protect, and make efforts to restore the environment.
Principle 7	:	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	:	Businesses should support inclusive growth and equitable development.
Principle 9	:	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2. PRINCIPLE-WISE (AS PER NVGS) BR POLICY/POLICIES (REPLY IN Y/N)

A. DETAILS OF COMPLIANCE (REPLY IN Y/N)

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for.....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders? *	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) **	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? if yes, has it been signed by MD/owner/ CEO/ appropriate Board/Director?***	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Policies can be viewed at the website of the Company at www.nitinspinners.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted on the website of the Company and communicated to all internal stakeholders.								

ANNEXURE - IV (Contd.)

		P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? ****	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency *****	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes

- * All the policies have been formulated in consultation with Internal stakeholders. While there may not be formal consultation with all the external stakeholders, relevant policies / procedures have been evolved over a period of time by taking inputs from concerned stakeholders.

Policies

P1 - Code of Conduct, Vigil Mechanism

P2 - Integrated Management System Policy

P3 - Integrated Management System Policy, HR Policy

P4 - Stakeholder Engagement Policy

P5 - Human Rights Policy

P6 - Integrated Management System Policy

P7 - Public and Regulatory Policy

P8 - Corporate Social Responsibility Policy, Social Accountability Policy

P9 - Customer Centricity Policy

- ** All policies conform to the applicable laws of the country, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and National Guidance on Responsible Business Conduct. In addition the policies have been formulated in accordance with the following standards where ever applicable:

P1	P2	P3	P4	P5	P6	P7	P8	P9
	ISO 14001:2015	ISO 45001:2018			ISO 50001: 2018		SA 8000:2014	

- *** The Policies which are statutorily required to be approved by the Board have been approved by the Board. The Company's other policies have been approved by Managing director of the company and these policies has been taken up by the Board in its Meeting held on 8th May, 2021

- **** The Whistle Blower Mechanism adopted by the Company provides employees/ Customers/Vendors/Contractors etc. to report any concerns or grievances pertaining to any potential or actual violation of Company's Code of Conduct and Ethics policy or any unethical behaviour.

- ***** The policies are evaluated internally. Policies relating to occupational health and safety management, energy management system, environment management system, and social accountability have been audited by an external agency.

B. IF ANSWER TO THE QUESTION AT SERIAL NUMBER 1 AGAINST ANY PRINCIPLE, IS 'NO', PLEASE

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

----- Not Applicable -----

ANNEXURE - IV (Contd.)

3. GOVERNANCE RELATED TO BR

1.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	:	The Board of Directors of the Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets from time to time to review implementation of the projects/programmes/activities to be undertaken in the field of CSR.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	:	The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE – 1

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	:	<p>The Company has a “Code of Conduct Policy” (“Code”) to conduct its business with honesty and integrity and in compliance with all applicable legal and regulatory requirements. This Code sets out the fundamental standards to be followed by all employees of the Company.</p> <p>The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company’s commitment to successful operation of the Company’s business in the best interest of the shareholders, creditors, employees, other business associates and stakeholders.</p> <p>The Code of Conduct explicitly guides our people on ethical dealings with external stakeholders. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company’s commitment to successful operation of the Company’s business in the best interest of the shareholders, creditors, employees, other business associates and stakeholders.</p>
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	:	During the year under review, there were no cases on the violation of the Company’s Code of Conduct.

PRINCIPLE - 2

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	:	We produce yarns and fabrics and cotton is our main raw material. We have been proactive in sourcing from responsible sources. We use 100% organic cotton, BCI certified and GIZA certified cotton recycled cotton and recycled polyester fibre. The yarns and fabrics produced out of these sources constitute approx. 15% of the total revenues. It is realised at farming end.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):thereof, in about 50 words or so.	:	The benefits are realised at farming end

ANNEXURE - IV (Contd.)

A.	Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?	<p>We procure BCI certified and organic cotton. BCI certified and organic cotton have multiple advantages for all stakeholders right from Farmers to the final consumer. Better Cotton Initiative (BCI) exists to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector's future. BCI connects people and organisations from across the cotton sector, from field to store, to promote measurable and continuing improvements for the environment, farming communities and the economies of cotton producing areas. BCI has 7 Principles that are the overarching sustainability requirements.</p> <p>Principle 1: BCI Farmers minimise the harmful impact of crop protection practices.</p> <p>Principle 2: BCI Farmers promote water stewardship</p> <p>Principle 3: BCI Farmers care for the health of soil</p> <p>Principle 4: BCI Farmers enhance biodiversity and use land responsibly</p> <p>Principle 5: BCI Farmers care for and preserve fibre quality</p> <p>Principle 6: BCI Farmers promote decent work</p> <p>Principle 7: BCI Farmers operate an effective management system</p>
B.	Reduction during usage by consumers (energy, water) has been achieved since the previous year?	<p>The benefits in terms of energy and water savings for BCI certified cotton and organic cotton are realised at the growing and sourcing stage.</p>
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)?	<p>The Company has a policy to encourage a purchase of BCI (Better Cotton Initiative) certified cotton, recycled Polyester Fibre and Organic Cotton. We also use recycled cotton in our manufacturing. We have a policy to procure 15% of the raw material from responsible sources which include BCI certified, Organic and recycled cotton and Polyester fibre.</p>
A.	If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. year throughout the value chain?	<p>We have approx. 15% of our inputs sourced sustainably.</p> <p>Organic Cotton - 5%</p> <p>BCI certified Cotton - 5%</p> <p>Recycled cotton - 2%</p> <p>Recycled Polyester Fibre – 3%</p>
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	<p>Purchases from nearby districts amount to 15% of total purchases</p>
A.	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	<p>The Company actively participates in the funding and activities of the Cotton Research Centre - CITI towards Cotton Development and research. The research benefits the local cotton farmers in growing cotton which are of good quality and also improves the profitability of the farmers.</p>
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	<p>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.</p>

ANNEXURE - IV (Contd.)

PRINCIPLE – 3

1.	Please indicate the Total number of employees.	:	5172 (Permanent - 5133, Contractual - 39)		
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	:	39 (Thirty Nine)		
3.	Please indicate the Number of permanent women employees.	:	7 (Seven)		
4.	Please indicate the Number of permanent employees with disabilities	:	17 (Seventeen)		
5.	Do you have an employee association that is recognised by management.	:	No. Being a responsible organisation we understand that employees are an important stakeholder and employees satisfaction is immensely important for the success of the organisation. We have instituted Grievance Redressal Mechanism under the Social Accountability Standard (SA 8000). One of the important part of the Grievance redressal mechanism to include worker representatives in addressing the complaints or issues on employees		
6.	What percentage of your permanent employees is members of this recognised employee association?	:	N.A.		
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	:	No complaints relating to child labour, forced labour, involuntary labour, sexual harassment has been received during the last financial year ending on 31 st March, 2021.		
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	:	Category of Employees	Safety Training - % Employees covered	Skill Upgradation Training - % Employees covered
			(a) Permanent Employees	100%	4%
			(b) Permanent Women Employees	100%	4%
			(c) Casual/Temporary/Contractual Employees	100%	0%
			(d) Employees with Disabilities	100%	4%

PRINCIPLE – 4

1.	Has the company mapped its internal and external stakeholders? Yes/No		While no formal stakeholder mapping exercise has been done the company considers employees, customers, suppliers, investors and analysts, shareholders, regulatory bodies and community around our plants as stakeholders for the organisation.		
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.		Yes, the community around our plants particularly women and poor are identified as vulnerable and marginalised stakeholders by the organisation.		
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.		Yes. The Company through CSR Policy addresses the socially disadvantaged sections of the society i.e. women and poor nearby our plant locations. Within the broader stakeholder group of communities, the Company works towards women empowerment. The details of our work with the disadvantages, vulnerable and marginalised stakeholders have been reported in the Annexure 1 of the Board's report.		

ANNEXURE - IV (Contd.)

PRINCIPLE – 5

1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company understands and continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights. While, the company's human rights policy is applicable to the company only, we promote the awareness and realisation of human rights across our value chain and among our stakeholders.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? 50 words or so.	No complaint was pending in the past and further, no complaint was received pertaining to human rights violation during the financial year 2020-21.

PRINCIPLE – 6

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others.	Environment Policy covers all manufacturing sites and own employees and contractors of the Company. We encourage Suppliers and others in our value chain to adopt policies to minimise the environmental impact
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company has strategies to address global environmental issues. The Company also has a Environment Policy, Sustainability Policy, Energy Management System that covers the aspects of environment conservation. Various sustainability initiatives taken by the Company includes energy management, waste reduction, emission reduction, and water management.
3.	Does the company identify and assess potential environmental risks? Y/N	Yes - The Company has a mechanism to identify and assess potential environmental risks at the plant level. The Company is certified for ISO 14001 whereby the environmental risks and control measures are periodically reviewed by independent auditors.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	<p>Being an good corporate citizen and being responsible towards the environmental impact of our operations we have taken a number of initiatives.</p> <ol style="list-style-type: none"> 1. Zero Liquid Discharge System 2. Zero Waste to landfill 3. Sustainable cotton procurement 4. Rain Water Harvesting 5. Sewage Treatment Plant 6. Use of Renewal Energy - We have installed 8.40 MW capacity of solar power in our premises. 7. Energy Efficient Machinery <ol style="list-style-type: none"> a) Replacement of Spindles and Bobbins of Ring Frames Machines from higher to lower weight. b) Reduction in the leakage of compressed air and air pressure during machine cleaning. c) Replacement of old motors of Machines to Energy Efficient Motors. d) The Company has also replaced eight old Two for One (TFO) Machines with high energy efficient TFO.

ANNEXURE - IV (Contd.)

6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No showcause / legal notice has been received from CPCB / SPCB during the 2020-21.

PRINCIPLE – 7

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes, Nitin Spinners Limited is a member of the following bodies : (a) The Confederation of Indian Textile Industry (CITI) (b) Northern India Textile Research Association (NITRA) (c) The Cotton Textiles Export Promotion Council (TEXPROCIL) (d) The Rajasthan Textile Mills Association (RTMA) (e) Mewar Chamber of Commerce and Industry (MCCI)
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, the Company through various Industry associations, participates in advocating matters for the advancement of the Industry and Public Good. The Company has a Public and Regulatory Policy to ensure that the highest standards of business conduct are followed while engaging with aforesaid Trade associations/Industry bodies.

PRINCIPLE – 8

1.	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Nitin Spinners Limited acknowledges its responsibility towards the society and supports inclusive growth and equitable development of all its stakeholders. We strongly believe in growing together responsibly leading to success of our business. We aim at balancing the needs and address the concerns of our stakeholders and endeavour to take into the consideration the impact we have on the environment, society and the community. We are committed to giving back to the society within which it operates and flourishes and as part of this principle, we have chosen our initiatives under our CSR Programs. The Company carries out various initiatives under the aegis of 'Corporate Social Responsibility' and are undertaken directly or through NGO or government entities. Please refer to CSR Report in Annexure to the Board's Report.
2.	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organisation?	Please refer to the CSR Report which is annexed as Annexure to the Board's Report in this Annual Report
3.	Have you done any impact assessment of your initiative?	Impact assessment is done by our internal teams.
4.	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the financial year 2020-21, the Company spent ₹ 143.16 Lacs towards CSR initiatives. Details of the projects are available in Annexure to the Board's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Each of the projects is having an outcome which is acknowledged by the community. The Company works with partners who have a grass root understanding of the community that makes the projects successful, both in the short term and long term. Most of the Company's CSR programs are long term in nature and the Company also work with the Government in creating a sustainable engagement.

PRINCIPLE – 9

ANNEXURE - IV (Contd.)

1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	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. No customer complaints was received during the 2020-21
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	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.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	There are no cases received in the last 5 years or pending with regard to unfair trade practices, irresponsible advertising and/or anticompetitive behaviour as on 31 st March, 2021
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Customer feedback is taken after sales. We have consistently achieved 100% customer satisfaction in our customer satisfaction index.

For and on Behalf of the Board of Directors

R. L. Nolkha

Chairman

(DIN – 00060746)

Place : Hamirgarh, Bhilwara

Date : 3rd August, 2021

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021

[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 – 311 001 (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 31st March, 2021 (‘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 31st March, 2021 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 **(Not applicable to the Company during the Audit Period);**
- (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) Regulations, 2014 **(Not applicable to the Company during the Audit Period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(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, 2009 **(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);**
- (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.

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 Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT (Contd.)

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.

