



# Annual Report

## 2014-15



Passion for  
**Excellence**

**NITIN SPINNERS LTD.**

# FINANCIAL HIGHLIGHTS

₹ in Crores

	2014-15	2013-14	2012-13
Turnover	616.47	488.34	446.05
Exports	392.18	332.05	340.90
PBIDT	104.30	94.27	87.53
PBDT	81.69	76.82	60.22
PAT	40.96	34.78	14.14
EPS Rs	8.94	7.59	3.09
Cash EPS Rs	17.82	16.76	13.14
Gross Fixed Assets	621.13	378.71	377.17
Net Fixed assets	416.74	191.21	212.98
Equity Share Capital	45.83	45.83	45.83
Reserves and Surplus	121.17	85.72	54.96
Net Worth	167.00	131.55	100.79

**BOARD OF DIRECTORS**

<b>Shri R. L. Nolkha</b>	<i>Chairman &amp; Managing Director</i>
<b>Shri Dinesh Nolkha</b>	<i>Managing Director</i>
<b>Shri Bhagwan Ram</b>	
<b>Shri Y. R. Shah</b>	
<b>Shri Nitin Nolkha</b>	<i>Executive Director</i>
<b>Dr. R. Chattopadhyay</b>	
<b>Smt. Aditi Mehta</b>	

**Bankers**

Punjab National Bank  
 Oriental Bank of Commerce  
 State Bank of India  
 Syndicate Bank  
 Bank of Baroda  
 State Bank of Bikaner & Jaipur  
 UCO Bank  
 Indian Overseas Bank  
 IDBI Bank Ltd  
 ICICI Bank Ltd.

**Auditors**

M/s. R. S. Dani & Co.  
 Chartered Accountants  
 Bhilwara

**Company Secretary & GM (Legal)**

Shri Sudhir Garg

**Key Executives**

1. Sh. Sandeep Garg, President (Operations)
2. Sh. P. Maheshwari - Chief Financial Officer
3. Sh. Umesh Toshniwal - Vice President (Mktg.)
4. Sh. K.L. Pareek - Sr. General Manager ( P & A)
5. Sh. Tarun Sahu - Sr. General Manager (Engg.)

**Registered Office & Works**

16-17 Km. Stone,  
 Chittor Road, Hamirgarh  
 Bhilwara - 311 025 (Rajasthan)  
 CIN-L17111RJ1992PLC006987  
 Telephone 01482-286110-113 • Fax 01482-286117  
 E-Mail – nsl@nitinspinners.com  
 Website – www.nitinspinners.com

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## CHAIRMAN'S LETTER



Dear Shareholders,

It is great pleasure to share with you the progress and prospects of your Company.

During the Year 2014-15 the company achieved remarkable growth in Turnover, Operating profits and Net profits. The company recorded sales of Rs 616 Crores against last year 488 crores, achieving a growth of 26 %. The EBIDTA also increased by 24% from Rs 84.27 Crores in previous year to Rs 104.30 Crores during current year. Net Profits also increased from Rs 34.78 Crores to Rs 40.96 Crores. I am pleased to inform that Board of Directors have recommended a dividend of Rs 1.00 per Equity Share against last year Rs 0.75.

The financial figures are all the more notable against the backdrop of challenging market scenario for cotton textiles industry. There was steep fall in prices of Cotton due to higher production and change in procurement policies of Chinese Government. Cotton Yarn prices were also reduced sharply as a result of slump in cotton prices and subdued demand from International markets, affecting turnover and profitability margins. Despite of the challenges, your Company has achieved growth in turnover as well as profitability during the year as a result of increase in volumes, focus on niche and value added products and exploring new markets.

I am also pleased to share about successful implementation of Expansion project of Spinning and knitting during the year .The Company has successfully implemented expansion project for installation of 72480 Spindles and 19 Knitting Machines at cost of Rs. 281 Crores against envisaged project cost of Rs. 286 Crores and commercial production on expanded capacity commenced w.e.f. 09.02.2015 against projected date of 31.03.2015. The investment in the project is eligible for Interest subsidy and other benefits under TUF Scheme of Govt of India and Rajasthan Investment Promotion Investment Scheme of Govt of Rajasthan . After the expansion the production capacity of company increased to 37800 TPA of Cotton yarn and 8600 TPA of knitted fabrics and the company is now equipped to offer broader and diversified range of yarn and knit Fabrics to the customers and enhance its market share. The production on expanded capacity is reaching at its optimum levels and your Company will get full benefits of same in the year 2015-16.

Your Company remains committed to providing quality products, exemplary customer service, achieving business objectives with social responsibility and enhancing stakeholder value. We remain cautiously optimistic on delivering results with improved returns on capital employed. Good Governance has always been a part of our business philosophy and will continue to be so as we move into the future. Your Directors firmly believe in acting with integrity and upholding the highest standard of Corporate Governance.

I would like to thank all our colleagues for their hard work and valued contribution during 2014-15. Together we have much to look forward , as we strive to make our Company even stronger and continue to focus on delivering value to our stakeholders. I also thank all our customers, suppliers, bankers, investors, and last but not the least, all our employees for their hard and sincere work.

With best wishes

**R.L.NOLKHA**

## NOTICE

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Shareholders of **NITIN SPINNERS LIMITED** will be held at the Registered Office of the Company at 16-17 KM. Stone, Chittor Road, Hamirgarh, Bhilwara-311 025 (Rajasthan) on **Friday, the 25<sup>th</sup> September, 2015 at 3.30 P.M.** to transact the following business:-

### Ordinary Business:-

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2015 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 the Statement of Profit and Loss for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2015.
3. To appoint a Director in place of Shri Nitin Nolkha (DIN-00054707), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Statutory Auditors of the Company and to fix their remuneration

### Special Business:-

5. **To consider and if thought fit, to pass, with or without modification(s), 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 (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to any other approvals, if any, Shri R. L. Nolkha (DIN 00060746), Chairman & Managing Director of the Company be and is hereby re-appointed as Executive Chairman of the Company for a further period of 3 (three) years with effect from 1<sup>st</sup> September, 2015 to 31<sup>st</sup> August, 2018 on following revised terms & conditions:-

- I. Basic Salary :** Rs. 3,30,000/- (Rs. Three Lacs Thirty Thousand) per month with an annual increase of Rs 30,000/- (Rs. Thirty Thousand) in the month of September every year.
- II. Commission :** In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission 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 R. L. 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. 10000/- in a year.

### Category "B"

1. **Provident Fund :** Company's contribution to provident fund shall be as per the scheme of our 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 our Company, payable in accordance with the approved fund at the rate of half a months 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. The Company shall bill personal long distance calls.

### Sitting Fee

No sitting fee shall be paid to Sh. R.L. Nolkha, Chairman for attending the Meeting of Board of Directors or any

committee thereof. He shall be liable to retire by rotation.

**FURTHER RESOLVED** that in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013 or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and are hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the above referred terms and conditions of re-appointment of Sh. R.L. Nolkha, Chairman shall be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

**FURTHER RESOLVED** that if in any financial year during the currency of tenure of the Chairman, the Company has no profits or its profits are inadequate the appointee shall be entitled to minimum remuneration by way of Basic Salary, Perquisites, allowances not exceeding the limits specified under para 1 (A) of Section II, Part II of Schedule V to the Companies Act, 2013”

6. **To consider and if thought fit, to pass, with or without modification(s), 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 (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to any other approvals, if any, Shri Nitin Nolkha (DIN 00054707), Executive Director of the Company be and is hereby re-appointed as Executive Director of the Company for a further period of three years with effect from 1<sup>st</sup> October, 2015 to 30<sup>th</sup> September, 2018 on following revised terms & conditions:-

**I. Basic Salary :** Rs.2,25,000/- (Rs. Two Lacs Twenty Five Thousand) per month with an annual increase of Rs. 25,000/- (Rs. Twenty Five Thousand) in the month of October every year.

**II. Commission :** In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission 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 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. 10000/- in a year.

**Category “B”**

1. **Provident Fund :** Company’s contribution to provident fund shall be as per the scheme of our 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 our Company, payable in accordance with the approved fund at the rate of half a month salary for each completed year of service.

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

**Category “C”**

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. The Company shall bill personal long distance calls.

**Sitting Fee**

No sitting fee shall be paid to Sh. Nitin Nolkha, Executive Director for attending the Meeting of Board of Directors or any committee thereof. He shall be liable to retire by rotation.

**FURTHER RESOLVED** that in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013 or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and are hereby authorised to vary or increase the remuneration including

salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the above referred terms and conditions of re-appointment of Sh. Nitin Nolakha, Executive Director shall be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

**FURTHER RESOLVED** that if in any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate the appointee shall be entitled to minimum remuneration by way of Basic Salary, Perquisites, allowances not exceeding the limits specified under para 1 (A) of Section II, Part II of Schedule V to the Companies Act, 2013."

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

**"RESOLVED** that in supersession of the special resolution passed by the members of the Company at the 22<sup>nd</sup> Annual General Meeting held on 11<sup>th</sup> September, 2014 and pursuant to section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the company for borrowing for the purpose of business, from time to time, any sum or sums of money on such terms and conditions with or without security as the Board of Directors may think fit, which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) and being borrowed by the Board at any time shall not exceed in the aggregate at any time Rs. 1000.00 Crores (Rupees One Thousand Crores Only) in Indian Rupees or equivalent thereof in any foreign currency(ies) irrespective of the fact that such aggregate amount of borrowings outstanding at any time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose.

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

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

**"RESOLVED** that in supersession of the special resolution

passed by the members of the Company at the 22<sup>nd</sup> Annual General Meeting held on 11<sup>th</sup> September, 2014 and pursuant to section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or create charge on all or any one or more of the movable/immovable properties or such other assets of the Company, wheresoever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of the lenders to secure any fund based and/or non fund based facilities not exceeding Rs. 1000.00 Crores (Rs. One Thousand Crores only) together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or redemption, cost charge(s) expenses and all other monies payable by the Company to such lenders under the respective loan/other agreement(s) entered/to be entered into between the Company and the lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board".

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

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

**"RESOVLED** that pursuant to Section 148 of the Companies Act, 2013 and rules framed there under the payment of remuneration of Rs. 40,000/- plus applicable Service Tax and reimbursement of out of pocket expenses to M/s. V. K. Goyal & Company, Cost Accountants (Membership No. FCMA : 5928) for conducting Cost Audit of the Company for the Financial Year ending March, 2016 as approved the Board of Director be and is hereby ratified and confirmed"

**By order of the Board of Directors**

Place : Bhilwara

**(Sudhir Garg)**

Date : 25.07.2015

**Company Secretary & GM (Legal)**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. The instrument appointing the Proxy, in order to be effective, must reach to the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.**
2. Corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend the Annual General Meeting.
3. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
4. Members and Proxies attending the meeting are requested to bring their copy of Annual Report and the attendance slip duly filled at the Meeting place.
5. In terms of Articles of Association of the Company, read with section 160 of the Companies Act, 2013, Sh. Nitin Nolakha, Executive Director of the Company, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. In terms of clause 49 of the Listing Agreement the relevant details of Sh. Nitin Nolakha are given in the Corporate Governance Report which forms an integral part of the notice.
6. Pursuant to Section 102 of the Companies Act, 2013, the statement setting out the material facts concerning each item of special business to be conducted at the 23<sup>rd</sup> Annual General Meeting is annexed hereto.
7. The register of Members and Share Transfer Books of the Company shall remain closed from 18<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if approved by the members.
8. The dividend as recommended by the Board, if declared at the meeting, will be paid after 25<sup>th</sup> September, 2015 to those members :-
  - (a) 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 17<sup>th</sup> September, 2015 and
  - (b) whose names appear as Beneficial Owners in the list of Beneficial Owners on 17<sup>th</sup> September, 2015 to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
9. The annual report and the notice of AGM and also the details of unclaimed dividend for the year 2013-14 is available at the website of the Company i.e. [www.nitinspinners.com](http://www.nitinspinners.com). The shareholders are requested to write to the Company/RTA for claiming such dividend.
10. 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, will be available for inspection by the members at the AGM.
11. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day till the date of 23<sup>rd</sup> Annual General Meeting from 10.00 A.M. to 1.00 P.M.
12. The Company has opened account for unclaimed shares with Kotak Securities Ltd. and 2300 equity shares were lying in the account as on 31.03.2015. During the year 2014-15, no claim for transfer of these shares has been received.
13. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their copies of PAN card to their Depository Participants with whom they are maintaining DEMAT Accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
14. Queries, if any, on accounts and operations may please be sent to the

company 7 days in advance of the meeting so that the answers can be made at the meeting.