Place: Jaipur

Date: 8th May, 2021

UDIN: F003355C000260150

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For V. M. & Associates

Company Secretaries

(ICSI Unique Code P1984RJ039200)

PR 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: 8th May, 2021
UDIN: F003355C000260150

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 31st March, 2021

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 31st March, 2021 ("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 there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, 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 Company 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 Company during the Review Period);**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to**

the Company during the Review Period);

- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Review Period);**
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 **(Not applicable to the Company during the Review Period);**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) 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 there under;

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:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from our examination of those records.
- (c) No action has been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under.
- (d) The listed entity has taken the following actions to comply with the observations made in previous reports: **NOT APPLICABLE being no observation in previous report.**

Place: Jaipur
Date: 8th May, 2021
UDIN: F003355C000260161

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 Sub clause 10(i) of the Securities 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, 2021 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 the Director	DIN
1.	Mr. Yeshwantlal Ratilal Shah	00019557
2.	Mr. Dinesh Nolkha	00054658
3.	Mr. Nitin Nolakha	00054707
4.	Mr. Ratan Lal Nolkha	00060746
5.	Mrs. Aditi Mehta	06917890
6.	Mr. Rabisankar Chattopadhyay	06928729

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: 8th May, 2021
UDIN: F003355C000260183

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 & ANALYSIS

Global Economic Overview

The shake-up in all economies due to the prolonged Covid-19 stay will have a lasting impact on growth. However, most economies are responding well to the current crisis with renewed stimulus and tailor-made strategies designed to mitigate the losses of the year gone by.

The global economic output is expected to expand 4% in 2021 and moderate to 3.8% in 2022, weighed down by the pandemic's lasting damage to potential growth. On the other hand, the overall global market is expected to strengthen over the forecast horizon as confidence, consumption, and trade gradually improve, primarily supported by the ongoing vaccination.

The global financial conditions have also eased considerably, especially after tightening early last year, primarily supported by monetary policy accommodation. Growth in Emerging Markets and Developing Economies (EMDEs) is expected to bounce back to 5% in 2021 from a 2.6% contraction in 2020. With a sharp contraction of 9.5% in 2020, global trade is expected to experience a modest pickup to an average of 5.1% in 2021-22.

The highly uncertain evolution of the pandemic, influenced by Government actions, social behaviour, and vaccine-related developments, will play a critical role in shaping the global recovery's strength and durability.

Outlook

The economy's structure is changing as per the pandemic, with some industries shrinking, while others are growing. It impacted the mix of jobs available and the mix of skills required of the labour force. The global economic growth is projected at 6% in 2021 and 4.4% in 2022 on the expectation of a sustained recovery. The main pointers to this would be the gradual return to normalcy owing to worldwide vaccination drive, reducing unemployment rate, and policies and reforms announced by Governments worldwide. As pent-up demand gets unleashed and consumer confidence returns, spending will also increase across sectors. However, new variants of the virus and more waves of Covid-19 might come in between expectation and reality.

Indian Economic Overview

According to the United Nations, India is expected to grow to 7.5% for 2021 and it is projected to grow by 10.1% in 2022. However, the outlook for the year remains highly fragile since India has been particularly affected by a more lethal second wave. India's total spending on health has remained almost stagnant at 1.5% of the Gross Domestic Product (GDP) in the last four years. But given the situation, the Government is projecting an increase to 1.8% this financial year and to 2.5% by 2025.

The Net Foreign Direct Investment has also remained firm throughout. Over 47% of the FDI has flown into the computer software and hardware sector, while construction accounted for 13.9%. Among these, manufacturing, chemicals, metals, and products and transport have also announced a significant number of new projects, indicating that the capital investments have remained strong despite the uncertainties. The overall economy, however, is likely to witness stress despite a V-shaped recovery.

Outlook

The Indian Government is curating a stimulus package for sectors worst affected by the pandemic, aiming to support an economy struggling with a slew of localised lockdowns due to the second wave. The finance ministry is also working on proposals to bolster tourism, aviation, and hospitality industries and small and medium-sized companies.

In April 2021, the finance ministry eased rules for Government departments' capital expenditure to boost spending. In addition to the low base effect in 2020-21, these will be some of the crucial drivers that will steer growth over the next two years:

- Rapid vaccination pace and low death rates despite high infections
- Strong growth in private investment and its rebound stimulated by reforms and schemes
- Pent-up demand backed by savings made by high- and mid-income consumers who are waiting to spend
- Fiscal spending on building assets and infrastructure, which will have a high multiplier effect on the income, jobs, and private investments, will likely start gaining momentum on the ground

Global Textile and Apparel Industry

The global textile market size was estimated at US\$ 1,000.3 billion in 2020, and it is projected to reach US\$ 1,041.8 billion in 2021, with an expected CAGR of 4.4% from 2021 to 2028. Increasing demand for apparel from the fashion industry, coupled with the growth of e-commerce platforms, is expected to drive the market over the forecast period.

Cotton being the world's most important natural fibre, accounted for the largest revenue share of more than 39% in 2020. Whereas the wool segment accounted for a revenue share of 13.3% in 2020 and natural fibres made up 44% of total the global share in 2020. (Source: Grandviewresearch.com).

Outlook

The demand for textiles will rise manifold, as it is expected that the global population will touch the 8.1-billion mark by 2025. The global apparel market will grow to US\$ 2.1 trillion by 2025. Apparel demand from the fashion industry, rising e-commerce,

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

and global demand for crease-free fabrics and high-quality dyed and printed fabrics is expected to drive this growth. The technical segment is also expected to grow at 3.7% annually from CY2021 to 2028.

Indian Textile and Apparel Industry

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home, and technical products. Textiles export stood at US\$ 26.08 billion as of February 2021. The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production, and 12% to exports. Rising per capita income, favourable demographics, and a shift in preference to branded products is helping the demand escalate north. The sector has witnessed a spurt in investment during the last five years. It attracted Foreign Direct Investment (FDI) worth US\$ 3.68 billion from April 2000 to December 2020. It also employs around 4.5 Crores workers, including 35.22 lakh handloom workers.



(Source: IBEF, May 2021)

Government Initiatives

In the Union Budget 2021-22, the Government announced various initiatives to enhance the growth of this sector. Here are a few of the highlights:

- Launch a Mega Integrated Textile Region and Apparel (MITRA) Park scheme to establish seven textile parks with state-of-the-art infrastructure, shared utilities, and R&D lab over three years
- Funds allocated for setting up Kakatiya Mega Textile Park (KMTP) at an estimated cost of ₹ 1,552 Crores (US\$ 212 Million)
- Gujarat Government announced two mega textile parks for enabling forward and backward integration
- Ministry of Textiles favoured a limited deal for the India-UK free trade agreement that could boost the garments sector (Source: IBEF, May 2021).

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Outlook

The Indian textile and apparel industry is expected to grow to US\$ 190 billion by FY26, driven by increased awareness of goods and higher disposable incomes. Increased penetration of organised retail, favourable demographics, and rising income level will drive demand for textiles. The Government initiatives such as the National Textile Policy, the SMARTH scheme, the easy availability of raw materials, and the rising income levels will also add to this sector's critical growth.

Cotton Industry

India accounts for 26% of the world's total cotton production and maintains its position as the world's largest cotton producer (Source: IBEF, May 2021). Production grew from 30.0 Million bales in 2015-16 to 35.4 Million bales in 2019-20. Cotton production is expected to reach 36.0 Million bales. The Indian cotton industry acts as a source of income to 5.8 Million cotton farmers and also for 40 to 50 Million people in the allied industries such as cotton processing and trade.

Cotton prices have ruled higher than the Minimum Support Price (MSP) of ₹ 5,515 a quintal since the beginning of October 2020 due to the sharp increase in global prices since June 2020. However, the prices were competitive against global prices, as there was good demand for Indian Textile products in the global market.

Opportunities

Favourable demographics and landscape

In the second half of 2020-21, we witnessed households switching from an 'essentials-only' spending to discretionary spending with the gradual reopening and unlocking of the economy. This is likely to be the case in 2021-22, especially with the increasing penetration of organised retail (physical and e-commerce).

Ready for pent-up demand

The Company can focus on value-added or premium products with new Capex by capitalising on the current low-interest regime and easy liquidity. These, combined with the visibilities of robust demand post-Covid-19, will help companies with the suitable capacity to capture the future demand early and increase their margins.

Incentive Schemes

The Central Government has announced Production Link Incentive Scheme (PLI) for Textile sector and the Government of Rajasthan has put in place Rajasthan Investment Production Scheme provides for Interest, Electricity Duty etc. subsidies for installation/expansion of Textiles Units.

100% FDI allowance

It will encourage the foreign apparel industry to enter the market. Already, the existing global investors in the Indian

textile industry, include prominent western brands such as Zara, Forever 21, Levi's, Benetton, and Marks & Spencer. It also allows them to be near raw material suppliers, as India is one of the few countries in the world with presence across the textile value chain.

Improving farming techniques

Despite being the world's largest cotton producer, India's yield in terms of kilograms of cotton per hectare of land under cotton cultivation is extremely low. India's output is at 487 kgs/ha, as against the world average yield of 768 kgs/ha. Modernisation of farming techniques and the use of machinery and equipment are likely to culminate into higher profits. Furthermore, the rising trend of the agri-tech theme in start-ups is expected to act as a tailwind.

Threats

Availability of cotton

Any significant damage to cotton crops in India or overseas due to natural calamities may cause severe price, supply disruption and create uncertainty.

Pandemic and its variants

The long duration of second wave or further waves of the pandemic and its variants can disrupt trade.

Uncertainty over physical retail

With new Covid-19 variants and waves, the opening of physical apparel retail stores remains uncertain. Physical retail is the preferred mode for shopping apparel for consumers, as they can feel the fabric, gauge the size/fitting, try wearing the clothes. Consumers are unlikely to spend large sums on apparel in the absence/only partial presence of physical retail under the current circumstances.

Dependency on labour

The Indian textile industry is still a highly labour-intensive one, unlike other countries, where a large part of the process is automated. This dependency on labour makes the sector vulnerable to the cost of rising wages and labour unrest.

Company Overview

Incorporated in 1992 in Bhilwara with a small capacity of only 384 rotors, Nitin Spinners over the years has expanded its operations to include open-end yarns, ring-spun yarns, blended yarns, knitted fabrics, and finished woven fabrics.

It now has an installed capacity of 3,00,048 Spindles and 3,488 Rotors, producing 72,000 tons of yarn per annum. It also has an installed capacity of 63 Knitting Machines, producing 8,500 tons of knitted fabrics per annum and 168 looms and dyeing, printing, and finishing capacities to make approximately 300 lakh meters of fabrics per annum.

The Company's manufacturing units are strategically located near places from where it sources its raw materials. It is also

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

well connected to major ports and markets. Investment in world-class technology, continuous growth and value addition, commitment to consistent product quality, emphasis on customer satisfaction, and timely delivery of products are integral to the Company's way of functioning.

Financial Performance

(₹ in Crores)

Particulars	2020-21	2019-20
Revenue from operations	1,624.41	1,438.06
Other income	1.90	2.13
Total income	1,626.31	1,440.19
Earnings Before Interest, Tax and Depreciation & Amortisation	259.16	171.90
Profit for the year	68.87	23.82
EPS (Basic) (In ₹)	12.25	4.24
EPS (Diluted) (In ₹)	12.25	4.24

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

The Company operates in a Single Segment of Textiles.

Details of Significant Changes

(i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations, therefore:

	2020-21	2019-20	% change	Reason for change
Inventory Turnover	4.58	5.43	-15.65%	Higher inventories days due to value addition activities
Interest Coverage Ratio	4.21	3.09	36.25%	Improved due to higher operating profit margins
Current Ratio	1.27	1.15	10.43%	Improved due to higher operating cash flow
Debt Equity Ratio	1.20	1.53	-21.57%	Reduced due to repayments and increase in Net worth
Debtors Turnover	9.79	9.41	4.04%	Average realisation period reduced
Operating Profit Margin	15.95%	11.95%	33.47%	Increased sale of value-added products, cost optimisation, and better realisations
Net Profit Margin	4.24%	1.66%	155.42%	Due to higher production and turnover and better operating margins
Return on Net Worth	12.23%	4.82%	153.73%	Due to higher profits
Earnings Per Share	12.25	4.24	188.92%	Due to higher profits

Risk Management

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	An increase in competition could negatively impact the market share, margin profile and return on capital employed.	The distinctly differentiated brand image, long-standing customer relationships and economies of scale help the Company mitigate this risk.
Foreign Currency Exchange Rate Risk	Given that exports constitute 63% of the revenue, strengthening the Indian Rupee could hamper the revenue.	The Company mitigates this risk by way of its robust currency hedging mechanisms and systems and export pricing.
Raw Material Price Inflation Risk	An increase in cotton prices can adversely impact the Company.	The Company has a team that constantly monitors the cotton prices and follows a diplomatic stocking policy to hedge against any sharp movements.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Risk	Impact	Mitigation
Reputation Risk	Any delay in payments to lenders/suppliers or poor quality of products can lead to loss of trust in our integrity and adversely impact business performance.	The Company makes a conscious attempt to meet the expectations of all stakeholders and have stringent quality control procedures in place to ensure superior product quality.
Customer Concentration Risk	Any concentration of customers can cause loss of revenue in case of failure of any big customer.	The Company continuously aims to strengthen its customer relationships and strives to add new customers across geographies to diversify the 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. The Company is also accredited with OHSAS18001:2007 (Occupational Health & Safety Management System) certification from the British Standards India (BSI).

Human Resources

Human resource is a crucial asset for a Company to achieve sustained growth. To attract, retain and develop its talent pool, the Company has consistently recognised talent, imparted training, and followed the golden principle of rewarding performance. Besides, it is committed to individual well-being and safety at the workplace and it is proud to attract the talent that it needs for future growth. Most importantly, it places great emphasis on eliminating all forms of discrimination in terms of employment and professional activities (gender, age, race, political affiliation, religion, among others). It pays special attention to professional equality, gender equality, the employment of seniors and young people, the employment of people with disabilities. It also has been accredited with S.A. 8000:2014 (Social Accountability System) certification from the BSI. As of 31st March, 2021, the Company's strength stood at 5,172 employees.

Internal Control Systems 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.

Cautionary Statements

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.

For and on Behalf of the Board of Directors

R. L. Nolkha

Chairman

(DIN – 00060746)

Place : Hamirgarh, Bhilwara

Date : 3rd August, 2021

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 maximise 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. 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 50% Non Executive Directors, it has an 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 2020-21, four meetings of the Board of Directors were held on 19th June, 2020, 8th August, 2020, 31st October, 2020 and 28th January, 2021. 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 Board Meetings read with General Circular 11/2020 dtd. 24th March, 2020 of Ministry of Corporate Affairs and Circular SEBI/HO/CFD/CMD1/CIR/P/2020/38 dtd. 19th March, 2020 of SEBI issued in view of COVID-19 Pandemic. The frequency of the meetings is enough for the Board to undertake its duties effectively.

The 28th Annual General Meeting of the Company was held on 16th September, 2020.

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 16 th September 2020	Directorship in other Companies	No. of other Committees in which Member or Chairperson	
					Chairman	Member
Sh. Ratan Lal Nolkha	Promoter Executive	4	Yes	4	Nil	Nil
Sh. Dinesh Nolkha	Promoter Executive	4	Yes	3	Nil	Nil
Sh. Nitin Nolakha	Promoter Executive	4	Yes	2	Nil	Nil
Sh. Yeshwantlal Ratilal Shah	Independent Non-Executive	3	Yes	Nil	Nil	Nil
Dr. Rabisankar Chattopadhyay	Independent Non-Executive	4	Yes	Nil	Nil	Nil
Smt. Aditi Mehta	Independent Non-Executive	4	No	Nil	Nil	Nil

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. Dr. Rabisankar Chattopadhyay is holding 100 Equity Shares of the Company except him no Independent & Non Executive Directors are holding any share in the Company and no convertible instrument has been issued by the Company. None of the Directors are related to each other except three Executive Promoter Directors as Sh. R. L. Nolkha is father of Sh. Dinesh Nolkha & Nitin Nolakha and Sh. Dinesh Nolkha & Nitin Nolakha are brothers.

CORPORATE GOVERNANCE REPORT (Contd.)

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 Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended. They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA. 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	Administra-tion
1.	Sh. Ratan Lal Nolkha, Chairman	✓	✓	✓			✓
2.	Sh. Dinesh Nolkha, Managing Director	✓	✓	✓	✓	✓	✓
3.	Sh. Nitin Nolkha, Jt. Managing Director	✓		✓	✓	✓	✓
4.	Sh. Yeshwant Lal Ratilal Shah, Independent Director	✓		✓	✓	✓	✓
5.	Dr. Rabisankar Chattopadhyay, Independent Director	✓		✓	✓		✓
6.	Smt. Aditi Mehta, Independent Director	✓	✓	✓			✓

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 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 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(8) 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.

Broad 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, 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 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. It comprises Shri Y.R. Shah, Smt. Aditi Mehta and Dr. R. Chattopadhyay. All the members of the committee are non-executive and independent Directors. Sh. Y.R. Shah, Chairman of the Committee possesses high degree of accounting and financial management expertise and all other members of the committee have experience and sound accounting and financial knowledge. The Chairman of

CORPORATE GOVERNANCE REPORT (Contd.)

the Audit Committee was present at the last Annual General Meeting of the Company held on 16th September, 2020.

Meetings and Attendance

The committee met four times during the financial year 2020-21. The dates on which Audit Committee Meetings were held are 19th June, 2020, 8th August, 2020, 31st October, 2020 and 28th January, 2021. The number of meetings attended by each committee member during the year was as under:-

Name of Member	No. of Meetings attended
Sh. Y.R. Shah, Chairman	3
Smt. Aditi Mehta, Member	4
Dr. R. Chattopadhyay, Member	4

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

4. NOMINATION AND REMUNERATION COMMITTEE:

Brief Description of terms of reference

The terms of reference of Nomination and Remuneration Committee are aligned with the guidelines set out in the Regulation 19 read with Part D of Schedule II of the Listing Regulations and also with the provisions of Section 178 of the Companies Act, 2013 which broadly includes formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of performance of the Independent Directors and the Board of Directors and devising a policy on Board diversity; to Devise a policy on diversity of board of directors; 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 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

The Committee constitutes Sh. Y. R. Shah, Smt. Aditi Mehta, Dr. R. Chattopadhyay, Non-Executive & Independent Directors and Sh. R. L. Nolkha, Executive Chairman of the Company. Sh. Y. R. Shah 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. During the financial year 2020-21 three meetings of the Committee were held on 19th June, 2020, 31st October, 2020 and 28th January, 2021. The number of meetings attended by each committee member during the year was as under:-

Name of Member	No. of Meetings attended
Sh. Y.R. Shah, Chairman	2
Smt. Aditi Mehta, Member	3
Dr. R. Chattopadhyay, Member	3
Sh. R. L. Nolkha, Member	3

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 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 excluding the director being evaluated. 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 5th January, 2017.

The detailed Policy inter-alia including criteria for performance evaluation is available under web link <http://nitinspinners.com/wp-content/uploads/2018/06/Nomination-Remuneration-Policy.pdf>.

Remuneration of Directors

Non-Executive/Independent Directors are paid only sitting fees for attending the Board and Committee meetings and Executive 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 Executive Directors

(₹ in Lakhs)

S. No.	Name of Directors	Category of Directors	Basic Salary	Contribution to P.F.	Commission	Others	Total
1	Sh. R.L. Nolkha	Promoter & Executive Director	43.86	5.26	82.38	1.83	133.33
2	Sh. Dinesh Nolkha	Promoter & Executive Director	36.72	4.40	82.38	1.83	125.33
3	Sh. Nitin Nolakha	Promoter & Executive Director	30.60	3.67	82.38	1.83	118.48

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

Service contract, notice period, severance fee - The employment of Executive Director 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 appointment letter issued at the time of appointment.

Stock option to Executive Directors - Nil

Non-Executive Directors do not draw any remuneration except sitting fee of ₹ 40,000/- for attending every Board Meeting and ₹ 20,000/- for attending every Committee Meeting except for that the CSR Committee Meetings. Total sitting fee of ₹ 8,40,000/- was paid during the financial year 2020-21. The details of remuneration paid to Non-Executive Directors during the financial year 2020-21 are as under:-

Details of Sitting Fee paid to Non-Executive Directors

S. No.	Name of Director	Category of Directors	Sitting Fee (Amt. In Lakhs)
1.	Sh. Y. R. Shah	Independent Non-Executive Director	2.40
2.	Smt. Aditi Mehta	Independent Non-Executive Director	3.00
3.	Dr. R. Chattopadhyay	Independent Non-Executive Director	3.00

The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fees to them for attending Board and Committee meetings. Dr. Rabisankar Chattopadhyay is holding 100 Equity Shares of the Company except him 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 2020-21.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The terms of reference of Stakeholders Relationship Committee are in line with the provisions of 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 the following:-

The committee considers and approves various requests for transmission, sub-division, consolidation, renewal, exchange, issue of new certificates in replacement of old ones, Dematerialisation/Rematerialisation 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 Committee meets as and when required and during the financial year 2020-21, one meeting of the Committee was held on 31st October, 2020.

The Secretarial Department of the Company and Registrar & Transfer Agent, Bigshare Services Private Limited, 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 31st March, 2021. No request for dematerialisation of Equity Shares of the Company was pending for approval as at the 31st March, 2021.

CORPORATE GOVERNANCE REPORT (Contd.)

Composition

The composition of "Stakeholders Relationship Committee" is as under:

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

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

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

Details of Complaints received and status thereof:-

No complaint was received from Investors during the financial year 2020-21 and no complaint was pending at the end of the year.

6. 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
26 th AGM	22 nd September, 2018	3.30 PM	Nitin Spinners Limited 16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara -311025	<ol style="list-style-type: none"> Increase in Borrowing Power to ₹ 1500 Crores u/s 180(1)(c) of the Companies Act, 2013 . Creation of Security on increased Borrowing Power u/s 180(1)(a) of the Companies Act, 2013. Re-appointment of Sh. R. L. Nolkha, Executive Chairman. Re-appointment of Sh. Nitin Nolkha, Executive Director. Adoption of New set of Articles of Association Ratification of "Relevant Date" (Preferential Issue of Equity Shares)
27 th AGM	20 th September, 2019	3.30 PM	Nitin Spinners Limited 16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara -311025	<ol style="list-style-type: none"> Re-appointment of Sh. Dinesh Nolkha, Managing Director Re-appointment of Sh. Yashwantlal Ratilal Shah, Independent Director Re-appointment of Smt. Aditi Mehta, Independent Director Re-appointment of Sh. Rabishankar Chattopadhyay, Independent Director
28 th AGM	16 th September, 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

During the financial year 2020-21, no resolution has been passed through Postal Ballot. Also, no business proposed at the ensuing Annual General Meeting requires passing through postal ballot.

CORPORATE GOVERNANCE REPORT (Contd.)

7. INDEPENDENT DIRECTORS' MEETING

Pursuant to the Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of the Independent Directors was held on 19th June, 2020 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.

8. OTHER DISCLOSURES:

Details of Compliances:-

The Company has complied with all the 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 transactions entered into with Related Parties as defined under the Companies Act, 2013 and regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arms length pricing basis and do not have any potential conflict the interests of the Company at large. 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 <http://nitinspinners.com/wp-content/uploads/2021/02/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 <http://nitinspinners.com/wp-content/uploads/2019/04/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.

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

In compliance with the SEBI regulation on Code of Conduct for Regulating, Monitoring & Reporting Trading by Insiders, the Company has instituted a comprehensive code of conduct for its management staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In accordance with the provisions of Regulation 34(3) read with Schedule V Para C Sub clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 issued is annexed herewith in this 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 can report any suspected or confirmed incident of fraud/misconduct. The policy also provides for adequate safeguard against victimisation. 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

CORPORATE GOVERNANCE REPORT (Contd.)

link <http://nitinspinners.com/wp-content/uploads/2018/06/VIGIL-MECHANISM.pdf>. It provides for direct access to the Chairperson of audit committee in appropriate or exceptional cases and no employee was denied access to the Audit Committee.

During the year under review, there was no instance of fraud reported and all the recommendation of the Audit Committee were accepted by the Board. No employee was denied access to the Audit Committee.

Sexual Harassment of Women

The Company has constituted Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and committee meet from time to time. The committee has 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 2020-21.

Familiarisation Programme for Independent Directors:-

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

Further, the Directors are regularly updated with amendments in the provisions of the Companies Act, 2013, Listing Regulations etc. Besides this 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 familiarisation programme for Independent Directors is available at the website of the Company under the link <https://nitinspinners.com/wp-content/uploads/2021/03/FAMILIARIZATION-PROGRAMS-2020-21.pdf>

Risk Management

The Company has a well-defined risk management framework in place. Under this framework, the Management has categorised the risks as High risk, Moderate risk and Low risk which were monitored on a continuous basis and appropriate risk mitigation steps were initiated as and when deemed necessary. The detail of commodity price risk, foreign exchange risk and hedging activities has been given in Management & Discussions Analysis Report.

Compliance Confirmation

It is confirmed that the Company has complied with the requirements prescribed under Regulation 17 to 27 of the Listing Regulations, 2015.

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) Separate post of Chairperson and Chief Executive Officer
- (ii) Modified opinion(s) in Audit Report –To move towards regime of financial statement with unmodified audit opinion.

During the year the Company has paid total fee of ₹ 12.06 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.

9. MEANS OF COMMUNICATION

The main channel of communication to shareholders is through Annual Report which inter-alia includes the Board 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 the Rajasthan Patrika/the 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 displayed 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, 2015 are complied with.