15. Members are requested to immediately intimate change of address/bank mandate, if any, to the Registrar and Share Transfer Agent or to the Company.
16. As measure of green initiatives, electronic copy of the Annual Report-2015 is being sent to the members whose email IDs are registered with Company/Depository Participant(s) unless any member has requested for a physical copy of the same and in order to receive copies of Annual Reports and other communications through e-mail, members are requested to register their e-mail address with their Depository Participant(s) or with Company by sending e-mail to [investorrelations@nitinspinners.com](mailto:investorrelations@nitinspinners.com)
17. Sh. Manoj Maheshwari, FCS 3355, practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried at the AGM in a fair and transparent manner.

**Voting through electronic means**

- I** In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Ltd. The facility for voting, through ballot paper, will also be made available at the Meeting and the members attending the Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their votes again. The instructions for e-voting are given in the Notice.
- II** The voting period starts at 10.00 A.M on Monday, the 21<sup>st</sup> September, 2015 and ends at 5.00 P.M on Thursday, the 24<sup>th</sup> September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of, Friday, the 18<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**The instructions for members for voting electronically are as under:-  
In case of members receiving e-mail:**

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

**For Members holding shares in Demat Form and Physical Form**

- |     |  |
|-----|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name &amp; address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
|-----|--|





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- DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Institutional shareholders :-

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to helpdesk.evoting@cdslindia.com or you can contact Mr. Sudhir Garg, Company Secretary & GM (Legal), Nitin Spinners Ltd. at 01482-286110 or E-mail Id [sudhirgarg@nitinspinners.com](mailto:sudhirgarg@nitinspinners.com)
- II. A copy of this notice has been placed on the website of the Company and the website of CDSL
- III The scrutinizer, after scrutinizing the votes cast at the meeting (Polling by ballot) and through remote e-voting will not later than two days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- IV The results declared alongwith the consolidated Scrutinizer's Report shall be placed on the Company's website [www.nitinspinners.com](http://www.nitinspinners.com) and on the website of CDSL and shall simultaneously be communicated to the Stock Exchanges.

## ANNEXURE TO NOTICE

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

#### Item No. 5 & 6

The tenure of appointment of Sh. R.L. Nolkha, Chairman & Managing Director is expiring on 31.08.2015 and that of Sh. Nitin Nolkha, Executive Director is expiring on 30.09.2015. The resolution at item no. 5 and 6 seek approval of the members in respect of re-appointment of Sh. R.L. Nolkha, Chairman and Sh. Nitin Nolkha, Executive Director. Sh R.L. Nolkha shall cease to be Managing Director as he is proposed to be appointed as executive Chairman. The Nomination and Remuneration Committee has recommended their re-appointment. In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on July 25, 2015, re-appointed Sh. R.L. Nolkha as Chairman for three years w.e.f. 01.09.2015 and Sh Nitin Nolkha as Executive Director for three years w.e.f. 01.10.2015 on the terms and conditions set out in the resolution. The Board of Directors recommends the Special Resolutions as set out at item no. 5 and 6 of the Notice.

Save and except Sh. R.L. Nolkha and Sh. Nitin Nolkha, being appointees and Sh Dinesh Nolkha being relative of the appointees, to the extent of their shareholding interest in the Company, 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 nos. 5 and 6 of the notice.

The Board of Directors recommends the Special Resolutions as set out at item no. 5 and 6 of the Notice for approval by the shareholders.

#### INFORMATION PURSUANT TO PARA 1(A) OF SECTION II OF PART II OF THE 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 &

Knitted 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 Lacs )

	Financial Year Ended		
	31.03.2015	31.03.2014	31.03.2013
<b>Revenue from Operations</b>	<b>62159.96</b>	<b>48868.78</b>	<b>44605.36</b>
Profit Before interest & Depreciation	10430.65	9428.40	8751.86
Interest	2261.98	1746.35	2730.58
<b>Profit Before Depreciation</b>	<b>8168.67</b>	<b>7682.05</b>	<b>6021.28</b>
Depreciation	2794.00	2486.58	2449.87
Exceptional items	-	-	1473.83
<b>Profit before Tax</b>	<b>5374.67</b>	<b>5195.47</b>	<b>2097.58</b>
Provision for Tax	1278.73	1717.40	683.85
<b>Profit After Tax</b>	<b>4095.94</b>	<b>3478.07</b>	<b>1413.73</b>

##### 4. Export performance and net foreign exchange collaborations:

Export sale of the Company for the year 2014-15 was Rs. 392.18 crores against Rs. 332.05 crores in the year 2013-14.

**5. Foreign investments or collaborations, if any: NIL****II. Information About The Appointee :****1. Background details**

Sh. R. L. Nolkha aged about 69 years is one of the key promoters of the Company. He is Director of the Company since its incorporation and holding 55,50,000 equity shares in the Company as on 30.06.2015. 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 four 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.

Sh. Nitin Nolkha aged about 39 years was appointed Director of the Company on 01.07.1997 and holding 17,10,000 equity shares in the Company as on 30.06.2015. 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 17 years in the Textile Industry.

**2. Past Remuneration and Proposed Remuneration****Sh. R.L. Nolkha :-**

Past Remuneration	Proposed Remuneration
Basic Pay Rs. 2.50 Lacs P.M. with an increment of Rs. 25000/- per annum. Other perquisites as mentioned in the resolution. (From 01.09.2012 to 31.08.2015) Present basic pay is Rs. 3.00 Lacs.	Basic Pay Rs. 3.30 Lacs P.M. with an increment of Rs. 30,000/- per annum. Other perquisites as mentioned in the resolution. (From 01.09.2015 to 31.08.2018)

**Sh. Nitin Nolkha :-**

Past Remuneration	Proposed Remuneration
Basic Pay Rs. 1.00 Lacs P.M. with an increment of Rs. 25000/- per annum. Other perquisites as mentioned in the resolution. (From 01.10.2010 to 30.09.2015) Present basic pay is Rs. 2.00 Lacs.	Basic Pay Rs. 2.25 Lacs P.M. with an increment of Rs. 25000/- per annum. Other perquisites as mentioned in the resolution. (From 01.10.2015 to 30.09.2018)

**3. Recognition or awards**

Sh. R.L. Nolkha is member of various Chamber/Organizations relating to trade and industry and presently he is Chairman of Rajasthan Textile Mills Association. He was Chairman of North India Textile Research Association (NITRA) and Mewar Chamber of Commerce and Industries.

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

**4. Job Profile and his suitability**

Sh. R.L. Nolkha is looking after the overall affairs of the Company subject to superintendence, control and directions of the Board of Directors.

Sh. Nitin Nolkha 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. 45.83 Crores and is listed with two Stock Exchanges i.e. BSE & NSE with approx 14000 shareholders. It is engaged in the business of manufacturing of Cotton Yarn and Knitted Fabric with Turnover of Rs. 616 Crores during the F.Y. 2014-15. Considering the size of the Company and profile of Sh. R.L. Nolkha and Nitin Nolkha, 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 for office premises of Rs. 7500/- P.M. to Sh. R. L. 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 Sh. R. L. Nolkha, Sh. Dinesh Nolkha and Sh. Nitin Nolkha 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. 5374.67 Lacs for the financial year 2014-15 as compared to Profit before Tax of Rs. 5195.47 Lacs in the year 2013-14. During the financial year 2014-15, the Company is having adequate profit. **In the coming years the company may have inadequate profits and therefore these resolutions have been proposed.**

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

The Company has implemented expansion project of Rs. 286 Crores and it is further planning to undertake expansion project of Spinning Unit at an estimated cost of Rs. 300 Crores and it is also taking effective steps to bring down the cost of production and overheads. The Company is hopeful that these measures will yield good returns in future.

**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. 7 & 8**

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

The Company is planning to undertake expansion project of Spinning Unit and it is proposed to be financed through Term Loans from Banks and internal accruals. Hence, increase in borrowings of the Company would necessitate increase of the borrowing limits by authorizing the Board of Directors to borrow moneys which may exceed at any time aggregate of the paid-up capital of the Company and its free reserves, but not exceeding Rs. 1000 Crores (Rs. One Thousand Crores) (in place of existing limit of Rs. 700 Crores) with a matching authorization for creation of charge and/or mortgage over the movable and/or immovable properties of the Company as security. These upward revisions in the borrowing limits and creation of securities by way of charge and/or mortgage would require your approval under the provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 respectively.

None of the Directors /Key Managerial Personnel (KMP) of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item nos. 7 and 8 of the notice.

The Board of Directors recommends the Special Resolutions as set out at item no. 7 and 8 of the Notice.

**Item No. 9**

The Board of Directors on the recommendation of the Audit Committee have appointed, M/s. V. K. Goyal & Company, Cost Accountants, Bhillwara, as Cost Auditors of the Company for the financial year 2015-16. 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. The Board recommends the resolution as an Ordinary Resolution for approval 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 nos. 9 of the notice.

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

**By order of the Board of Directors**

Place : Bhillwara  
Date : 25.07.2015

(Sudhir Garg)  
Company Secretary & GM (Legal)

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors are pleased to present 23rd Annual Report on the business and operations of your Company and the Audited Accounts for the year ended 31st March, 2015.

### FINANCIAL RESULTS

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

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Revenue From Operations	<b>61647.23</b>	48834.02
Gross Profit Before Finance Cost, Depreciation & Exceptional item.	<b>10430.65</b>	9428.40
Finance Cost	<b>2261.98</b>	1746.35
Profit before Depreciation & Exceptional items	<b>8168.67</b>	7682.05
Depreciation	<b>2794.00</b>	2486.58
Exceptional items	-	-
<b>Profit before Taxation</b>	<b>5374.67</b>	5195.47
Provision for Taxation - Current (Net of MAT Credit)	-	262.36
- Deferred Tax	<b>1278.73</b>	1455.04
<b>Net Profit after Tax</b>	<b>4095.94</b>	3478.07
Balance brought forward	<b>4905.47</b>	2185.75
Total balance available for appropriation	<b>9001.41</b>	5663.82
<b>Appropriations :-</b>		
- <b>Proposed Dividend</b>	<b>458.34</b>	343.75
- Tax on Dividend	<b>93.31</b>	58.42
- Transfer to General Reserve	<b>750.00</b>	356.18
Balance Carried to Balance Sheet	<b>7699.76</b>	4905.47

### OPERATIONAL REVIEW

The company has recorded turnover of Rs. 616.47 Crores during the year against Rs. 488.34 Crores in

previous year, an increase of 26.24%. The turnover of Knitted Fabric significantly increased by 70.45% from Rs. 70.15 Crores in the previous year to Rs. 119.57 Crores during the current year. Knitted Fabric turnover constitute 19.40% of the total turnover. The export turnover also reported double digit growth of 18.11% as it has grown from Rs. 332.05 Crores in the previous year to Rs. 392.18 Crores in the current year. The export turnover constitutes 63.62% of the total turnover.