Presentations made to institutional investors and analysts during the financial year 2020-21 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 2020-21, the Company did not raise any funds through preferential allotment or qualified institutional placement.

CORPORATE GOVERNANCE REPORT (Contd.)

10. GENERAL SHAREHOLDER INFORMATION**Shareholder Information:-**

A. Date of AGM & Time & Venue	16 th September, 2021 at 3.00 PM IST through Video Conference (VC)/Other Audio Visual Means (OAVM)
B. Date of Book Closure	10.09.2021 to 16.09.2021 (Both the days Inclusive)
C. Dividend Payment date	Within 30 days from the date of AGM.
D. Financial Year	1 st April, 2021 to 31 st March, 2022

E. Tentative Financial Calendar for next Year for 2021-22:

Period	Date of Board Meeting
1 st Quarter ending June, 2021	Last week of July, 2021 or first week of August, 2021
2 nd Quarter ending September, 2021	Last week of October, 2021 or First week of November, 2021
3 rd Quarter ending December, 2021	Last week of January, 2022 or First week of February, 2022
Year ending 31 st March, 2022	April/May 2022
AGM for year ending 31 st March, 2022	August/September 2022

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

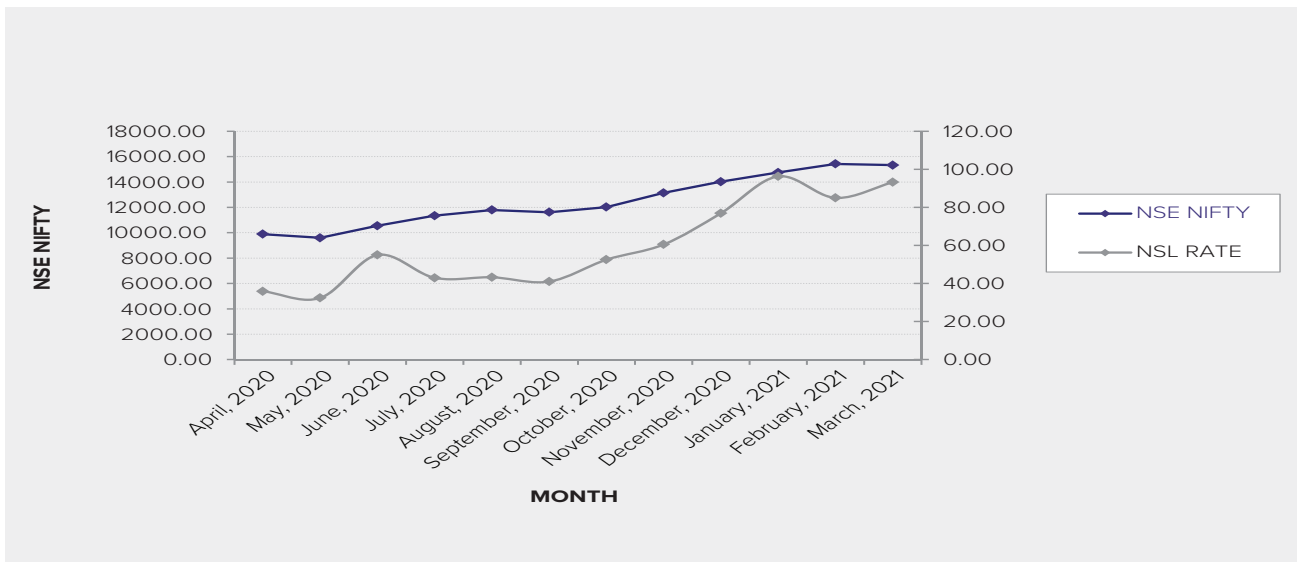
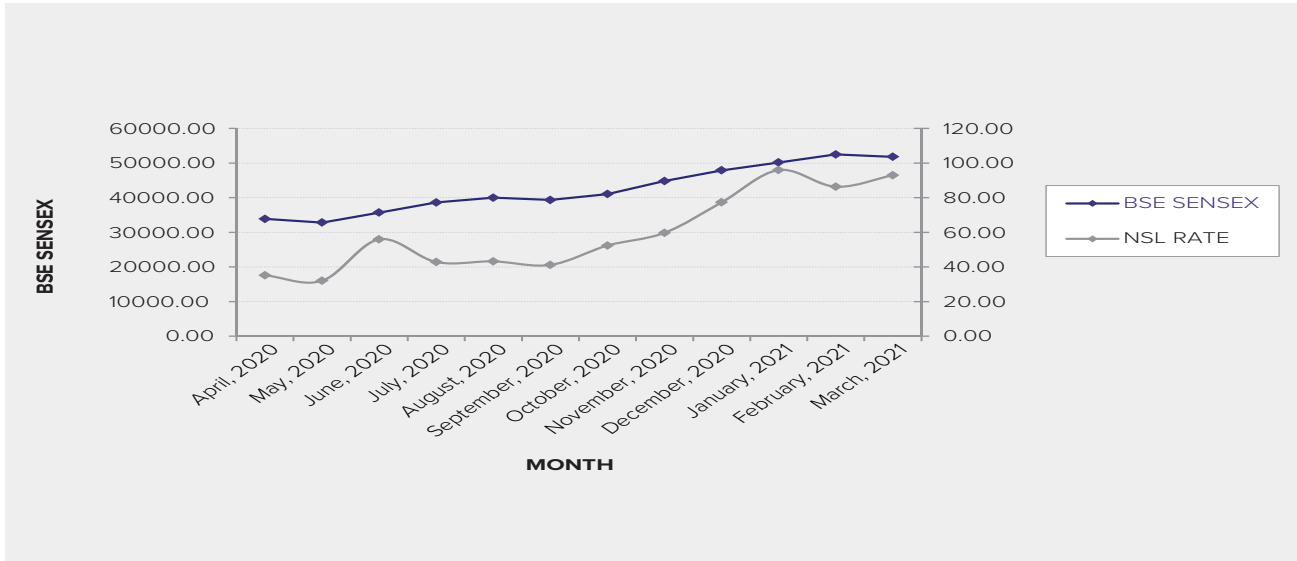
The applicable listing fee for the Financial Year 2021-22 has been paid to both the Stock Exchanges

G. Stock Price Data :

Month	BSE		NSE	
	High	Low	High	Low
April, 2020	35.20	26.45	35.90	26.00
May, 2020	32.05	27.20	32.40	27.00
June, 2020	56.00	30.80	55.00	30.10
July, 2020	42.85	36.40	42.95	36.45
August, 2020	43.25	36.60	43.25	36.95
September, 2020	41.20	34.95	41.00	35.05
October, 2020	52.40	37.80	52.50	37.50
November, 2020	59.75	43.30	60.50	41.15
December, 2020	77.35	57.05	76.95	56.90
January, 2021	96.00	69.05	96.30	69.60
February, 2021	86.35	68.70	85.00	69.75
March, 2021	93.00	78.05	93.20	78.00

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	31 st March, 2021		31 st March, 2020	
	No. of Shares	%	No. of Shares	%
No. of Shares Dematerialised				
- NSDL	4,90,00,821	87.16	5,08,50,651	90.45
- CDSL	72,18,549	12.84	53,68,719	9.55
No. of Shares in Physical Mode	630	0.00	630	0.00
Total	5,62,20,000	100.00	5,62,20,000	100.00

J. Outstanding GDRs/ADRs/Warrants Etc. Nil

CORPORATE GOVERNANCE REPORT (Contd.)

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	:	1 st floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road Marol, Andheri East, Mumbai 400059, 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. 1st 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 Limited, 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, 2021:

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% to Shares
Up to 500	14678	78.9862	2449322	4.3567
501 to 1,000	1761	9.4764	1466715	2.6089
1,001 to 2,000	902	4.8539	1395155	2.4816
2,001 to 3,000	379	2.0395	981762	1.7463
3,001 to 4,000	180	0.9686	648437	1.1534
4,001 to 5,000	172	0.9256	816324	1.4520
5,001 to 10,000	261	1.4045	1952010	3.4721
10,001 & above	250	1.3453	46510275	82.7291
Total	18583	100.0000	56220000	100.0000

M. Credit Ratings of the Company

During the year 2020-21, Brickwork Ratings India Private Limited has reviewed the ratings of Bank Loan facilities of the Company and following are credit ratings given by them :-

Facilities	Reviewed Credit Rating	Existing Rating
Long term Rating - Term Loan & Working Capital (Fund Based)	BWR A (BWR A) Outlook – Negative	BWR A (BWR A) Outlook – Stable
Short Term Ratings (Non Fund based)	BWR A1 (BWR A One)	BWR A1 (BWR A One)

CORPORATE GOVERNANCE REPORT (Contd.)

N. Plant Location & Address for Correspondence

(a)	Plant Locations	<p>(i) 16-17 KM Stone, Chittor Road, Hamirgarh, Bhilwara (Rajasthan) PIN - 311025</p> <p>(ii) Chittor –Kota NH-27, Village – Bhanwaria Kalan, Tehsil-Begun, Distt. - Chittorgarh (Rajasthan), PIN - 312023</p>
(b)	Registered office and address for correspondence	<p>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</p>

For and on Behalf of the Board of Directors

R. L. Nolkha

Chairman

(DIN – 00060746)

Place : Hamirgarh, Bhilwara

Date : 3rd August, 2021

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, 2021 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 to rectify these deficiencies.
- D) We have indicated to the auditors and the Audit Committee:
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(P. Maheshwari)

Chief Financial Officer
PAN – ABAPM8005C

Place: Hamirgarh, Bhilwara
Date: 8th May, 2021

(Dinesh Nolkha)

Managing Director
(DIN - 00054658)

DECLARATION AS REQUIRED UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management of Nitin Spinners Limited for the Financial Year ended 31st March, 2021.

Place : Hamirgarh, Bhilwara
Date : 8th May, 2021

(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, 2021 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 : 3rd August, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of

Nitin Spinners Limited

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 31st March, 2021, 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, ("IndAs") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, 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.

INDEPENDENT AUDITORS' REPORT (Contd.)

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, 2021 is 21.16 % 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 Note-6 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. 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 realisable value of inventories. Inspecting the post period sales situation and evaluating the net realisable 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. 31st March, 2021 the trade receivables balances (net of provisions) consist of 9.89 % of the total amount of assets. Accordingly, we determined audit of trade receivables as the key audit matter. <p><u>Related Disclosures:</u></p> <p>Please refer to Note-7of 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 counter-party 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.

INDEPENDENT AUDITORS' REPORT (Contd.)

Key Audit Matter	How the matter was addressed in our audit
<p>3. Revenue Recognition</p> <ul style="list-style-type: none"> Revenue is an important measure used to evaluate the performance of the Company. There is a risk that the revenue is presented for amounts higher than what has been actually generated by the Company. Consequently, we considered revenue recognition to be a significant key audit matter. <p><u>Related Disclosures:</u> Please refer to Note-11 of the accounting policies for details of the accounting policies of revenue recognition and Note- 39 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.

Management's Responsibility 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 IndAS 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:

INDEPENDENT AUDITORS' REPORT (Contd.)

- 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, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the act, we give in "Annexure I" a statement on the matters specified in paragraph 3 and 4 of the Order
- 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 IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

INDEPENDENT AUDITORS' REPORT (Contd.)

- (e) On the basis of written representations received from the directors, as on 31st March, 2021 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2021, 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.31)
 - ii. The Company did not have any long term contracts including derivative contracts, for which there were any material foreseeable losses.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.P. Jhanwar
Partner
Membership No. 074414

Place: Bhilwara
Date: 8th May, 2021

ANNEXURE 'I'

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nitin Spinners Limited of even date)

- i. In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant & Equipment).
 - The fixed assets (Property, Plant & Equipment) have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - The title deeds of immovable properties are held in the name of Company.
- ii. Physical verification of inventory has been conducted during the year at reasonable intervals by management. As informed to us no material discrepancies have been noticed on such verification.
- iii. The Company has not granted any loans, 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.
- iv. No loans have been given to parties covered under section 185 of the Companies Act, 2013. The Company
- has not given any guarantee or provided any security to any party covered under section 185 or 186 of the Companies Act, 2013. In case of investments provisions of section 185 and 186 of the Companies Act 2013 has been complied.
- 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. The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and as informed to us such accounts and records have been so made and maintained. However, we have not conducted a detailed examination of the same.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- Undisputed statutory dues including provident fund, employee state insurance, income tax, GST, custom duty, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March, 2021.
- (b) Details of dues of Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at 31st March, 2021 on account of dispute are given below:

S. N.	Name of Statute	Nature of Dues	Period	Forum where the dispute is pending	Gross Amount due (₹ in Lacs)	Amount deposited under protest/adjusted by tax authorities (₹ in Lacs)	Amount not deposited (₹ in Lacs)
1.	Central Excise	Excise duty and Penalty	2006-07	High Court, Jodhpur	9.25	9.25	Nil
2.	Customs	Redemption Fine	2009-10	CESTAT, Ahmedabad	0.50	Nil	0.50
Total					9.75	9.25	0.50

- viii. Based on our verification, and according to the information and explanations given by the management, and also considering the relief/moratorium allowed by Reserve Bank of India pursuant to Covid-19 pandemic, the Company has not defaulted in the repayment of loans or borrowings to any banks and financial institutions. The Company did not have any loans or borrowing in respect of Government or dues to debenture holders during the year.