The operating profit (EBIDTA) has increased from Rs. 94.28 Crores in previous year to Rs. 104.30 Crores in current year, registering an increase of 10.63% over previous year. Finally your Company has reported Net Profit (PAT) of Rs. 40.95 Crores against Rs 34.78 Crores in the previous year and out of the Net Profit of current year a sum of Rs 7.50 Crores has been transferred to General Reserves.

The year under review was a challenging year for Textiles Industry specially Cotton Textiles. Raw material Cotton prices fell sharply due to higher production and change in procurement policies of Chinese Government. Cotton Yarn prices were also reduced sharply as a result of slump in cotton prices, subdued demand from International markets, affecting turnover and profitability margins. Your Directors feel pleasure in informing that despite of the challenges, your Company has achieved highest ever turnover as well as profitability during the year under discussions as a result of increase in volumes due to expansion project, focus on niche and value added products and exploring new markets.

### DIVIDEND

In view of the better overall performance, your Directors are pleased to recommend Dividend of 10.00% i.e. Re. 1.00 per Equity Shares on the fully paid-up Equity Shares of Rs. 10/- each for the financial year 2014-15, subject to approval of shareholders at the ensuing Annual General Meeting. The total outgo on this account including Dividend Tax shall be Rs. 551.65 Lacs.

### EXPANSION PROJECT

The Company has successfully implemented expansion project for installation of 72480 Spindles and 19 Knitting Machines at cost of Rs. 281 Crores

against envisaged project cost of Rs. 286 Crores and commercial production on expanded capacity commenced w.e.f. 09.02.2015 against projected date of 31.03.2015. After implementation of this expansion project installed capacity of Company has increased to 150096 Spindles, 2936 Rotors and 49 Knitting Machines. The investments in the project are eligible for Interest subsidy and other benefits under TUF Scheme of Government of India and Rajasthan Investment Promotion Scheme, 2014. The production on expanded capacity is on full swing and your Company will get benefits of expansion for full year in the year 2015-16.

#### **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 has constituted CSR committee on 06.05.2014 and it comprises of Sh. R.L. Nolkha, Chairman & Managing Director, Sh. Dinesh Nolkha, Managing Director, Sh. Y.R. Shah, Independent Director and Smt. Aditi Mehta, Independent Director. In order to make positive contribution for woman empowerment your Company has identified Woman/ Girls Hostel Project at an estimated project cost of Rs. 300 Lacs at Bhilwara. This is long term project and to augment resources for the same, the Company could spend Rs. 23.64 Lacs on CSR Activities during the year against mandated expenditure of Rs. 49.33 Lacs. The shortfall in the expenditure during the current year shall be considered in the next year. The details of CSR activities in the prescribed format are enclosed as **Annexure - I** to this report.

#### **DIRECTORS**

Smt. Aditi Mehta and Dr. R. Chattopadhyay have been appointed Independent Directors for five years at the Annual General Meeting held on 11th September, 2014. The IDBI Bank Ltd. has withdrawn nomination of Sh. S.K. Chaturvedi from the Directorship of the Company and he ceased to be Director of the Company w.e.f. 10.11.2014. The board places on record its sincere appreciation for the valuable contribution made by Shri S.K. Chaturvedi during his tenure of directorship of the company. All the Independent Directors of the Company have given declaration that they are complying with the requirement of section 149(6) of the Companies Act, 2013.

Shri Nitin Nolakha, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Details of the Director seeking re-appointment are provided in the Corporate Governance Report forming part of this report.

#### **AUDITORS**

M/s R. S. Dani & Co., Chartered Accountants and Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Your Directors recommend for their re-appointment.

In pursuance of Section 148 of the Companies Act, 2013, your Directors have re-appointed M/s V. K. Goyal & Company, Cost Accountants, being eligible, to conduct Cost Audit of the Company for the Financial Year 2015-16.

The Board of Directors has re-appointed M/s V.M & Associates, Company Secretaries in Whole-Time Practice, being eligible, to conduct Secretarial Audit for the Financial Year 2015-16 under the provisions of section 204 of the Companies Act, 2013.

#### **SECRETARIAL AUDIT REPORT**

The Board of Directors has appointed M/s V.M & Associates, Company Secretaries in Whole-Time Practice to conduct Secretarial Audit under the provisions of section 204 of the Companies Act, 2013. The Report of Secretarial Auditors is enclosed herewith. The report does not contain any qualification.

#### **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 listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements. Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance and Management Discussions & Analysis have been incorporated in the Annual Report and forms an integral part of the Directors' Report.

#### **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 and wherever required, proper explanation relating to material departures have been given;
- (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 the Companies Act, 2013 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.

#### **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. 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**

A Statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Rule 8 (3) of the Companies (Accounts) Rules, 2014 is enclosed

as **Annexure - II** and forms integral part of this Report.

#### **OTHER DISCLOSURES UNDER COMPANIES ACT, 2013**

##### **i) Number of Board Meetings :**

The Board of Directors met four times in the year 2014-15. The details of the Board Meeting and the attendance of the Directors are provided in the Corporate Governance Report.

##### **ii) Composition of Audit Committee :**

The Board constituted the Audit Committee which comprises of Sh. Y. R. Shah, Chairman, Dr. R. Chattopadhyay and Smt. Aditi Mehta as members. All the recommendations of Audit Committee have been accepted by the Board. More details on the committee are given in the Corporate Governance Report.

##### **iii) Related Party Transactions :**

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Act and Listing Agreement. There is no materially significant related party transaction with Promoters, Directors or Key Management Personnel 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 and Form AOC-2 is enclosed as **Annexure - III**

##### **iv) Loans Guarantees or Investments:**

The Company has not given any Loan, Guarantee and also not made any Investments under the section 186 of the Companies Act, 2013.

##### **v) Fixed Deposits :**

The Company has not accepted or renewed any fixed deposits during the year under review and no fixed deposit is outstanding for payment at the year ended 31st March, 2015.

##### **vi) Comments on Auditors' Reports :**

There is no adverse remark or comments in the Statutory Auditors' & Secretarial Auditors'

Reports and therefore no comment are required in the Directors' Report.

**vii) Vigil Mechanism/ Whistle Blower Policy :**

In pursuance of section 177 (9) of the Companies Act, 2013 and the listing agreement, the Company has in place a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report genuine concern. More details pertaining to the same are given in the Corporate Governance Report.

**viii) Nomination, Remuneration & Evaluation Policy :**

In pursuant to provisions of section 178 of the Companies Act, 2013 and Listing Agreement, the Board of Directors approved Nomination, Remuneration & Evaluation Policy for appointment, remuneration & evaluation of the Directors, Key Management Personnel & Senior Management Personnel. The details of the Nomination and Remuneration committee, Nomination, Remuneration & Evaluation Policy and Annual Evaluation carried out by the Board of Directors are given in the Corporate Governance Report.

**ix) Particulars of Employees & Analysis of Remuneration:**

Particulars of employees and analysis of remuneration as required under section 197 (12) of the Companies Act, 2013 read with Rule

5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure - IV**

**x) Extract of Annual Return :**

The details forming part of the extract of the Annual Return is enclosed as **Annexure V**

**xi) Miscellaneous Disclosures :-**

The Company does not have any subsidiary, joint venture & associate company. The Company has not employed any female and therefore the Disclosure under the Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013 are nil.

**ACKNOWLEDGEMENTS**

Directors wish to express their grateful appreciation for assistance and co-operation received from various Departments of Central & State Governments and Banks during the year under review. Your Directors also wish to place on record their appreciation for the committed services of all the associates, vendors of the Company.

For and on Behalf of the Board of Directors

Place : Bhilwara

**R. L. NOLKHA**

Date : 04.05.2015

*Chairman & Managing Director  
(DIN - 00060746)*

## ANNEXURE - I

## CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR activities of the Company are carried out directly and also through contribution/donation made to such other organization/institution for the activities specified under Schedule VII of the Companies Act, 2013. The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same has been placed at the website of the Company i.e. www.nitinspinners.com under the link "Investor Relations"
2. The Composition of the CSR Committee.	1. Shri R. L. Nolkha, Chairman & Managing Director 2. Shri Dinesh Nolkha, Managing Director 3. Shri Y. R. Shah, Independent Director 4. Smt. Aditi Mehta, Independent Director
3. Average net profit of the company for last three financial years (Amount in Lakhs)	Rs. 2466.61 Lakhs
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) (Amount in Lakhs)	Rs. 49.33 Lakhs
5. Details of CSR spent during the financial year.	
(1) Total amount to be spent for the F.Y.	Rs. 49.33 Lakhs
(2) Amount unspent, if any;	Rs. 25.69 Lakhs
(3) Manner in which the amount spent during the financial year :	Specified as under

S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Cremation of un-identified Dead human bodies	Reducing inequalities faced by socially and economically backward groups	Local Area Bhilwara (Rajasthan)	200000.00	128000.00	128000.00	Implementing Agency (Shree Panchmukhi Muktidham Vikas Samiti, Bhilwara)
2.	Hostel and Institute Building	Promoting Education	Local & Other Area Kota and	750000.00	750000.00	878000.00	Implementing Agency,-Akhil Bhartiya Maheshwari



S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
			Bhilwara (Rajasthan)				Education & Charitable Trust & Bhilwara Chapter of ICSI
3.	Tree Guards	Environmental Sustainability	Local Area Bhilwara (Rajasthan)	100000.00	100000.00	978000.00	Direct
4.	Construction of Drainage System	Rural Development	Local Area Bhilwara (Rajasthan)	1100000.00	1215000.00	2193000.00	Direct
5.	Cotton Development	Rural Development	Local & Other Area Rajasthan	150000.00	150000.00	2343000.00	Implementing Agency - CITI-CDRA
6.	Contribution to PM relief fund	Contribution to PM relief fund	Other Area J.K. Flood relief	21000.00	21000.00	2364000.00	Implementing Agency- Central Government
	Total			2321000.00	2364000.00		

Reasons for not spending 2% of Average Net Profit of last three years are given in the Director's Report.

The CSR Committee is responsible for implementation and monitoring of the CSR Policy in compliance with the CSR objectives and Policy of the Company

**Dinesh Nolkha**  
Managing Director  
(DIN - 00054658)

**R. L. Nolkha**  
Chairman & Managing Director  
(DIN - 00060746)



## ANNEXURE - II

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 Directors' Report for the year ended 31st March, 2015.

**1. Conservation of Energy :** Energy conservation measures taken - The Company gives high priority for conservation of energy in all fields. The Company has taken following measures for energy saving :

- a) As renewable/green energy initiatives, the Company has installed Roof Top Solar Power Plant of 300 KW capacity. The Company is planning to further install Roof Top Solar Power Plant of 1200 KW
- b) In order to save power, the company has used LED Lights in new plant and replaced normal lights with LED Lights in existing plants.
- c) Compressors have been synchronized with close loop method which has improved use of compressors and resulted in reduction of working hours of compressors.
- d) Installed Dry Type Transformers resulted in saving of load losses compared to oil type transformer.

### 2. Total energy consumption and consumption per unit of production

S.No.	Particulars	Current Year	Previous Year
<b>Power &amp; Fuel Consumption</b>			
1.	Electricity		
	(a) Purchased		
	(i) AVVNL/Open Access :		
	Units (in Lacs)	<b>859.95</b>	513.23
	Total Amount (Rs. in Lacs)	<b>4310.56</b>	2143.60
	Cost/Unit (Rs.)	<b>5.01</b>	4.18
	(ii) Solar Roof Top Plant :		
	Units (in Lacs)	<b>0.63</b>	-
	Total Amount (Rs. in Lacs)	<b>3.76</b>	-
	Cost/Unit (Rs.)	<b>5.97</b>	-
	(b) Own Generation		
	(i) Through Coal		

S.No.	Particulars	Current Year	Previous Year
	based TPP		
	Units (in Lacs)	<b>205.40</b>	263.81
	Unit/Per kg of Coal	<b>0.77</b>	0.84
	Cost/Unit (Rs.)	<b>5.22</b>	5.05
	COAL		
	Quantity (Kg. in Lacs)	<b>266.16</b>	313.07
	Total cost (Rs. in Lacs)	<b>1073.22</b>	1332.20
	Average Rate/Kg. (Rs.)	<b>4.03</b>	4.26
<b>Consumption per Kg. of Production</b>			
	Yarn Production (MT)	<b>28974.46</b>	21621.99
	Electricity Unit/Kgs.	<b>3.61</b>	3.54
	Fabric Production (MT)	<b>5385.20</b>	3161.61
	Electricity Unit/Kgs.	<b>0.35</b>	0.35

### Technology Absorption

- (1) Specific areas in which Research and Development (R & D) carried out by the Company:-  
R & D is carried out for development of new products and for improvement in the production process and quality of products. Due to its R & D efforts, the Company has been able to launch new products. During the year the Company has developed Siro compact Yarn & started marketing of the same.
- (2) Benefits derived as a result of the above R & D  
The Company has been continuously improving the quality of its existing products and developed new products from time to time.
- (3) Future Plan of Action  
Management is committed to strengthen R & D activities further to improve its competitiveness in times to come.
- (4) Expenditure incurred on Research and Development during the year is as follows :

*[Rs. In Lacs]*

Particulars	Current Year	Previous Year
(a) Capital	<b>273.25</b>	–
(b) Recurring	<b>62.72</b>	48.26
Total (a+b)	<b>335.97</b>	48.26
% to total turnover	<b>0.54%</b>	0.10%

**Technology Absorption Adaptation and Innovation**

The Company is continuously taking steps to improve the product and process technology in an effort to provide for better value for money to customers. No technology was imported during last five years.

**Foreign Exchange Earnings and Outgo**
*[Rs. In Lacs]*

Particulars	Current Year	Previous Year
(a) Earnings	<b>37405.97</b>	31619.91
(b) Outgo - Capital Goods	<b>6462.73</b>	241.85
- <b>Recurring</b>		
Components, Spares		
Parts including		
Packing Material	<b>486.05</b>	523.54
Raw Materials	<b>1381.09</b>	1381.36
Sales Commission	<b>434.06</b>	351.87
Others	<b>2.66</b>	4.84

**ANNEXURE - III**
**Form 'AOC-2'**

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a). Name(s) of the related party and nature of relationship : Nil
  - (b). Nature of contracts /arrangements/transactions : Nil
  - (c). Duration of contracts /arrangements/transactions : Nil
  - (d). Salient terms of the contracts or arrangements or transactions including the value, if Any : Nil
  - (e). Justification for entering into such contracts or arrangements or transactions : Nil
  - (f). Date(s) of approval by the Board : Nil
  - (g). Amount paid as advances, if any : Nil
  - (h). Date on which the special resolution passed in General Meeting as required under first proviso to section 188 : Nil
2. Detail of material contracts or arrangements or transactions not at arm's length basis : Nil
  - (a). Name(s) of the related party and nature of relationship : Nil
  - (b). Nature of contracts /arrangements/transactions : Nil
  - (c). Duration of contracts /arrangements/transactions : Nil
  - (d). Salient terms of the contracts or arrangements or transactions including the value, if Any : Nil
  - (e). date(s) of approval by the Board : Nil
  - (f). Amount paid as advances, if any : Nil

Date : 04.05.2015

Place : Bhilwara

**R. L. Nolkha**

 Chairman & Managing Director  
(DIN - 00060746)

## ANNEXURE - IV

**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**
**PERSON EMPLOYED THROUGHOUT THE FINANCIAL YEAR**

Name of Employee	Designation	Remuneration (Rs. in lacs)	Qualifications	Experience Years	Commencement of employment	No. of Shares held	Whether Permanent/ Contractual	Age Years	Last Employment
Sh. R.L. Nolkha	Chairman & Managing Director	97.04	FCA, FCS, FCMA	46	06.09.1997	5550000 (12.11%)	Permanent	68	Managing Director BSL Ltd.
Sh. Dinesh Nolkha	Managing Director	86.59	FCA, FCMA	22	01.01.1996	1070000 (2.33%)	Permanent	44	-
Sh. Nitin. Nolakha	Executive Director	83.05	B.Com., MBA	17	01.10.1998	1710000 (3.73%)	Permanent	39	-

Sh. R.L. Nolkha, Sh. Dinesh Nolkha and Sh. Nitin Nolakha are related to each other.

**Notes :**

- None of the other employee is holding more than 2% of the paid-up capital of the Company
- None of the person was employed for the part of the year in receipt of remuneration aggregating to Rs. 5,00,000/- or more per month.

**ANALYSIS OF MANAGERIAL REMUNERATION**

In 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 the 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 2014-15 :-

Name of Directors	Ratio
Sh. R.L. Nolkha, Chairman & Managing Director	97:1
Sh. Dinesh Nolkha, Managing Director	69:1
Sh. Nitin Nolakha, Executive Director	66:1

- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014-15;

Name of Directors & KMP	% increase in remuneration
Sh. R.L. Nolkha, Chairman & Managing Director	18.31
Sh. Dinesh Nolkha, Managing Director	20.87
Sh. Nitin Nolakha, Executive Director	21.89
Sh. P. Maheshwari, Chief Financial Officer	15.20
Sh. Sudhir Garg, Company Secretary & GM (Legal)	15.29

- The percentage increase in the median remuneration of employees in the financial year 2014-15 :- 15.15

4. The number of permanent employees on the rolls of company:- 2315
5. The explanation on the relationship between average increase in remuneration and company performance :-  
The Company's Profit is increased by 17.76% against average increase in Salary of 15.15%. The increase in salary is more or less in line with increase in profitability of the Company.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:-  
The remuneration of Key Managerial Personnel is increased by 19.48% whereas Company's Profit is increased by 17.76%.
7. Variations in the market capitalisation of the company, price earning ratio as at the closing date of current financial year and previous financial year and percentage increase over decrease in the market quotations of the share of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year :-

Particulars	31.03.2014	31.03.2015
Market Capitalisation	Rs. 64.63 Crores	Rs. 137.50 Crores
Price Earning Ratio	1.86	3.35

Market Rate as on 31.03.2015	Rs. 30.00 per share
Rate of Share at last Public Offer	Rs. 21.00 per share
% increase in Shares Price over last public offer :-	42.85%

8. 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: - 15.62%

Average % increase in the Salary of the Managerial Personnel :- 20.24%.

The Fixed component of Salary of Managerial Personnel has increased by only 12.34% lower than the average percentage increase in salary of employees. The increase in profitability of the Company resulted into higher commission and consequently higher percentage increases in the remuneration of Managerial Personnel.

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

The Company's Profitability is increased by 17.76% and increase in remuneration of Key Managerial Personnel are as under :-

Name of Key Managerial Personnel	% increase in remuneration
Sh. Dinesh Nolkha, Managing Director	20.87
Sh. P. Maheshwari, Chief Financial Officer	15.20
Sh. Sudhir Garg, Company Secretary & GM (Legal)	15.29

10. The key parameters for any variable component of remuneration availed by the directors:-

Directors are being paid Commission @1% of the Net Profit. Hence, the profitability is the key parameter for variable component of remuneration of Directors.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and There is no such employee in the Company. Hence, this is not applicable.

12. We hereby confirm that the remuneration paid to Directors and employees are as per the remuneration policy of the company

Date : 04.05.2015  
Place : Bhilwara

**R. L. Nolkha**  
Chairman & Managing Director  
(DIN - 00060746)

## ANNEXURE - V

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2015**  
**[ Pursuant of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rule, 2014]**

### I. REGISTRATION AND OTHER DETAILS

i)	CIN	L17111RJ1992PLC006987
ii)	Registration Date	15.10.1992
iii)	Name of the Company	NITIN SPINNERS LIMITED
iv)	Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES/INDIAN NON GOVERNMENT COMPANY
v)	Address of the Registered office and Contact details	16-17 KM. STONE, CHITTOR ROAD, HAMIRGARH, BHILWARA (RAJ.) 311025 PHONE NO. 01482-286110 TO 113
vi)	Whether listed company	YES
vii)	Name, Address and Contract detail of Registrar and Transfer Agent, if any	Bigshare Services Pvt Ltd, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400072 Phone No. 022-28470652 / 40430200

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be started:-

Sl. No.	Name and description of main products / services	NIC Code of the Product/ service	% of total turnover of the company
1	COTTON YARN	2601	76.57
2	COTTON KNITTED FABRIC	2351	19.40

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/Associate	% of Shares Held	Applicable Section
1	Nil	N.A.	N.A.	N.A.	N.A.