**ANNEXURE 'I'
TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)**

- ix. The Company has not raised any money by way of initial public offer or further public offer. According to the information and explanation given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. The Company has complied with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, accordingly this clause is not applicable
- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S.P. Jhanwar
Partner
Membership No. 074414

Place: Bhilwara
Date : 8th May, 2021

ANNEXURE 'II'

TO THE 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 31st March, 2021 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 IndAS 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.

ANNEXURE 'II' TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 IndAS financial statements were operating effectively as at 31st March, 2021, based on the internal financial controls with reference to IndAS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.P. Jhanwar
Partner
Membership No. 074414

Place: Bhilwara
Date: 8th May, 2021

BALANCE SHEET

AS AT 31ST MARCH, 2021

(₹ in Lacs)

Particulars	Note No.	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	105852.02	113807.89
(b) Capital Work-in-Progress	3	156.78	-
(c) Other Intangible Assets	4	120.74	153.29
(d) Other Non-Current Assets	5	1167.98	1647.30
Total Non-Current Assets (A)		107297.52	115608.48
(2) Current Assets			
(a) Inventories	6	35468.40	26470.28
(b) Financial Assets			
(i) Trade Receivables	7	16584.58	15278.27
(ii) Cash and Cash Equivalents	8	2.06	12.45
(iii) Other Bank Balances	8A	82.76	30.99
(iv) Other Financial Assets	9	91.83	32.38
(c) Current Tax Assets (Net)	10	-	96.06
(d) Other Current Assets	11	8104.92	6997.09
Total Current Assets (B)		60334.55	48917.52
Total Assets (A+B)		167632.07	164526.00
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	12	5622.00	5622.00
(b) Other Equity	13	50712.75	43781.32
Total Equity (A)		56334.75	49403.32
(2) LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	14	56389.36	67632.88
(ii) Other Financial Liabilities	15	-	3.69
(b) Provisions	16	1971.18	1667.32
(c) Deferred Tax Liabilities (Net)	17	5350.95	3327.38
Total Non-Current Liabilities (B)		63711.49	72631.27
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	18	28327.76	28661.35
(ii) Trade Payables	19		
- Due to Micro & Small Enterprises		148.04	48.54
- Due to Others		5328.83	4101.25
(iii) Other Financial Liabilities	20	12559.22	9111.85
(b) Other Current Liabilities	21	705.74	405.35
(c) Provisions	22	159.41	163.07
(d) Current Tax Liabilities (Net)	23	356.83	-
Total Current Liabilities (C)		47585.83	42491.41
Total Liabilities (B+C)		111297.32	115122.68
Total Equity and Liabilities (A+B+C)		167632.07	164526.00
Significant Accounting Policies	1		
Disclosures and Additional Informations	31-44		

In terms of our report of even date

For and on behalf of the Board

For KALANI & CO.

Chartered Accountants

(Firm Reg. No. 000722C)

R. L. NOLKHA

Chairman

(DIN - 00060746)

DINESH NOLKHA

Managing Director

(DIN - 00054658)

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: 08.05.2021

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lacs)

Particulars	Note No.	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
I Revenue from Operations	24	162441.22	143806.11
II Other Income	25	189.93	212.79
III Total Income (I+II)		162631.15	144018.90
IV Expenses			
Cost of Materials Consumed	26	97190.93	92193.07
Purchase of Stock in Trade		-	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	27	(2560.42)	(218.16)
Employee Benefits Expense	28	11177.71	9432.90
Finance Cost	29	6160.71	5555.72
Depreciation & Amortisation Expense	2,4	9103.28	8069.57
Other Expenses	30	30907.08	25421.33
Total Expenses (IV)		151979.29	140454.43
V Profit before Exceptional Items & Tax		10651.86	3564.47
VI Exceptional Items		-	-
VII Profit/(Loss) Before Tax (V-VI)		10651.86	3564.47
VIII Tax Expenses			
1. Current Tax (Net of Mat Credit)		-	-
2. Earlier Year		-	(44.24)
3. Deferred Tax		3764.67	1226.99
IX Profit/(Loss) for the year from Continuing Operations After Tax (VII-VIII)		6887.19	2381.72
X Other Comprehensive Income			
1 Items that will not be reclassified to Profit or Loss (Net of Tax)			
Remeasurements of Defined Benefit Plans		129.39	38.71
Income Tax related to Defined Benefit Plans		(45.21)	(13.53)
		84.18	25.18
2 Items that will be reclassified to profit or loss (Net of Tax)			
Change in Fair Value of Effective portion of Cash Flow Hedge		456.98	(629.99)
Tax on Cash Flow Hedge Recognised during the year		(159.60)	220.14
		297.38	(409.85)
Total Other Comprehensive Income for the year, net of Income Tax		381.56	(384.67)
XI Total Comprehensive Income for the period (IX+X)		7268.75	1997.05
XII Earning Per Equity Share (Rupees per Share)			
(1) Basic		12.25	4.24
(2) Diluted		12.25	4.24
Significant Accounting Policies	1		
Disclosures and Additional Informations	31-44		

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

R. L. NOLKHA
Chairman
(DIN - 00060746)

P. MAHESHWARI
Chief Financial Officer
(PAN - ABAPM8005C)

DINESH NOLKHA
Managing Director
(DIN - 00054658)

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

Place : Hamirgarh, Bhilwara
Date: 08.05.2021

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	(₹ in Lacs)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Exceptional Items	10651.86	3564.47
Adjustments for :-		
Depreciation	9103.28	8069.57
Interest Expenditure	6160.71	5555.72
Loss/ (Profit) on sale of Property, Plant & Equipment	(45.52)	(25.08)
Actuarial (loss)/gains on Defined Benefit Obligations	129.39	38.71
Operating Profit Before Working Capital Changes (1)	25999.72	17203.39
Adjustments for :-		
Decrease/(Increase) Inventories	(8998.12)	(3687.74)
Decrease/ (Increase) Trade Receivables	(1306.31)	(3205.73)
Decrease/ (Increase) Other Current & Non Current Assets	(677.07)	(767.03)
Increase/(Decrease) Current & Non Current Liabilities	2077.89	1288.99
Total Adjustments (2)	(8903.61)	(6371.51)
Cash Generated from Operations (1-2)	17096.11	10831.88
Less : Taxes Paid	1609.07	1012.87
Net Cash Generated from Operating Activities (A)	15487.04	9819.01
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & Equipment	(1189.33)	(69694.20)
Capital WIP including Capital Advances	(52.95)	47978.36
Receipts of Capital Subsidy	23.06	-
Sale of Property, Plant & Equipment	96.93	44.18
Net Cash Generated/(Used) in Investing Activities (B)	(1122.29)	(21671.66)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from /(Repayment) of Short Term Borrowing (Net)	(333.59)	10117.99
Proceeds from Long Term Borrowings	218.00	12204.37
Repayment of Long Term Borrowings	(7761.52)	(4329.35)
Interest Paid	(6160.71)	(5555.72)
Dividend Paid	(337.32)	(702.75)
Tax on Dividend Paid	-	(144.45)
Net Cash Generated/(Used) From Financing Activities (C)	(14375.14)	11590.09
Net Increase / (Decrease) in Cash & Cash Equivalent (A+B+C)	(10.39)	(262.56)
Opening Balance of Cash & Cash Equivalent	12.45	275.01
Closing Balance of Cash & Cash Equivalent	2.06	12.45

In terms of our report of even date

For and on behalf of the Board

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

R. L. NOLKHA
Chairman
(DIN - 00060746)

DINESH NOLKHA
Managing Director
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Partner
M. No. 074414

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Chief Financial Officer
(PAN - ABAPM8005C)

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

Place : Hamirgarh, Bhilwara
Date: 08.05.2021

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity Share Capital

(₹ in Lacs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	(₹ in Lacs)	Number	(₹ in Lacs)
Equity Share Capital				
Balance at the beginning of reporting period	56220000	5622.00	56220000	5622.00
Add: Shares issued during the year	-	-	-	-
Balance at the closing of reporting period	56220000	5622.00	56220000	5622.00

B. Other Equity

(₹ in Lacs)

Particulars	Reserves & Surplus				Other Reserves	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earning	Effective Portion of Cash Flow Hedge Reserve	
Balance as at 1st April, 2019	150.00	13727.12	5000.00	23609.07	145.28	42631.47
Profit for the year ended 31 st March, 2020				2381.72		2381.72
Other Comprehensive Income/ (Expenses) (OCI)						
(a) Remeasurement of Defined Benefit obligation (Net of Tax)				25.18		25.18
(b) Adjustment for Effective portion of Cash Flow Hedge (Net of Tax)					(409.85)	(409.85)
Dividends (Including Dividend Tax)				(847.20)		(847.20)
Securities Premium						-
Transfer to General Reserve						-
Balance as at 31st March, 2020	150.00	13727.12	5000.00	25168.77	(264.57)	43781.32
Profit for the year ended 31 st March, 2021				6887.19		6887.19
Other Comprehensive Income/ (Expenses) (OCI)						
(a) Remeasurement of Defined Benefit obligation (Net of Tax)				84.18		84.18
(b) Adjustment for Effective portion of Cash Flow Hedge (Net of Tax)					297.38	297.38
Dividends (Including Dividend Tax)				(337.32)		(337.32)
Security Premium						-
Transfer to General Reserve						-
Balance as at 31st March, 2021	150.00	13727.12	5000.00	31802.82	32.81	50712.75

In terms of our report of even date

For and on behalf of the Board

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

R. L. NOLKHA
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Chief Financial Officer
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SUDHIR GARG
Company Secretary & General Manager (Legal)
(PAN - ABBPK6037F)

Place : Hamirgarh, Bhilwara

Date: 08.05.2021

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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/ materialised.

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 Company and the cost of the item can be measured reliably.

Items of Property, Plant and Equipment are measured at Cost less Accumulated Depreciation/Amortisation and Accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes &

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 capitalised.

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 unamortised depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalised 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 recognised at cost. Subsequent measurement is done at cost less accumulated amortisation 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 capitalised 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 capitalisations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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. Amortisation

Intangible Assets having definite life is amortised 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 capitalised 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. Capitalisation 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 capitalisation.

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 capitalised as Property, Plant and Equipment are carried as inventory.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.

7. Cash and Cash Equivalent

Cash and cash equivalent in the Balance Sheet comprises Cash at Banks, Cash on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

8. Government Grants

Government grants are 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 1st April, 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 1st April, 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 1st April, 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 "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. Recognise 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 realisable 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 amortised 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.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 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 utilised. 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.

Additional Income Taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 recognises 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 recognises 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 amortised 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 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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 amortisation, 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 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 recognizing 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 recognises 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 amortised cost using the effective interest method. Amortised 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

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 amortised to Statement of Profit and Loss over the period of maturity.

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. If the expenditure is of such nature, which may give rise to a capital asset, the same is recognised in the Balance Sheet as "CSR Assets" under respective head of Property, Plant & Equipment.

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 amortised 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,

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

3. Provisions and Contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by management regarding the probability of exposure to potential loss. In case of change in the circumstances the following unforeseeable developments, the likelihood could alter.

4. Estimation of uncertainties relating to the Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to

COVID-19 on the carrying amounts of receivables, and inventory. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Carrying Amount		Depreciation/Amortisation		Net Carrying Amount	
	As at 1 st April, 2020	As at 1 st April, 2020	For the Year	Deduction	As at 31 st March, 2021	As at 31 st March, 2020
Tangible Assets						
Free Hold Land	877.93	28.66	-	-	906.59	877.93
Lease Hold Land	135.06	-	1.31	-	129.08	130.39
Buildings	31582.58	391.24	1080.26	-	28394.76	29083.78
Plant & Machinery	98809.50	693.54	7414.43	120.18	72637.59	79420.78
Electric Installations	3512.89	3.37	326.12	-	2457.48	2780.33
Furniture & Fixtures	1146.71	30.32	110.48	-	933.41	1013.57
Office Equipments	405.18	31.06	84.32	-	217.33	270.78
Vehicles	373.12	5.80	45.09	28.12	172.40	223.57
Right of Use- Building	10.14	-	3.38	-	3.38	6.76
Total	136853.11	1183.99	222.77	148.30	31962.31	113807.89
Previous Year	67390.86	69540.95	8038.48	59.60	23045.22	52324.52

2.1 All Property, Plant and Equipments mentioned above (except PPE under CSR and Right of Use - Building) having net block of ₹ 105389.43 Lacs (Previous Year - ₹ 113330.62 Lacs) are held as security towards Borrowings as specified in Note 14

2.2 Deduction in Plant & Machinery include ₹ 23.06 Lacs (Previous Year - ₹ Nil) received as Capital Subsidy from Government of Rajasthan under Rajasthan Investment Promotion Scheme for Installation of Zero Liquid Discharge Effluent Treatment Plant.

2.3 Details of Property, Plant and Equipment under CSR included in above are as follows:

Particulars	Gross Carrying Amount		Depreciation/Amortisation		Net Carrying Amount	
	As at 1 st April, 2020	As at 31 st March, 2021	For the Year	Deduction	As at 31 st March, 2021	As at 31 st March, 2020
Lease Hold Land	135.06	135.06	1.31	-	129.08	130.39
Building	298.26	298.26	4.72	-	287.63	292.35
Electric Installation	26.42	26.42	2.51	-	20.31	22.82
Furniture & Fixtures	29.45	29.45	2.76	-	22.19	24.95
Total	489.19	489.19	11.30	-	29.98	470.51
Previous Year	352.16	489.19	11.12	-	470.51	344.60

2.4 Information regarding Historical cost of Property, Plant and Equipment based on the previous GAAP prior to date of transition to Ind AS is as follows:

Particulars	Free Hold Land		Lease Hold Land		Buildings		Plant & Machinery		Electric Installation		Furniture & Fixtures		Office Equipments		Vehicles		Right of Use Building		Total
	As at 1 st April, 2020	As at 31 st March, 2021	As at 1 st April, 2020	As at 31 st March, 2021	As at 1 st April, 2020	As at 31 st March, 2021	As at 1 st April, 2020	As at 31 st March, 2021	As at 1 st April, 2020	As at 31 st March, 2021	As at 1 st April, 2020	As at 31 st March, 2021	As at 1 st April, 2020	As at 31 st March, 2021	As at 1 st April, 2020	As at 31 st March, 2021			
Gross Block as on 1st April, 2020	877.93	135.06	33785.30	119176.29	4757.15	1192.16	499.51	436.06	10.14	160869.60									
Addition during the year 2020-21	28.66	-	391.24	693.54	3.37	30.32	31.06	5.80	-	183.99									
Deduction during the year 2020-21	-	-	-	(521.54)	(1.91)	-	(3.90)	(50.36)	-	(577.71)									
Total Historical Cost as on 31st March, 2021	906.59	135.06	34176.54	119348.29	4758.61	1222.48	526.67	391.50	10.14	161475.88									

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NOTE 3 : CAPITAL WORK IN PROGRESS

Particulars	(₹ in Lacs)				
	As at 1 st April, 2020	Addition	Deduction/ Adjustments	Capitalised	As at 31 st March, 2021
Building	-	88.04	-	-	88.04
Electric Installation	-	0.71	-	-	0.71
Plant & Machinery	-	68.03	-	-	68.03
Total	-	156.78	-	-	156.78

NOTE 4 : OTHER INTANGIBLE ASSETS

Particulars	(₹ in Lacs)				Net Carrying Amount	
	As at 1 st April, 2020	Gross Carrying Amount Addition	Deduction	As at 31 st March, 2021	As at 31 st March, 2021	As at 31 st March, 2020
Computer Software	219.87	5.34	-	225.21	120.74	153.29
Total	219.87	5.34	-	225.21	120.74	153.29
Previous Year	66.62	153.25	-	219.87	153.29	31.13

NOTE 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	(₹ in Lacs)	
	Computer Software	Computer Software
Gross Block as on 1st April, 2020	227.84	227.84
Addition during the year 2020-21	5.34	5.34
Deduction during the year 2020-21	-	-
Total Historical Cost as on 31st March, 2021	233.18	233.18

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

NOTE 5 : OTHER NON CURRENT ASSETS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Security Deposits	884.92	1222.31
Deferred Transaction Cost	125.25	163.35
Capital Advances	157.81	261.64
Total	1167.98	1647.30

NOTE 6 : INVENTORIES

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Raw Material	23339.65	17023.49
Work-In-Process	3381.38	2962.61
Finished Goods	7506.39	5364.74
Stores and Spares	718.06	772.94
Fuel	522.92	346.50
Total	35468.40	26470.28

NOTE 6.1 : Inventory has been valued as per the Accounting Policy

NOTE 6.2 : RAW MATERIAL CONSIST OF

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Cotton	22182.45	16513.06
Yarn	321.75	68.01
Polyster	573.80	147.91
Dyes & Chemical	261.65	294.51
Total	23339.65	17023.49

NOTE 6.3 : FINISHED GOODS CONSIST OF

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Yarn	3959.41	2556.64
Fabric	3112.10	2579.26
Saleable Waste	434.88	228.84
Total	7506.39	5364.74

NOTE 7 : CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Considered Good	-	-
Unsecured		
Considered Good	16152.00	15278.27
Receivables having Significant Increase in Credit Risks	865.16	-
Less : - Provision for Doubtful Debts	432.58	-
Net	432.58	-
Total	16584.58	15278.27

Note 7.1 : Ageing and other information has been depicted in Note no. 38

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

NOTE 8 : CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Cash in Hand	1.95	9.64
Balance with Banks in :		
Current Accounts	0.11	2.81
Total	2.06	12.45

NOTE 8A : CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unclaimed Dividend Accounts	31.36	30.99
Fixed Deposits	51.40	-
Total	82.76	30.99

1) The yearwise details of Unclaimed Dividend is given in Note No. 43.

2) Fixed Deposits are maturing within 12 months and pledged with bank as margin against opening of Letter of Credit.

NOTE 9 : OTHER CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Derivative Assets (Net)	50.45	-
Advances to Employees	41.38	32.38
Total	91.83	32.38

NOTE 10 : CURRENT TAX ASSETS

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advance Income Tax (Net)	-	96.06
Total	-	96.06

NOTE 11 : OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advances to Suppliers	1165.99	925.38
Prepaid Expenses	188.42	115.27
Amount Receivable under TUFS /RIPS	4133.79	2992.15
Income Tax Refundable	118.26	2.22
VAT & GST Credit Receivables	1725.41	2243.57
GST Refundable	523.69	435.89
Other Receivables*	249.36	282.61
Total	8104.92	6997.09

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

EQUITY & LIABILITIES

EQUITY

NOTE 12 : SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Authorised :		
6,00,00,000 (Previous Year : 6,00,00,000)	6000.00	6000.00
Equity Shares of ₹ 10/- Each		
Total	6000.00	6000.00
Issued, Subscribed & Fully Paid up :		
5,62,20,000 (Previous Year : 5,62,20,000)	5622.00	5622.00
Equity Shares of ₹ 10/- Each fully paid up ranking pari passu		
Total	5622.00	5622.00

a. Details of Shareholders holding more than 5% Shares are as under :

Name of Shareholders	No. of Shares (% of Holding)	No. of Shares (% of Holding)
Redial Trading & Investment Private Limited	17850000 (31.75%)	17758000 (31.59%)
Ratan Lal Nolkha	6150000 (10.94%)	6130000 (10.90%)
Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Small Cap Fund	1255762 (2.23%)	3689000 (6.56%)

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	56220000	56220000
Add : Shares issued during the year	-	-
Equity Shares at the end of the year	56220000	56220000

c. The Company has not issued, any Shares pursuant to contract without payment being received in Cash, Bonus Shares and has not bought back any Shares

d. Terms and Rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. The holders of the Equity Shares are entitled to dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

NOTE 13 : OTHER EQUITY

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital Redemption Reserve	150.00	150.00
Securities Premium	13727.12	13727.12
General Reserve	5000.00	5000.00
Other Reserve - Cash Hedge Reserve	32.81	(264.57)
Retained Earnings	31802.82	25168.77
Total	50712.75	43781.32

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

NOTE 13.1 : PARTICULAR OF OTHER EQUITY

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
a. Capital Redemption Reserve		
Opening Balance	150.00	150.00
Additions during the year	-	-
Deductions during the year	-	-
Net Balance	150.00	150.00
b. Securities Premium		
Opening Balance	13727.12	13727.12
Additions during the year	-	-
Deductions during the year	-	-
Net Balance	13727.12	13727.12
c. General Reserve		
Opening Balance	5000.00	5000.00
Additions during the year	-	-
Deductions during the year	-	-
Net Balance	5000.00	5000.00
d. Other Reserve - Cash Hedge Reserve		
Opening Balance	(264.57)	145.28
Additions during the year	297.38	(409.85)
Net Balance	32.81	(264.57)
e. Retained Earnings		
Opening Balance	25168.77	23609.07
Add: Profit for the year	6887.19	2381.72
Less : Allocation / Appropriation		
Dividend Paid	337.32	702.75
Tax on Dividend Paid	-	144.45
Transfer to General Reserve	-	-
Actuarial Loss/(Gain)	(84.18)	(25.18)
Sub Total	253.14	822.02
Net Balance	31802.82	25168.77
Total (a to e)	50712.75	43781.32

NOTE 14 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Term Loans from Banks		
Term Loans from Banks	67835.61	75379.13
Less: Taken to other Current Liabilities being Current Maturities	11446.25	7746.25
Total	56389.36	67632.88

14.1 Security

Term Loans of ₹ 67835.61 Lacs (PY ₹ 75379.13 Lacs) are secured by way of first charge on all immovable and movable Property, Plant & Equipment except PPE under CSR and 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 three executive directors.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

14.2 Terms of Repayment

Term loans of ₹ 7150.00 Lacs in 10 variable quarterly installments upto Sept. 2023, ₹ 15050.00 Lacs in 17 variable quarterly installments upto June 2025, ₹ 44626.94 Lacs in 25 variable quarterly installments upto June 2027 and ₹ 1008.67 Lacs in 11 variable quarterly installments upto Dec. 2023.

NOTE 15 : OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Lease Liability - Building	-	3.69
Total	-	3.69

NOTE 16 : NON CURRENT LIABILITIES - PROVISIONS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Provision for Employee Benefits	1971.18	1667.32
Total	1971.18	1667.32

NOTE 17 : DEFERRED TAX LIABILITY

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
A. Deferred Tax Liability		
- Depreciation	12078.32	10802.52
- Deferred Transaction Cost	43.77	57.08
	12122.09	10859.60
B. Deferred Tax Assets		
- Employee Benefits Expenses	940.81	679.88
- Unabsorbed Depreciation	145.78	2908.90
	1086.59	3588.78
Total (A-B)	11035.50	7270.82
Less : MAT Credit Entitlement	5760.92	3801.46
Add : Deferred Tax related to OCI	76.37	(141.98)
C. Deferred Tax Liability (Net)	5350.95	3327.38

NOTE 17.1 : Further information has been disclosed in Note No. 32

NOTE 18 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Working Capital Loan from Banks (Secured)	28227.76	28586.35
Loan from Corporates (Unsecured)	100.00	75.00
Total	28327.76	28661.35

18.1 Security

Working capital loans of ₹ 28227.76 Lacs (PY ₹ 28586.35 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 PPE under CSR and 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 three executive directors.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Note 18.2 : Terms of Repayment

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

NOTE 19 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
For Goods Purchased		
Due to Micro & Small Enterprises	148.04	48.54
Due to Others	1885.66	2215.45
For Services & Others		
Due to Micro & Small Enterprises	-	-
Due to Others	3443.17	1885.80
Total	5476.87	4149.79

19.1 Disclosure related to Micro, Small & Medium Enterprises

- A. Trade Payables include Principal amount ₹ 148.04 Lacs (Previous Year ₹ 48.54 Lacs) and Interest amount ₹ Nil (Previous Year ₹ Nil) due to Micro, Small & Medium Enterprises as at 31st March, 2021. 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 accountig 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 20 : OTHER CURRENT FINANCIAL LIABILITY

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Derivative Liability (Net)	-	406.54
Current Maturities of Long Term Debt	11446.25	7746.25
Interest accrued but not due on Borrowings	-	73.05
Unclaimed Dividend	31.36	30.99
For Capital Goods		
Due to Micro & Small Enterprises	-	-
Due to Others	0.40	203.71
Current Lease Liability	3.69	3.34
Security Deposit	16.99	9.29
Other Payable	1060.53	638.68
Total	12559.22	9111.85

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

NOTE 21 : OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advances From Customers	433.00	154.26
Statutory Dues	235.00	197.80
Security Deposit	37.74	53.29
Total	705.74	405.35

NOTE 22 : CURRENT LIABILITIES - PROVISIONS

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for Employee Benefits	159.41	163.07
Total	159.41	163.07

NOTE 23 : CURRENT TAX LIABILITIES

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for Tax (Net)	356.83	-
Total	356.83	-