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of the Shareholders	No. of Share held at the beginning of the year				No. of Share held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	12533827	—	12533827	27.35	12618500	—	12618500	27.53	0.18
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.	16682934	—	16682934	36.40	16720000	—	16720000	36.48	0.08
e) Banks / FI									
f) Any Other									
<b>Sub-total (A)(1) :-</b>	<b>29216761</b>	<b>—</b>	<b>29216761</b>	<b>63.74</b>	<b>29338500</b>	<b>—</b>	<b>29338500</b>	<b>64.01</b>	<b>0.27</b>
(2) Foreign									
a) NRIs Individuals									
b) Other Individual									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total (A)(2) :-</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>29216761</b>	<b>—</b>	<b>29216761</b>	<b>63.74</b>	<b>29338500</b>	<b>—</b>	<b>29338500</b>	<b>64.01</b>	<b>0.27</b>
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds									
b) Banks / FI	—	—	—	—	40825	—	40825	0.09	0.09
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Funds	393029	—	393029	0.86	—	—	—	—	-0.86
g) FIs									
h) Foreign Venture Capital Funds									
i) Other (specify)									
<b>Sub-total (B)(1) :-</b>	<b>393029</b>	<b>—</b>	<b>393029</b>	<b>0.86</b>	<b>40825</b>	<b>—</b>	<b>40825</b>	<b>0.09</b>	<b>-0.77</b>
<b>(2) Non-Institution</b>									
a) Bodies Corp.									
i) Indian	2160351	—	2160351	4.71	1787929	—	1787929	3.90	-0.81
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal capital upto Rs.1 Lakh	8668714	610	8669324	18.91	7682241	630	7682871	16.76	-2.15
ii) Individual shareholders holding nominal capital in excess of Rs.1 Lakh	5124534	—	5124534	11.18	6578880	—	6578880	14.35	3.17

Category of the Shareholders	No. of Share held at the beginning of the year				No. of Share held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) Clearing Members	65744	—	65744	0.14	65495	—	65495	0.14	0.00
ii) NRI	200252	2450	202702	0.44	335495	2450	337945	0.74	0.30
iii) Trust	1500	—	1500	0.00	1500	—	1500	0.00	—
<b>Sub-total (B)(2) :-</b>	<b>16221095</b>	<b>3060</b>	<b>16224155</b>	<b>35.40</b>	<b>16451540</b>	<b>3080</b>	<b>16454620</b>	<b>35.90</b>	<b>0.50</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>16614124</b>	<b>3060</b>	<b>16617184</b>	<b>36.26</b>	<b>16492365</b>	<b>3080</b>	<b>16495445</b>	<b>35.99</b>	<b>-0.27</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	—	—	—	—	—	—	—	—	—
<b>Grand Total (A+B+C)</b>	<b>45830885</b>	<b>3060</b>	<b>45833945</b>	<b>100</b>	<b>45830865</b>	<b>3080</b>	<b>45833945</b>	<b>100</b>	<b>—</b>

### ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / Encumbered to total shares	
1	RATAN LAL NOLKHA	5515000	12.03	Nil	5550000	12.11	Nil	0.08
2	SUSHILA DEVI NOLKHA	1647343	3.59	Nil	1650000	3.60	Nil	0.01
3	RATAN LAL NOLKHA HUF	1430509	3.12	Nil	1435000	3.13	Nil	0.01
4	DINESH NOLKHA	1069907	2.33	Nil	1070000	2.33	Nil	0.00
5	KRISHNA NOLKHA	215000	0.47	Nil	255000	0.56	Nil	0.09
6	PRATYUSH NOLKHA	253500	0.55	Nil	253500	0.55	Nil	0.00
7	DINESH NOLKHA HUF	333965	0.73	Nil	335000	0.73	Nil	0.00
8	NITIN NOLAKHA	1709000	3.73	Nil	1710000	3.73	Nil	0.00
9	RANJEETA NOLKHA	180000	0.39	Nil	180000	0.39	Nil	0.00
10	NITIN NOLAKHA HUF	179603	0.39	Nil	180000	0.39	Nil	0.00
11	REDIAL TRADING & INVESTMENT PVT LTD	16682934	36.40	Nil	16720000	36.48	Nil	0.08
<b>Total</b>		<b>29216761</b>	<b>63.74</b>	<b>Nil</b>	<b>29338500</b>	<b>64.01</b>	<b>Nil</b>	<b>0.27</b>

**(iii). Change in Promoter's Shareholding**

SI No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	RATAN LAL NOLKHA	5515000	12.03	01.04.2014				
				26.02.2015	15000	Transfer	5530000	12.07
				10.03.2015	5000	Transfer	5535000	12.08
				11.03.2015	10000	Transfer	5545000	12.10
				17.03.2015	5000	Transfer	5550000	12.11
		5550000	12.11	31.03.2015				
2	SUSHILA DEVI NOLKHA	1647343	3.59	01.04.2014				
				25.03.2015	2657	Transfer	1650000	3.60
				31.03.2015				
		1650000	3.60					
3	RATAN LAL NOLKHA HUF	1430509	3.12	01.04.2014				
				24.03.2015	2657	Transfer	1433166	3.13
				26.03.2015	1834	Transfer	1435000	3.13
				31.03.2015				
		1435000	3.13					
4	DINESH NOLKHA	1069907	2.33	01.04.2014				
				20.03.2015	93	Transfer	1070000	2.33
				31.03.2015				
		1070000	2.33					
5	KRISHNA NOLKHA	215000	0.47	01.04.2014				
				11.02.2015	13027	Transfer	228027	0.50
				04.03.2015	10000	Transfer	238027	0.52
				11.03.2015	6973	Transfer	245000	0.53
				18.03.2015	3800	Transfer	248800	0.54
				19.03.2015	5200	Transfer	254000	0.55
				23.03.2015	1000	Transfer	255000	0.56
				255000	0.56	31.03.2015		
6	PRATYUSH NOLKHA	253500	0.55	01.04.2014	-	-	253500	0.55
				31.03.2015				
		253500	0.55					
7	DINESH NOLKHA HUF	333965	0.73	01.04.2014				
				23.03.2015	1035	Transfer	335000	0.73
				31.03.2015				
		335000	0.73					
8	NITIN NOLAKHA	1709000	3.73	01.04.2014				
				25.03.2015	1000	Transfer	1710000	3.73
				31.03.2015				
		1710000	3.73					
9	RANJEETA NOLKHA	180000	0.39	01.04.2014	-	-	180000	0.39
				31.03.2015				
		180000	0.39					
10	NITIN NOLAKHA HUF	179603	0.39	01.04.2014				
				25.03.2015	397	Transfer	180000	0.39
				31.03.2015				
		180000	0.39					
11	REDIAL TRADING & INVESTMENT PVT LTD	16682934	36.40	01.04.2014				
				15.05.2014	12616	Transfer	16695550	36.43
				16.05.2014	4450	Transfer	16700000	36.44
				25.02.2015	15000	Transfer	16715000	36.47
				03.03.2015	5000	Transfer	16720000	36.48
		16720000	36.48	31.03.2015				



## (iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holder of GDRs and ADRs):

SI No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	BHARAT JAMNADAS DATTANI	170481	0.37	01.04.2014				
				06.06.2014	(10000)	Transfer	160481	0.35
				13.06.2014	(10000)	Transfer	150481	0.33
				11.09.2014	(10000)	Transfer	140481	0.31
				19.09.2014	(10000)	Transfer	130481	0.28
				31.10.2014	(29415)	Transfer	101066	0.22
				07.11.2014	(15000)	Transfer	86066	0.19
				14.11.2014	(11842)	Transfer	74224	0.16
				21.11.2014	(20000)	Transfer	54224	0.12
				05.12.2014	(5000)	Transfer	49224	0.11
		49224	0.11	31.03.2015				
2	GENERAL INSURANCE CORPORATION OF INDIA	393029	0.86	01.04.2014				
				11.07.2014	(113590)	Transfer	279439	0.61
				22.08.2014	(100000)	Transfer	179439	0.39
				29.08.2014	(79439)	Transfer	100000	0.22
				12.12.2014	(100000)	Transfer	0	0.00
		0	0.00	31.03.2015				
3	INDIANIVESH SECURITIES PRIVATE LIMITED	154335	0.34	01.04.2014			0.02	
				04.04.2014	(11865)	Transfer	142470	0.31
				11.04.2014	(93721)	Transfer	48749	0.11
				18.04.2014	(346)	Transfer	48403	0.11
				25.04.2014	2058	Transfer	50461	0.11
				02.05.2014	(8043)	Transfer	42418	0.09
				09.05.2014	4570	Transfer	46988	0.10
				16.05.2014	(3770)	Transfer	43218	0.09
				23.05.2014	(600)	Transfer	42618	0.09
				30.05.2014	700	Transfer	43318	0.09
				06.06.2014	(550)	Transfer	42768	0.09
				13.06.2014	(1350)	Transfer	41418	0.09
				04.07.2014	500	Transfer	41918	0.09
				11.07.2014	(475)	Transfer	41443	0.09
				01.08.2014	117	Transfer	41560	0.09
				08.08.2014	1000	Transfer	42560	0.09
				22.08.2014	(25)	Transfer	42535	0.09
				03.09.2014	15817	Transfer	58352	0.13
				11.09.2014	(14157)	Transfer	44195	0.10
				12.09.2014	(500)	Transfer	43695	0.10
19.09.2014	(15917)	Transfer	27778	0.06				
30.09.2014	93	Transfer	27871	0.06				
24.10.2014	1000	Transfer	28871	0.06				
31.10.2014	(1000)	Transfer	27871	0.06				



SI No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of Shares	% of total Shares of the Company
				21.11.2014	(25658)	Transfer	2213	-
				28.11.2014	250	Transfer	2463	0.01
				05.12.2014	(250)	Transfer	2213	-
				19.12.2014	28758	Transfer	30971	0.07
				31.12.2014	3300	Transfer	34271	0.07
				23.01.2015	(33771)	Transfer	500	-
				06.02.2015	27771	Transfer	28271	0.06
				27.02.2015	5000	Transfer	33271	0.07
				27.03.2015	(23558)	Transfer	9713	0.02
		9713	0.02	31.03.2015				
4	J P SWAPNA	164744	0.36	01.04.2014	-	-	164744	0.36
		164744	0.36	31.03.2015				
5	MAMTHA A MUTTHA	314465	0.69	01.04.2014	-	-	314465	0.69
		314465	0.69	31.03.2015				
6	MUKTILAL GANULAL PALDIWAL	131406	0.29	01.04.2014				
				09.05.2014	(2000)	Transfer	129406	0.28
				23.05.2014	(500)	Transfer	128906	0.28
				06.06.2014	(1000)	Transfer	127906	0.28
				13.06.2014	(200)	Transfer	127706	0.28
				20.06.2014	(500)	Transfer	127206	0.28
				04.07.2014	(1000)	Transfer	126206	0.28
				11.07.2014	(328)	Transfer	125878	0.27
				22.08.2014	(2401)	Transfer	123477	0.27
				29.08.2014	(1000)	Transfer	122477	0.27
				03.09.2014	(1520)	Transfer	120957	0.26
				05.09.2014	(15000)	Transfer	105957	0.23
				11.09.2014	(2200)	Transfer	103757	0.23
				19.09.2014	(7460)	Transfer	96297	0.21
				10.10.2014	(6500)	Transfer	89797	0.20
				31.10.2014	(1000)	Transfer	88797	0.19
				07.11.2014	(3545)	Transfer	85252	0.19
				14.11.2014	(12000)	Transfer	73252	0.16
				21.11.2014	(13000)	Transfer	60252	0.13
				05.12.2014	(15522)	Transfer	44730	0.10
				09.01.2015	(1000)	Transfer	43730	0.10
				16.01.2015	(1000)	Transfer	42730	0.09
				06.02.2015	(2000)	Transfer	40730	0.09
		40730	0.09	31.03.2015				
7	P SHOBHA	197220	0.43	01.04.2014	-	-	197220	0.43
		197220	0.43	31.03.2015				

SI No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of Shares	% of total Shares of the Company
8	PRAGYA SECURITIES PVT LTD	300000	0.65	01.04.2014				-
				16.05.2014	250	Transfer	300250	0.66
				30.06.2014	(250)	Transfer	300000	0.65
				11.07.2014	250	Transfer	300250	0.66
				08.08.2014	(200)	Transfer	300050	0.65
				22.08.2014	(300000)	Transfer	50	-
				26.09.2014	(50)	Transfer	-	-
31.03.2015			-	-				
9	SHALINI RUPRAMKA	135050	0.29	01.04.2014				
				06.06.2014	(16000)	Transfer	119050	0.26
				25.07.2014	6095	Transfer	125145	0.27
				22.08.2014	(5000)	Transfer	120145	0.26
				03.09.2014	10628	Transfer	130773	0.29
				11.09.2014	(9000)	Transfer	121773	0.27
				19.09.2014	1427	Transfer	123200	0.27
				30.09.2014	10500	Transfer	133700	0.29
				10.10.2014	1100	Transfer	134800	0.29
				07.11.2014	2200	Transfer	137000	0.30
				05.12.2014	(1500)	Transfer	135500	0.30
				19.12.2014	3000	Transfer	138500	0.30
				16.01.2015	(1000)	Transfer	137500	0.30
31.03.2015			137500	0.30				
10	SUMAN MANGLUNIA	210717	0.46	01.04.2014	-	-	210717	0.46
				31.03.2015			210717	0.46