NOTE 24 : REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Revenue from Contract with Customers		
Sale of Products		
Yarn	108136.66	104058.87
Fabrics	42230.57	27709.38
Others	10497.44	10557.58
Sale of Services	0.89	2.51
Other		
Foreign Exchange Fluctuation (Net)	1575.66	1477.77
Total	162441.22	143806.11

NOTE 25 : OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest Received	115.40	172.21
Insurance Charge Collected	22.61	14.96
Profit on Sale of Property, Plant and Equipments	45.52	25.08
Miscellaneous Income	6.40	0.54
Total	189.93	212.79

NOTE 26 : COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Stock at Opening		
Cotton	16513.06	16227.84

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Yarn	68.01	239.69
Polyster	147.91	66.86
Dyes & Chemical	294.51	10.87
Total (A)	17023.49	16545.26
Add : Purchases & Expenses		
Cotton	96890.09	96360.79
Yarn	1822.51	950.06
Polyster	3097.30	2937.84
Grey Fabric	-	37.27
Dyes & Chemical	1697.19	860.91
Total (B)	103507.09	101146.87
Total (A+B)	120530.58	117692.13
Less : Stock at Closing		
Cotton	22182.45	16513.06
Yarn	321.75	68.01
Polyster	573.80	147.91
Dyes & Chemical	261.65	294.51
Total (C)	23339.65	17023.49
Total (A+B-C)	97190.93	100668.64
Less: Consumption Transferred to Trial Period Income & Expenditure	-	8475.57
Net Consumption	97190.93	92193.07

NOTE 27 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Stock at Closing		
Finished Goods	7506.39	5364.74
Work-In-Progress	3381.38	2962.61
Total	10887.77	8327.35
Stock at Opening		
Finished Goods	5364.74	3021.74
Work-In-Progress	2962.61	1869.98
Total	8327.35	4891.72
(Increase)/Decrease in Stocks	(2560.42)	(3435.63)
Less: Transferred to Trial Period Income & Expenditure	-	3217.47
(Increase)/Decrease in Stocks	(2560.42)	(218.16)

NOTE 28 : EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Salary & Wages	9291.94	7731.17
Contribution to Provident and Other Funds	825.29	711.23
Gratuity and Leave Encashment Expenses	497.10	578.03
Staff Welfare Expenses	563.38	412.47
Total	11177.71	9432.90

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

NOTE 29 : FINANCE COST

Particulars	(₹ in Lacs)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Interest Expenses		
On Term Loans	3270.37	2777.38
On Others	2453.52	2345.74
	5723.89	5123.12
Other Borrowing Costs	436.82	432.60
Total	6160.71	5555.72

NOTE 30 : OTHER EXPENSES

Particulars	(₹ in Lacs)	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
(a) Manufacturing Expenses		
Power & Fuel	17857.12	16272.20
Stores & Spares Consumed	3429.58	2961.19
Packing Expenses	1891.76	1837.05
Job Charges Paid	0.37	1.90
Repair to :-		
Machinery	110.86	118.80
Building	61.71	42.66
Others	67.61	23.14
Total (a)	23419.01	21256.94
(b) Administrative and Other Expenses		
Printing & Stationary	33.85	33.24
Postage & Communication	26.34	27.42
Subscription & Membership Fees	4.03	8.40
Director's Sitting Fee	8.40	8.40
Rates & Taxes	19.49	29.39
Listing Expenses	7.81	7.83
Travelling Exp - Directors	1.43	10.29
- Others	11.75	33.21
Vehicle & Conveyance	146.56	140.95
Charity & Donation	6.24	1.64
CSR Expenditure	143.16	24.33
Legal & Professional	22.44	41.27
Insurance Charges	278.75	137.36
Payment to Auditors	12.36	11.41
Cost Audit Fees	0.50	0.50
Advertisement	9.23	12.50
Software Expenses	45.52	25.23
Provision for Doubtful Debts	432.58	-
Miscellaneous Expenses	8.12	11.07
Total (b)	1218.56	564.44
(c) Selling and Distribution Expenses		
Sales Promotion Expenses	59.63	50.73
Sales Commission	1866.32	1385.72
Rebate, Claims & Discount	224.90	184.55

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Freight & Forwarding	4115.38	1969.21
Hank Yarn Obligation Expenses	3.28	9.74
Total (c)	6269.51	3599.95
Total (a to c)	30907.08	25421.33

NOTE 30.1 : PAYMENT TO AUDITORS

(₹ in Lacs)		
Particulars	Current Year	Previous Year
Audit Fees	10.00	10.00
Tax Audit Fees	1.00	1.00
Legal Services	1.00	-
Certification & Others	0.06	0.03
Reimbursement of Expenses	0.30	0.38
Total	12.36	11.41

NOTE 31 : 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, Vat, Service Tax and Custom Duty	9.75	9.75
b.	Guarantees		
	- Outstanding Bank Guarantees	219.89	219.89
c.	Other money for which the Company is contingently liable		
	- Bills negotiated with Banks (against goods sold under Letter of Credit)	10539.01	5500.38

2. Commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) ₹ 2277.66 Lacs (Previous Year – ₹ 195.09 Lacs).
- b) The Company has an outstanding export obligation of approx. ₹ 69947.97 Lacs (Previous Year – ₹ 98220.51 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, 2027.

NOTE 32 : 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, 2021	For the year ended 31 st March, 2020
Accounting Profit Before Tax	10651.86	3564.47
Tax using Company's Domestic Tax Rate for respective year	3722.19	1245.57
Effect of Non-Deductible Expenses	22.63	(19.28)
Effect of Depreciation	19.85	0.70
Tax in respect of Earlier Years	-	(44.24)
Tax as per Statement of Profit & Loss	3764.67	1182.75

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

(b) Income Tax Expense

i. Income Tax recognised in Statement of Profit and Loss

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
[A] Current Tax Expense:		
Current Year (Net of MAT Credit)	-	-
Adjustment for Earlier Years	-	(44.24)
Total [A]	-	(44.24)
[B] Deferred Tax Expense		
Origination and Reversal of Temporary Differences	3764.67	1226.99
Total [B]	3764.67	1226.99
Total Income Tax [A+B]	3764.67	1182.75

ii. Income Tax recognised in Other Comprehensive Income

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021			For the year ended 31 st March, 2020		
	Before Tax	Tax Expenses	Net of Tax	Before Tax	Tax Expenses	Net of Tax
Net Actuarial Gain/ (Losses) on Defined Benefit Plans	129.39	45.21	84.18	38.71	13.53	25.18
Net Gain/ (Losses) on Cash Flow Hedge	456.98	159.60	297.38	(629.99)	(220.14)	(409.85)

(c) Movement in Deferred tax Asset/ Liability

(₹ in Lacs)

Particulars	As at 1 st April, 2020	Recognised in P&L A/c	As at 31 st March, 2021
(A) Deferred Tax Assets			
- Provision for Employee Benefit and Others	679.88	260.93	940.81
- Unabsorbed Depreciation	2908.90	(2763.12)	145.78
Total (A)	3588.78	(2502.19)	1086.59
(B) Deferred Tax Liability			
- Impact of Temporary Difference in Depreciation	10802.52	1275.80	12078.32
- Amortised Value of Financial Assets	57.08	(13.31)	43.77
Total (B)	10859.60	1262.49	12122.09
Net Deferred Tax Liability (B-A)	7270.82	3764.67	11035.50
Add: Deferred Tax Related to OCI	(141.97)	218.34	76.37
	7128.85	3983.01	11111.87
Less: Liability net off through MAT Credit Entitlement	3801.47	1959.45	5760.92
Net Deferred Tax Liability	3327.38	2023.56	5350.95

(d) MAT Credit Available to the Company in future:

(₹ in Lacs)

Financial Years	As at 31 st March, 2021	Available Till
2013-14	190.29	2023-24
2014-15	1126.56	2024-25
2015-16	582.47	2025-26
2016-17	1272.59	2026-27
2019-20	629.56	2034-35
2020-21	1959.45	2035-36
Total	5760.92	

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

(e) Reconciliation of Deferred Tax Liabilities (Net)

(₹ in Lacs)		
Financial Years	2020-21	2019-20
Deferred tax liability at the beginning of the year	3327.38	2991.17
Deferred tax (Income)/ Expenses during the year recognised in the Statement of Profit and Loss	3764.67	1226.99
Deferred tax (Income)/ Expenses during the year recognised in Other Comprehensive Income	218.35	(220.14)
Liability Net off through MAT Credit Entitlement	1959.45	670.64
Deferred tax liability at the end of the year	5350.95	3327.38

NOTE 33 : DISCLOSURE AS PER IND 23 “BORROWING COST”

(₹ in Lacs)		
Particulars	2020-21	2019-20
Amount of Borrowing Cost Capitalised	-	1568.35
Capitalisation Rate	-	9.15%

NOTE 34 : 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 Nolakha	Joint Managing Director
Shri P. Maheshwari	Chief Financial Officer
Shri Sudhir Garg	Company Secretary & GM (Legal)

b. Relatives:-

Name of Person	Relationship
Smt. Sushila Devi Nolkha	Wife of Shri R.L. Nolkha, Mother of Shri Dinesh Nolkha & Shri Nitin Nolakha

c. Related Companies:-

Name of Company	Relationship
Redial Trading & Investment Private Limited	Holding 31.75% shares of the Company

d. Independent Directors:-

Name of Person	Relationship
Shri Y. R. Shah	Independent Director
Shri R. Chattopadhyay	Independent Director
Smt. Aditi Mehta	Independent Director

2. Details of Transactions with related parties:-

(₹ in Lacs)			
S. No.	Nature of Transactions	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
1	Rent Payment		
	Smt. Sushila Devi Nolkha	3.00	3.00
	Redial Trading & Investment Private Limited	0.90	0.90
2	Remuneration to Key Managerial Person		
	Shri R.L. Nolkha	133.33	8715
	Shri Dinesh Nolkha	125.33	77.75
	Shri Nitin Nolakha	118.47	69.49
	Shri P. Maheshwari	31.44	31.44
	Shri Sudhir Garg	20.14	20.14

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

(₹ in Lacs)

S. No.	Nature of Transactions	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
3	Interest Payment on Unsecured Loans		
	Shri R.L. Nolkha	-	3.73
	Shri Nitin Nolakha	-	1.31
	Redial Trading & Investment Private Limited	8.06	3.55
4	Sitting Fees Paid to Independent Director		
	Shri Y. R. Shah	2.40	3.20
	Shri R. Chattopadhyay	3.00	3.00
	Smt. Aditi Mehta	3.00	2.20

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, 2021	For the Year Ended 31 st March, 2020	For the Year Ended 31 st March, 2021	For the Year Ended 31 st March, 2020
1	Shri R. L. Nolkha	-	-	-	150.00
2	Shri Nitin Nolakha	-	-	-	50.00
3	Redial Trading & Investment Private Limited	100.00	75.00	150.00	85.00

NOTE 35 : DISCLOSURE AS PER IND AS 33 "EARNING PER SHARE (EPS)"

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

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
a) Net Profit available to Equity Shareholders	688719	238172
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 ₹)	12.25	4.24
d) Face Value of each Equity Share (In ₹)	10	10

ii. Weighted Average Number of Equity Shares

(₹ in Lacs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Opening Balance of issued Equity Shares	56220000	56220000
Effect of Shares issued during the year	-	-
Weighted Average No. of Equity Shares ₹ 10 each	56220000	56220000

NOTE 36 : DIVIDEND ON EQUITY SHARES

(₹ in Lacs)

Particulars	Year 2020-21	Year 2019-20
(i) Dividend Declared and paid during the year		
Final Dividend for the year ended 31 st March, 2020 of ₹ 0.60 (31 st March, 2019- ₹ 1.25) per fully paid Equity Share	337.32	702.75
Dividend Distribution Tax on Final Dividend	-	144.45
Total	337.32	847.20

(ii) Dividend not recognised at the end of reporting period

In addition to the above dividends, at the year end the Company's Board of Directors have proposed the payment of final

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

dividend of ₹ 1.50 (31st March, 2020- ₹ 0.60) per fully paid Equity Share. This proposed dividend is subject to the approval of the shareholders in Annual General Meeting. The total outgo towards the same will be ₹ 843.30 Lacs.

NOTE 37 : 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 ₹ 639.95 Lacs (Previous Year ₹ 592.31 Lacs).

b) Defined Benefit Plan & Other Long Term Benefits

(i) Gratuity

The Company makes payment to vested employees 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, however the same is not funded to any trust or scheme.

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, 2021		For the year ended 31 st March, 2020	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined Benefit obligation at the beginning of the year	1371.65	432.10	1001.97	274.58
Interest cost	85.88	27.34	76.75	21.03
Current service cost	358.11	174.14	356.03	185.43
Benefits paid	(37.89)	(12.70)	(24.39)	(10.11)
Actuarial (Gain)/Loss on obligation	(129.39)	(148.37)	(38.71)	(38.83)
Present value of obligation at the end of year	1648.36	472.51	1371.65	432.10

(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, 2021		For the year ended 31 st March, 2020	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current service Cost	358.11	174.14	356.03	185.43
Interest Cost	85.88	27.34	76.75	21.03
Net actuarial (gain)/loss recognised in the period	-	(148.37)	-	(38.83)
Expenses recognised in the Profit & Loss statement*	443.99	53.11	432.78	167.63

* Amount of ₹ Nil of Gratuity (Previous Year ₹ 13.30 Lacs) and ₹ Nil of Leave Encashment (Previous Year ₹ 9.08 Lacs) debited to Trial Run Income & Expenditure A/c.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

2. Other Comprehensive Income :-

(₹ in Lacs)

Particulars	Gratuity	
	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
Actuarial (Gain)/Loss for the year on Projected Benefit Obligations	(129.39)	(38.71)
Unrecognised actuarial (Gain)/Loss at the end of the year	(129.39)	(38.71)

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

(₹ in Lacs)

Particulars	Year 2020-21		Year 2019-20	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of obligation as at the end of year	1648.36	472.51	1371.65	432.10
Fair value of Plan Assets	-	-	-	-
Liability Recognised in Balance Sheet	1648.36	472.51	1371.65	432.10

(d). The assumptions used in Actuarial Valuation :-

Financial Assumptions used to determine the Profit & Loss Charge	Year 2020-21	Year 2019-20
a) Discounting Rate	6.76% p.a.	6.76% p.a.
b) Salary Escalation Rate	8.00% p.a.	8.00% p.a.
c) Expected rate of Return on Assets	0.00%p.a.	0.00%p.a.
Demographic Assumptions Used to determine the Defined Benefit		
a) Retirement Age	60 Years	60 Years
b) Mortality Table	100% IALM (2012-2014)	100% IALM (2012-2014)
c) Employee Turnover/Attrition Rate		
18 To 30 Years	3.00%	3.00%
31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%

(e). Sensitivity Analysis as at 31st March, 2021 :-

(₹ in Lacs)

Particulars	Gratuity	Leave Encashment
Defined benefit Obligation - Discount Rate+50 Basis points	(116.31)	(38.28)
Defined benefit Obligation - Discount Rate-50 Basis points	129.98	43.13
Defined benefit Obligation – Salary Escalation Rate+50 Basis points	127.77	42.40
Defined benefit Obligation – Salary Escalation Rate-50 Basis points	(115.55)	(38.04)

(f). Expected Cash Flows for the next ten years as at 31st March, 2021 :-

(₹ in Lacs)

Particulars	Gratuity	Leave Encashment
Within 1 Year	120.33	29.37
1-5 Years	168.28	49.61
Beyond 5 Years but upto 10 Years	1359.75	393.53
Total Expected Payments	1648.36	472.51

(g) 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.

(h) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

NOTE NO.38 - 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 maximise 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, 2021	As at 31 st March, 2020
Gross Debt	96163.37	104040.48
Less: Cash and Cash Equivalents	(2.06)	(12.45)
Net Debt (A)	96161.31	104028.03
Total Equity (B)	56334.75	49403.32
Gearing Ratio (A/B)	1.71	2.11

ii Financial Risk Management

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. The Company's financial risk management is set by the Managing Board.

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

Ageing	Not Due	0-180 days past due	181-365 days past due	1-2 years past due	2-5 years past due	Total
Gross Carrying amount as on 31st March, 2021.	12610.77	3403.21	123.41	879.77	-	17017.16
Impairment loss recognised in 2020-21	-	-	-	432.58	-	432.58
Gross Carrying amount as on 31st March, 2020.	10331.48	4451.74	495.05	-	-	15278.27
Impairment loss recognised in 2019-20	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Hedge Accounting Disclosures

The Cash Flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow reserve will be reclassified to statement of profit and loss only when the hedged transaction affects the profit or loss or included as a basic adjustment to the non financial hedged item.

(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 summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As on 31st March, 2021

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*	4338.12	12657.35	17031.19	40159.93	11746.17	85932.76
Trade and other Payables	5476.87	-	-	-	-	5476.87

As on 31st March, 2020

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*	1717.17	12746.53	17239.99	46327.32	23171.85	101202.87
Trade and other Payables	4149.79	-	-	-	-	4149.79

*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 accessed the following undrawn facilities at the end of reporting period:

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Fixed Rate Borrowings	-	-
Floating-rate Borrowings	7202.24	2123.65
Total- Undrawn Facilities	7202.24	2123.65

(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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.”

i) Interest Rate Risk

It is the risk where changes in market interest rates might adversely affect the Company’s financial condition. The short term/immediate impact of changes in interest rates are on the Company’s net interest income/expenses. On a longer term, change in interest rate impact the cash flows on the assets, liabilities and off-balance sheet items, giving rise to a risk to the net worth of the Company arising out of all reprising mismatches and other interest rate sensitive positions. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. In order to optimise 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:

Particulars	(₹ in Lacs)	
	As at 31 st March, 2021	As at 31 st March, 2020
Variable rate instruments		
Long Term Borrowings	56389.36	67632.88
Current Maturities of Long Term Debts	11446.25	7746.25
Short Term Borrowings	28327.76	28661.35
Total	96163.37	104040.48

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	(₹ in Lacs)	
	50 BP decrease	50 BP increase
31st March, 2021		
Term Loans	339.18	(339.18)
Loan repayable on demand	141.64	(141.64)
Total	480.82	(480.82)
31st March, 2020		
Term Loans	376.89	(376.89)
Loan repayable on demand	143.30	(143.30)
Total	520.19	(520.19)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

ii) Foreign Exchange Risk

It is the risk that the Company may suffer losses as a result of adverse exchange rates movements during a period in which it has an open position in an individual foreign currency. In addition, the Company may also expose to the following risks on account of foreign exchange exposures as applicable.

Interest Rate Risk - Which arises from the maturity mismatches of foreign currency position

Settlement Risk - On account of risk of default of the counter parties.

Exposure to Foreign Currency :

Particulars	[Foreign Currency In Lacs]	
	As at 31 st March, 2021	As at 31 st March, 2020
Exposure on account of Financial Assets		
Trade Receivables (Net of Bill Discounted) (A)		
In US \$	112.36	88.23
In Euro	2.40	2.58
In GBP	-	0.53
In CHF	-	-
Amount hedged through Forward Contracts (B)		
In US \$	112.36	88.23
In Euro	2.40	2.58
In GBP	-	0.50
In CHF	-	-
Net Exposure to Foreign Currency Assets (C = A-B)		
In US \$	-	-
In Euro	-	-
In GBP	-	0.03
In CHF	-	-
Exposure on account of Financial Liabilities		
Trade Payables (D)		
In US \$	4.26	3.05
In Euro	0.22	0.31
In GBP	0.11	0.05
In CHF	0.20	0.42
Amount hedged through Forward Contracts (E)		
In US \$	-	-
In Euro	-	-
In GBP	-	-
In CHF	-	-
Net Exposure to Foreign Currency Liabilities(F = D-E)		
In US \$	4.26	3.05
In Euro	0.22	0.31
In GBP	0.11	0.05
In CHF	0.20	0.42
Net Exposure to Foreign Currency Assets/Liabilities (C-F)		
In US \$	(4.26)	(3.05)
In Euro	(0.22)	(0.31)
In GBP	(0.11)	(0.02)
In CHF	(0.20)	(0.42)

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

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, 2021 is as under :

(₹ in Lacs)

Particulars	Current Year		Previous Year	
	Foreign Currency	INR	Foreign Currency	INR
Forward Contracts Outstanding (For Hedging)				
US \$ (Sale)	458.08	33986.82	241.44	17646.22
EURO (Sale)	5.53	492.39	13.23	1072.74
GBP (Sale)	1.48	150.19	0.50	45.32
Total	465.09	34629.40	255.17	18764.28
Unhedged Forex Exposure				
Payable – US \$	4.26	313.13	3.05	229.94
Payable – EURO	0.22	18.94	0.31	25.75
Payable – GBP	0.11	11.10	0.05	4.65
Payable – CHF	0.20	15.50	0.42	32.84
Total	4.79	358.68	3.83	293.18

Foreign Currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in US \$, 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, 2021	As at 31 st March, 2020
1% Appreciation in INR		
Impact on Equity	3.59	2.93
Impact on P&L	3.59	2.93
1% Depreciation in INR		
Impact on Equity	(3.59)	(2.93)
Impact on P&L	(3.59)	(2.93)

NOTE 39 - 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 1st April 2018. The Company has adopted the cumulative catch-up transition method, applied to contracts that were not completed as of 1st April, 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 31st March, 2021 by contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2021
Revenues on the basis of Geographical area	
- Domestic Sales	60783.38
- Export Sales (Including Export Incentives)	101657.84
Total	162441.22

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)

Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables either as a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time. This would result in the timing of revenue recognition being different from the timing of billing the customers.

Company classifies amount received as advance from customers against sales as contract liability.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended 31st March 2021, the Company recognises revenue of ₹ 154.26 Lacs arising from opening contract liabilities as of 1st April, 2020.

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, 2021 is ₹ 433.00 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 31st March, 2021 is insignificant.

NOTE 40 - DISCLOSURE AS PER IND AS 108 "OPERATING SEGMENTS"

(i) 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:

Particulars	(₹ in Lacs)	
	Current Year	Previous Year
Segment Revenue		
- Within India (Domestic Sales)	60783.38	65489.00
- Outside India (Exports - Including Export Incentives)	101657.84	78317.11
Total	162441.22	143806.11

NOTE 41 - 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.

A. Gross amount required to be spent by the Company during the year 2020-21 – ₹ 136.25 Lacs (Year 2019-20 - ₹ 159.52 Lacs)

B. Amount spent during the year on:

Particulars	(₹ in Lacs)	
	Year 2020-21	Year 2019-20
i) Construction/ Acquisition of any assets	-	137.03
ii) Insurance expenses of assets	-	0.24
iii) Purposes other than (i) above	143.16	24.09
Total	143.16	161.36

NOTE 42 - DISCLOSURE AS PER IND AS 116: LEASES

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March, 2019 have not been retrospectively adjusted

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021 (Contd.)

and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31st March, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 10.14 Lacs and a lease liability of ₹ 10.14 Lacs. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 10% p.a.

Following are the changes in the carrying value of right of use assets for the year ended 31st March, 2021:

Particulars	Right to Use Assets		
	Building	Land	Total
Balance as at 1 st April, 2020	6.76	-	6.76
Reclassified on account of adoption of Ind AS 116	-	-	-
Additions*	-	-	-
Deletion	-	-	-
Depreciation	3.38	-	3.38
Balance as at 31st March, 2021	3.38	-	3.38

* The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at 31st March, 2021

Particulars	Amount
Lease liability as on 31 st March, 2021	
Current Lease Liability	3.69
Non Current Lease Liability	-
Total	3.69

The following is the movement in lease liabilities during the year ended 31st March, 2021:

Particulars	For the year ended 31 st March, 2021
Balance at the beginning	7.03
Additions	-
Finance cost accrued during the period	0.56
Deletions	-
Payment of lease liabilities	3.90
Translation Difference	-
Balance at the end	3.69

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021 (Contd.)**

Maturity Analysis of Lease Liability

(₹ in Lacs)	
Maturity Analysis- Contractual undiscounted cashflows	As at 31st March, 2021
Less than one year	3.69
One to Two years	-
Amount Recognised in Profit and Loss	

(₹ in Lacs)	
Particular	2020-21
Interest on lease liabilities	0.56
Amortisation	3.38
Variable lease payments not included in measurement of lease liabilities	-
Income from sub-leasing right of use assets	-
Expenses related to short term leases	-
Expenses related to leases of low value assets, excluding short term leases of low value assets	-
Total	3.94

NOTE 43 : 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, 2021	As at 31 st March, 2020
Unclaimed Dividend Accounts		
- Year 2013-14	4.62	4.62
- Year 2014-15	4.30	4.39
- Year 2015-16	5.22	5.28
- Year 2016-17	4.97	5.43
- Year 2017-18	6.95	7.65
- Year 2018-19	3.62	3.62
- Year 2019-20	1.68	-
	31.36	30.99

NOTE 44 : RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to existing standards. There is no such notification which would be applicable from 1st April, 2021.

In terms of our report of even date

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

S. P. JHANWAR
Partner
M. No. 074414

Place : Hamirgarh, Bhilwara
Date: 08.05.2021

For and on behalf of the Board

R. L. NOLKHA
Chairman
(DIN - 00060746)

P. MAHESHWARI
Chief Financial Officer
(PAN - ABAPM8005C)

DINESH NOLKHA
Managing Director
(DIN - 00054658)

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



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