## v) Shareholding of Directors and Key Managerial Personnel :

SI No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of Shares at the beginning (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of Shares	% of total Shares of the Company
1	P. MAHESHWARI	500	0.00	01.04.2014				
				09.01.2015	500	Transfer	1000	0.00
				31.03.2015	1000		1000	0.00
2	SUDHIR GARG	0	0.00	01.04.2014				
				01.09.2014	100	Transfer	100	0.00
				31.03.2015	100		100	0.00

Independent Directors do not hold any Share in the Company and Promoter Directors Shareholding given at the Point No. (iii) above



**V INDEBTNESS**

Indebtness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount	1760746464.00	0.00	0.00	1760746464.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1279459.00	0.00	0.00	1279459.00
<b>Total (i+ii+iii)</b>	<b>1762025923.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1762025923.00</b>
Change in Indebtness at the end of the financial year				
1. Addition	2369119324.00	30000000.00	0.00	2399119324.00
2. Reduction	347142029.00	0.00	0.00	347142029.00
<b>Net Change</b>	<b>2021977295.00</b>	<b>30000000.00</b>	<b>0.00</b>	<b>2051977295.00</b>
Indebtness at the end of the financial year				
i) Principal Amount	3782723760.00	30000000.00	0.00	3812723760.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1083393.00	0.00	0.00	1083393.00
<b>Total (i+ii+iii)</b>	<b>3783807153.00</b>	<b>30000000.00</b>	<b>0.00</b>	<b>3813807153.00</b>

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

A. Remuneration to Managing Directors, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shri Ratan lal Nolkha, CMD	Shri Dinesh Nolkha, MD	Shri Nitin Nolakha, ED	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3475000.00	2550000.00	2250000.00	8275000.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	84901.00	77437.00	59210.00	221548.00
	c) Profit in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commision	—	—	—	—
	- as 1% of Profit	5727000.00	5726000.00	5726000.00	17179000.00
	- Others, specify				0.00
5	Contribution to PF	417000.00	306000.00	270000.00	993000.00
	Total (A)	9703901.00	8659437.00	8305210.00	26668548.00
	Ceiling as per Act				<b>62988970.00</b>

## B. Remuneration to other Directors:

SI. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Bhagwan Ram	Shri Y. R. Shah	Smt. Aditi Mehta	Dr. R Chattopadhyay	Shri S K Chaturvedi	
1	Independent Directors						
	1. Fee for attending Board Committee Meetings	20000.00	50000.00	20000.00	30000.00		120000.00
	2. Commission	—	—	—	—		—
	3. Others, please specify	—	—	—	—		—
	<b>Total (1)</b>	<b>20000.00</b>	<b>50000.00</b>	<b>20000.00</b>	<b>30000.00</b>		120000.00
2	Other Non-executive Directors						
	1. Fee for attending Board Committee Meetings					30000.00	30000.00
	2. Commission					—	—
	3. Others, please specify					—	—
	<b>Total (2)</b>	—	—	—	—	<b>30000.00</b>	30000.00
	<b>Total B = (1+2)</b>	<b>20000.00</b>	<b>50000.00</b>	<b>20000.00</b>	<b>30000.00</b>	<b>30000.00</b>	150000.00
	<b>Total Managerial Remuneration</b>	<b>20000.00</b>	<b>50000.00</b>	<b>20000.00</b>	<b>30000.00</b>	<b>30000.00</b>	150000.00

Ceiling as per the Act Rs. 1 Lakh Per Meeting of Board or Committee thereof

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

SI. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		725204.00	1162784.00	1887988.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961		222778.00	347659.00	570437.00
	c) Profit in lieu of salary under section 17(3) Income-tax Act, 1961		—	—	—
2	Stock Option		—	—	—
3	Sweat Equity		—	—	—
4	Commision		—	—	—
	- as % of Profit		—	—	—
	- Others, specify		—	—	—
5	Others- Contribution to PF		86604.00	139114.00	225718.00
	<b>Total (A)</b>		<b>1034586.00</b>	<b>1649557.00</b>	<b>2684143.00</b>
	Ceiling as per Act				N.A.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penlty / Punishment / Compounding Fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	N.A.	N.A.	Nil	N.A.	N.A.
Punishment	N.A.	N.A.	Nil	N.A.	N.A.
Compounding	N.A.	N.A.	Nil	N.A.	N.A.
<b>B. DIRECTORS</b>					
Penalty	N.A.	N.A.	Nil	N.A.	N.A.
Punishment	N.A.	N.A.	Nil	N.A.	N.A.
Compounding	N.A.	N.A.	Nil	N.A.	N.A.
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	N.A.	Nil	N.A.	N.A.
Punishment	N.A.	N.A.	Nil	N.A.	N.A.
Compounding	N.A.	N.A.	Nil	N.A.	N.A.

Place : Bhilwara  
Date : 04.05.2015

**R. L. Nolkha**  
Chairman & Managing Director  
DIN - 00060746

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2015

*[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 Ltd.  
Bhilwara.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nitin Spinners Ltd. (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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 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 Nitin Spinners Ltd. for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.



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. as mentioned above.

**We further report that**

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period the Company has undertaken the following events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. which in our opinion have a major bearing on the Company's affairs :

- i. Members consent by way of Special Resolution to increase the borrowing powers of the Company under section 180(1)(c) of the Act upto an amount not exceeding Rs. 700 Crore (Seven hundred Crore Only) in the Annual General Meeting held on 11.09.2014;
- ii. Members consent by way of Special Resolution to authorize the Board of Directors of the Company to mortgage and/or charge all immovable and movable properties or such other assets of the Company, present and future of the Company under section 180(1)(a) of the Act upto an amount not exceeding Rs. 700 Crore (Seven hundred Crore Only) in the Annual General Meeting held on 11.09.2014.

**Place: Jaipur**

**Date: 04.05.2015**

**For V.M. & Associates**

**Company Secretaries**

**CS Manoj Maheshwari**

**FCS No.:3355**

**C P No.: 1971**



## MANAGEMENT DISCUSSIONS & ANALYSIS

### INDUSTRY OUTLOOK

India's macro-economic scenario remained gloomy during the initial months of the financial year 2014-15. The interest rates remained high resulting in subdued demand and investments. Delayed decision making due to uncertain political and economic conditions further stalled major infrastructure and power projects. There is considerable hope that new Government will create an environment conducive to business and industry. India's textile industry plays a significant role in the economic development of the country in terms of net foreign exchange earnings and employment generation. The Industry contributes around 4% to India's GDP, around 11% to the country's export earnings and nearly 14% to Industrial production, besides providing direct employment to over 45 million people. Thus, the growth and overall development of this industry has a direct bearing on the nation's economic strength.

India accounts for 22% of the world's installed capacity of spindles and is one of the largest exporters of yarn in international market. It has second highest spindles in the world after China. India ranks as world's second largest cotton consumer, exporter and producer accounting for 23% of world's total production. In India with increased acreage, large scale adoption of Bt Cotton, increase in minimum support price coupled with an increase in productive levels, cotton crop is expected to be 400 lac bales for the current season 2014-15 against 375 lacs bales during previous season. The Cotton Yarn and Knitted Fabric prices fell sharply due to reduction in cotton prices and demand from International Market was subdued. As a result Operating margins of the Cotton Yarn and fabric industry as well as your company have reduced to some extent. However, the overall Operating profit of the Company increased by 10.56% due to increase in volume.

### OPPORTUNITIES AND THREATS

India is the second largest populated country in the world. Hence, the demand for textile products in India is very large and growing with the increase in disposable income of the people. A very high proportion of young and working population is also

a favourable factor influencing domestic demand for textiles. The decline in textile and apparel industry in the developed countries has created opportunity for developing countries for export upto US\$140 billion by 2020. Hence, there is huge opportunity for India to reach upto US\$ 80 billion exports by 2020. A strong raw material production base, a vast pool of skilled and unskilled personnel, cheap labour, good export potential and low import contents are some of the salient features of the Indian textile industry. With the increase in capacities, the company will be able to achieve scale of economies, offering wide product range and broad base its customer profile. We expect good growth in the demand for our products in the upcoming years and improvement in the margins of the Company.

The threats to the Company's product includes severe competition both in domestic and international markets leading to pricing pressures of finished goods, inflation, foreign exchange fluctuation, volatility in input cost, cotton crop, interest rates, power cost etc. Government Policies also play major role in the growth of the Industry.

### OPERATIONAL REVIEW

Please refer to the paragraph under the heading "Financial Results" and "Operational Review" in the main Directors' Report.

### SEGMENTWISE PERFORMANCE

The Management reviewed the disclosure requirement of Segment wise reporting and is of the view that since the Company's products are covered under Textile Industry which is single business segment in terms of AS-17 and therefore separate disclosure on reporting by business segment is not required.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper systems for Internal Control. The systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements.

The Audit Committee of Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for

strengthening them. The Company has strong Management Information System, which is an integral part of control mechanism.

#### **RISK MANAGEMENT**

The risk management framework of the Company ensures compliance with the requirements of Clause 49 of the Listing Agreement. The Framework establishes risk management across all service areas and functions of the Company, and has in place procedure to inform the top Management about the risk assessment and minimization process. The Company is exposed to risks from market fluctuations of foreign exchange, finance and commodity price risk.

#### **Foreign Exchange Risk**

The Company has considerable exposure in foreign currency as the export constitutes about 64% of the total turnover. In the market determined exchange rate regime and volatility in the forex market affects realization of the Company. The Company has well documented foreign exchange risk policy and currency risks are hedged accordingly through forward contracts.

#### **Finance Risks**

The Company has financed a substantial part of its expansion plans through debt. The debt agreements are subject to financial covenants. The forecast cash requirements of the Company are closely monitored along with actual and projected to ensure adherence to covenants.

#### **Commodity Price Risk**

The Company is exposed to the risk of price fluctuation on cotton and coal well as finished goods. Input costs, being based on agriculture, are influenced not only by the vagaries of nature but also government policies and the movements in the international market. Your Company continues to recognize the importance of the price value equation and the need to be sensitive to price changes to counter the volatility of input costs and the same is managed through judicious purchase and stocking.

#### **Risk Element in Individual Business**

Apart from the risks on account of interest rate,

foreign exchange and regulatory change, various business of the Company are exposed to certain operating business risks, which are managed by regular monitoring and corrective actions.

#### **ENVIRONMENT AND SAFETY**

The Company is conscious of the need for environmentally clean and safe operations. The Company policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

#### **HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

Human resource is the most valuable asset in any organization. The Company focuses on the training and development of its people. The company has taken various initiatives to improve and enhance skill of its people. The industrial relations remained cordial in our plant. The total strength as at the end of the financial year 2014-15 was 2315 employees.

#### **CAUTIONARY STATEMENT**

Statement 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

Place : Bhilwara

**R. L. NOLKHA**

Date : 04.05.2015

*Chairman & Managing Director*  
(DIN - 00060746)

## 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 including the conduct of its business, its relationship with its stakeholders, employees, customers, Government and lenders.

### 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 Board comprises of seven Directors including one Woman Director and composition of Board of Directors of the Company is in conformity with Clause 49 (IIA) of the listing agreement entered into with the stock exchanges. The Company has an

Executive Chairman and the numbers of Independent Directors are more than 50% of the total number of Directors. The Independent Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberation and decisions of the Board.

The company has held at least four meetings of Board of Directors in every year and the maximum time gap between any two meetings was not more than one hundred twenty days. During the financial year 2014-15, four meetings of the Board of Directors were held on 06.05.2014, 29.07.2014, 30.10.2014 and 09.02.2015.

The 22nd Annual General Meeting of the Company was held on 11.09.2014.

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

Name of Director	Category of Directorship	Board Meetings attended out of 4 Meetings	Attendance at last AGM held on 11.09.14	Directorship in other Public Ltd. Companies	No. of Board Committees in which Chairman/Member (Other than Nitin Spinners Ltd.)	
					Chairman	Members
Sh. R.L. Nolkha	Promoter Executive Director	4	Yes	Nil	Nil	Nil
Sh. Dinesh Nolkha	Promoter Executive Director	4	No	Nil	Nil	Nil
Sh. Nitin Nolkha	Promoter Executive Director	4	Yes	Nil	Nil	Nil
Sh. Bhagwan Ram	Independent Non-Executive Director	3	No	Nil	Nil	Nil
Sh. Y.R. Shah	Independent Non-Executive Director	4	Yes	Nil	Nil	Nil
Sh. S.K. Chaturvedi Ceased to be Director w.e.f. 10.11.2014	Nominee Director	3	No	Nil	Nil	Nil
Dr. R. Chattopadhyay (Appointed Director w.e.f. 29.07.2014)	Independent Non-Executive Director	3	No	Nil	Nil	Nil

Name of Director	Category of Directorship	Board Meetings attended out of 4 Meetings	Attendance at last AGM held on 11.09.14	Directorship in other Public Ltd. Companies	No. of Board Committees in which Chairman/Member (Other than Nitin Spinners Ltd.)	
					Chairman	Members
Smt. Aditi Mehta (Appointed Director w.e.f. 29.07.2014)	Independent Non-Executive Director	2	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 Listing Agreement. Further, 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.

#### **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 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 Annexure X to the Clause 49 of the Listing Agreement executed with the Stock Exchanges is regularly made available to the Board, wherever applicable. The Board also reviews periodically the compliances of all applicable laws.

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 at the Board level which acts as a link between the management, the statutory and internal auditors and the Board of Directors 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 listing agreement with the Stock Exchanges 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, functioning of whistle blower mechanism and governance processes, discussions and approval of quarterly, half yearly and annual financial statements, interaction with statutory, secretarial, internal and cost auditors, recommendation for appointment, remuneration and terms of appointment of auditors, monitor related party transactions etc.

#### **Composition**

The Audit Committee was constituted on 15th May, 2001. Presently, 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 Meeting is having requisite financial and accounting expertise and all other members of the committee are finance literate. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 11th September, 2014. The composition of the Audit committee meets the requirements of section 177 of the Companies Act, 2013 and clause 49 of the listing agreement.

#### **Meetings and Attendance**

The committee met four times during the financial year 2014-15. The dates on which Audit Committee Meetings were held are 06.05.2014, 29.07.2014, 30.10.2014 and 09.02.2015. 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	4
Sh. Bhagwan Ram (ceased to be member of Committee w.e.f. 30.10.14)	1
Sh. S. K. Chaturvedi (ceased to be Director & member of Committee w.e.f. 10.11.2014 )	3
Smt. Aditi Mehta (appointed member of Committee w.e.f. 29.07.14 )	1
Dr. R. Chattopadhyay (appointed member of Committee w.e.f. 29.07.14 )	2

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. No personnel have been denied access to the audit committee.

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

##### Brief Description of terms of reference

The Remuneration Committee was constituted on 03.06.2005 and in order to comply with the provisions of Section 178 of the Companies Act, 2013 & Listing Agreement the name of the committee has been changed to "Nomination and Remuneration Committee" w.e.f. 06.05.2014. The terms of reference of the Committee broadly includes following:-

1. 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board and policy on Board diversity;
3. 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.

The Board has formulated "Nomination, Remuneration and Evaluation Policy" and the criteria for performance evaluation broadly includes Leadership & stewardship abilities, contributing to clearly define corporate objectives & plans, Communication of expectations & concerns clearly with subordinates, obtain adequate, relevant & timely information from external sources, review & approval achievement of strategic and operational plans, objectives, budgets, regular monitoring of corporate results against projections, identify, monitor & mitigate significant corporate risks, review management's succession plan etc. The detailed Policy inter-alia including criteria for performance evaluation is available at the website of the Company i.e. [www.nitinspinners.com](http://www.nitinspinners.com) under the link of "Investor Relations"

##### Composition

The Committee constitutes Sh. Y. R. Shah, Smt. Aditi Mehta and Dr. R. Chattopadhyay, all the members of the Committee are Non-Executive & Independent Directors. During the financial year 2014-15, one meeting of the "Nomination and Remuneration Committee" was held on 09.02.2015 which was attended by Sh. Y. R. Shah & Dr. R. Chattopadhyay.

##### Remuneration of Directors

Payment of Sitting Fees to the Non Executive Directors and Payment of Salary, Commission and Perquisites to the Executive Directors is made in accordance with industry norms and subject to the overall ceilings imposed by the Companies Act, 2013 and other applicable statutes.

The appointment of Chairman & Managing Director, Managing Director and Executive Director is governed by resolution passed by the Board of Directors and shareholders of the Company at the respective meetings. They are paid remuneration as per terms and conditions approved by the Board of Directors and Shareholders on the recommendation of Nomination and Remuneration Committee.

Non-Executive Directors do not draw any remuneration except sitting fee of Rs. 5000/- per meeting of the Board and Committee thereof and total sitting fee of Rs. 150000/- was paid during the financial year 2014-15. The details of remuneration

paid to Executive Directors during the financial year 2014-15 are as under:-

**Details of Remuneration paid to Executive Directors**

(Rs. in Lacs)

S.No.	Name of Director	Category of Directors	Basic Salary	Contribution to P.F.	Commission	Others	Total
1.	Sh. R.L. Nolkha	Promoter & Executive Director	34.75	4.17	57.27	0.85	97.04
2.	Sh. Dinesh Nolkha	Promoter & Executive Director	25.50	3.06	57.26	0.77	86.59
3.	Sh. Nitin Nolakha	Promoter & Executive Director	22.50	2.70	57.26	0.59	83.05

Performance linked incentive-commission, service contract, notice period, severance fee and stock option to Executive Directors - Nil

**Details of Sitting Fee paid to Non-Executive Directors**

S. No.	Name of Director	Category of Directors	Sitting Fee (Amt. In Rs.)
1.	Sh. Bhagwan Ram	Independent Non-Executive Director	20,000.00
2.	Sh. Y. R. Shah	Independent Non-Executive Director	50,000.00
3.	Sh. S. K. Chaturvedi	Nominee Director	30,000.00
4.	Smt. Aditi Mehta	Independent Non-Executive Director	20,000.00
5.	Dr. R. Chattopadhyay	Independent Non-Executive Director	30,000.00

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. None of the Non-Executive Directors of the Company is holding any share in the Company.

**Performance Evaluations:-**

The Board of Directors carried out annual performance evaluation of the Board, Committee thereof and Directors as per the criteria laid down in the "Nomination, Remuneration and Evaluation Policy" and found their performance satisfactory.

**5. STAKE HOLDERS RELATIONSHIP COMMITTEE**

The "Share Transfer & Investors' Grievance Committee" was constituted on 03.06.2005 and in compliance with the provisions of Section 178 of the Companies Act, 2013 & Listing Agreement the Board has named the committee as "Stake Holders Relationship Committee" w.e.f. 06.05.2014. The committee considers and approves various requests

for transfer, transmission, sub-division, consolidation, renewal, exchange, issue of new certificates in replacement of old ones, Dematerialization/Rematerialization of Shares and to redress the grievances of the investors as may be received from time to time. The Committee meets periodically and shares are transferred within 15 days from the date of receipt of valid transfer request. During the financial year 2014-15 one meeting of the committee was held on 21.11.2014.

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

**Composition**

The composition of "Stake Holders Relationship Committee" is as under:

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

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

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

**Details of Complaints received and status thereof :-**

One complaint received from Investors during the financial year 2014-15, was resolved and there was no pending complaint 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
20 <sup>th</sup> AGM	26.09.12	3.30 PM	16-17 K.M. Stone, Chittor Road, Hamirgarh, Bhilwara-311025	Re-appointment of Sh. R.L. Nolkha, Chairman & Managing Director
21 <sup>th</sup> AGM	18.09.13	3.30 PM	- Do -	Re-appointment of Sh. Dinesh Nolkha, Managing Director
22 <sup>nd</sup> AGM	11.09.14	3.30 PM	- Do -	1. Borrowing Power increased to Rs. 700 Crores. u/s 180(1)(c) of the Companies Act, 2013 2. Creation of Charge on the assets of the Company u/s 180(1)(a) of the Companies Act, 2013

No Resolution was subject to Postal Ballot at last AGM. The resolution subject to postal ballot, if any, at the ensuing Annual General Meeting shall be decided at the time of approval of notice for AGM.

**7. RISK MANAGEMENT COMMITTEE**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities. The Board has formulated Risk Management Committee comprising Sh. Dinesh Nolkha, Managing Director, Sh. Nitin Nolkha, Executive Director and Sh. P. Maheshwari, Vice President (Finance) & CFO.

**8. INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on October 30, 2014, inter-alia, to

discuss:

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

All the Independent Directors were present at the Meeting.

## 9. OTHER DISCLOSURES:

### Details of Compliances :-

The Company has complied with all the requirements of the Listing Agreement entered into with the Bombay Stock Exchange, Mumbai and the National Stock Exchange of India Ltd. as well as SEBI regulations and guidelines. 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 since the listing of the Company's shares.

### Related Party Transactions :-

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at [www.nitinspinners.com](http://www.nitinspinners.com) under the link of "Investor Relations"

### Code of Conduct :-

The code of conduct for Directors and Senior Management as approved and amended by the Board of Directors from time to time has been placed on the website of the Company. 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.

### Insider Trading Code :-

The Company has adopted the code of Internal Procedures and Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, to inter alia, prevent insider trading in the shares of the Company.

### 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 employee, vendors and customers to report any suspected or confirmed incident of fraud/misconduct. This policy is applicable to all the directors, employees, vendors and customers of the Company and it is posted on the website of the Company [www.nitinspinners.com](http://www.nitinspinners.com) under the link of "Investor Relations"

### Familiarization Programme for Independent Directors:-

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

The clause 49 of the Listing Agreement consists of mandatory and non-mandatory requirements. The Company is compliant with mandatory requirements. The Company has not adopted any of the non-mandatory requirements.

The Company do not have any Subsidiary Company

## 10. MEANS OF COMMUNICATION

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

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 and one vernacular newspaper such as the Business Standard and the Rajasthan Patrika/the Dainik Bhaskar and Nafa Nuksan.

The website of the Company [www.nitinspinners.com](http://www.nitinspinners.com) acts as the primary source of information about the Company which inter-alia displayed the quarterly financial results and Shareholding pattern, of the Company. The same are also displayed on the website



of the Stock Exchanges and Corporate filing.

No presentation was made to institutional investors or to analysts during the financial year 2014-15

### GENERAL SHAREHOLDER INFORMATION

#### 1. Shareholder Information :-

- A. Date of AGM & Time & Venue : 25.09.2015 at 3.30 PM at the Registered office of the Company.
- B. Date of Book Closure : 18.09.2015 to 25.09.2015 (both the days Inclusive)
- C. Dividend Payment date : Within 30 days from the date of AGM.
- D. Financial Year : April 1, 2015 to March 31, 2016
- E. Tentative Financial Calendar for next Year for 2015-16 :

Period	Date of Board Meeting
1st Quarter ending June, 15	Last week of July, 15
2nd Quarter ending September, 15	Last week of October, 15
3rd Quarter ending December, 15	Last week of January, 16
Year ending 31st March, 16	April/May 2016
AGM for year ending 31st March, 16	August/September 2016

- F. Listing on Stock Exchange & Stock Code:

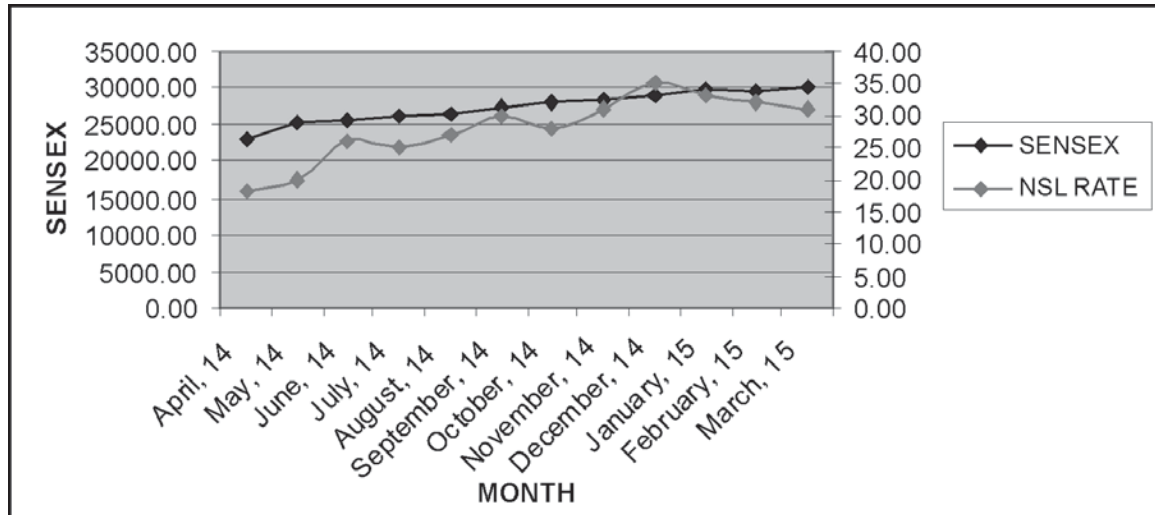
Name of Stock Exchange	Stock Code
Bombay Stock Exchange Ltd., Mumbai	532698
National Stock Exchange of India Ltd.	NTINSPIN

The applicable listing fee for the Financial Year 2015-16 has already been paid to both the Stock Exchanges

#### Stock Price Data :

(Price in Rs. Per Share)

Months	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 14	18.47	14.20	18.40	14.05
May, 14	20.15	15.55	20.20	15.05
June, 14	25.95	18.55	25.10	18.55
July, 14	25.15	20.05	25.15	19.25
August, 14	27.10	21.00	27.25	20.50
September, 14	30.15	24.75	30.30	24.80
October, 14	27.85	24.00	27.75	23.85
November, 14	31.10	26.20	31.70	26.25
December, 14	34.90	23.65	32.50	25.25
January, 15	32.90	27.55	31.25	27.15
February, 15	31.95	28.40	32.00	28.35
March, 15	30.95	28.60	31.00	26.25

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

**I. Dematerialisation of Share :**

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

Particulars	31st March, 2015		31st March, 2014	
	No. of Shares	%	No. of Shares	%
No. of Shares Dematerialised				
— NSDL	<b>4,00,70,197</b>	<b>87.42</b>	4,02,25,089	87.76
— CDSL	<b>57,60,668</b>	<b>12.57</b>	56,05,796	12.23
No. of Shares in Physical Mode	<b>3,080</b>	<b>0.01</b>	3,060	0.01
<b>Total</b>	<b>4,58,33,945</b>	<b>100.00</b>	4,58,33,945	100.00

**J. Outstanding GDRs/ADRs/Warrants Etc.**
**Nil**
**K. Registrar & Share Transfer Agent :-**

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

M/s Bigshare Services Private Limited

Unit : Nitin Spinners Limited

Address : E-2/3 , Ansa Industrial Estate, Saki Vihar Road,  
Saki Naka, Andheri ( E ), Mumbai – 400072

Phone No. : 022 – 28470652, 28470653

Fax No. : 022 – 28475207

Email : **ipo@bigshareonline.com**

Web Site : **www.bigshareonline.com**

**Share Transfer System :**

The transfer of shares in physical form is processed and completed by Bigshare Services Private Ltd., Mumbai within a period of 15 days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued.

**L. Distribution Schedule as on 31<sup>st</sup> March, 2015 :**

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% to Shares
Up to 500	9460	74.31	22,19,572	4.84
501 to 1,000	1528	12.00	13,59,793	2.97
1,001 to 2,000	744	5.84	12,07,445	2.63
2,001 to 3,000	282	2.22	7,41,875	1.62
3,001 to 4,000	137	1.08	5,03,521	1.10
4,001 to 5,000	141	1.11	6,84,318	1.49
5,001 to 10,000	210	1.65	16,17,514	3.53
10,001 & above	228	1.79	3,74,99,907	81.82
<b>Total</b>	<b>12730</b>	<b>100</b>	<b>4,58,33,945</b>	<b>100</b>

**M. Shareholding pattern as on 31st March 2015 :**

S.No.	Category	No. of shares Held	Percentage of Shareholding
<b>A.</b>	<b>Promoters Holding</b>		
a.	Indian Promoters	<b>2,93,38,500</b>	64.01
b.	Foreign Promoters	-	-
	<b>Total Promoters' Holdings</b>	<b>2,93,38,500</b>	<b>64.01</b>
<b>B</b>	<b>Non-Promoters Holding :-</b>		
a.	Banks, Financial Institutions, Insurance Companies	<b>40,825</b>	0.08
b.	Private Corporate Bodies	<b>17,87,929</b>	3.90
c.	Indian Public	<b>1,42,61,751</b>	31.12
d.	NRIs / OCBs	<b>3,37,945</b>	0.73
e.	Any other (please specify) - Trust	<b>1,500</b>	0.02
	- Clearing Members	<b>65,495</b>	0.14
	<b>Total Non-Promoters' Holdings</b>	<b>1,64,95,445</b>	<b>35.99</b>
	<b>TOTAL (A) + (B)</b>	<b>4,58,33,945</b>	<b>100.00</b>



**N. Directors Seeking Re-appointment**

**Sh. Nitin Nolkha**

Sh. Nitin Nolkha aged 39 years was appointed Director of the Company on 01.10.1997. He is 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 seventeen years in the Textile Industry. His functional experience covers Plant Operations, Procurement/Sourcing, Administration & Management. Sh. Nitin Nolkha is related to Sh. R.L. Nolkha, Chairman & Managing Director and Sh. Dinesh Nolkha, Managing Director of the Company.

**Directorship in other Companies :-**

Nitin Infra Developers Pvt. Ltd.

**O. Plant Location & Address for Correspondence**

16-17 KM Stone, Chittor Road  
Hamirgarh, Bhilwara – 311025 (Rajasthan)  
Phone : 01482-286110 to 286113  
Fax : 01482-286117 & 286114  
E-Mail : nsl@nitinspinners.com

For and on Behalf of the Board of Directors

Place : Bhilwara  
Date : 04.05.2015

**R. L. NOLKHA**  
*Chairman & Managing Director*  
(DIN - 00060746)

**Declaration as required under Clause 49 of the Listing Agreement**

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 March 31, 2015.

Place : Bhilwara  
Date : 04.05.2015

**DINESH NOLKHA**  
*Managing Director*  
(DIN - 00054658)

## CERTIFICATION OF MANAGING DIRECTOR/CFO UNDER CLAUSE 49 OF LISTING AGREEMENT

- A) We have reviewed financial statements and cash flow statement for the year ended 31 March, 2015 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of 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 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:
- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**P. Maheshwari**  
Chief Financial Officer  
PAN – ABAPM8005C

**Dinesh Nolkha**  
Managing Director  
DIN - 00054658

**Place : Bhilwara**  
**Date : 04.05.2015**

## AUDITORS' 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 March 31, 2015 as stipulated in clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of management. Our examination was limited to 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 in all material respects with the condition of corporate governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholder Relationship Committee.

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 R. S. DANI & CO.**  
Chartered Accountants  
(Firm Reg. No. 000243C)

Place : Bhilwara  
Date : 04.05.2015

**Ashok Mangal**  
Partner  
M.No. 071714

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
Nitini Spinners Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Nitini Spinners Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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 preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

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 the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- (i) As required by the Companies (Auditor's Report) Order, 2015 issued by the Central government of India in the terms of section 143 of the Companies Act 2013, we give in the Annexure a statement on the matters specified in Paragraph 3 & 4 of the order.
- (ii) As required by Section 143(3) of the Act, we report that :
- 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;
  - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - The Balance Sheet, Statement of Profit and Loss and, Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards referred to in section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the

Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.

- f) 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:
- The Company does not have any pending litigations which would materially impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - During the year the Company was not required to transfer any amount to Investor Education & Protection Fund .

**For R. S. DANI & CO.**  
Chartered Accountants  
(Firm Reg. No. 000243C)

Place : Bhilwara  
Date : 4th May, 2015

**Ashok Mangal**  
Partner  
M.No. 071714

**ANNEXURE TO AUDITOR'S REPORT**

The annexure referred to in our paragraph "Report on Other Legal and Regulatory Requirements" report to the members of **Nitin Spinners Ltd.** for the period ended 31 March 2015, we report that-

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets .
  - The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance
- The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of

with this program, certain fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.

inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

- (c) In our opinion, the Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- (iii) The Company has not granted any unsecured loans to entities covered in the register maintained under section 189 of the Companies Act, 2013. Thus provisions of Clause 3(iii) (a) & (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods & services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provision of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company as prescribed by the Central Government of India under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company is generally regular in

depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Wealth tax, Customs duty, Excise duty, value added tax, Cess and any other material statutory dues to the extent applicable to it and there are no such undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2015.

- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, service tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute except as under

Name of the Statute	Nature of dues	Unpaid Amount (Rs. in lacs)	Period	Forum at which pending /Remarks
Central Excise	Excise Duty & Penalty	4.88	2001-02	CESTAT, New Delhi
Central Excise	Excise Duty & Penalty	12.02	2007-08	CESTAT, New Delhi
Service Tax	Refund of Service Tax under notification no. 41/2007	3.42	2008-09 to 2009-10	CESTAT, New Delhi
Central Excise	Excise Duty & Penalty	20.37	2000-01	Commissioner (A), Jaipur
Central Excise	Refund of Cenvat	10.48	2007-08	CESTAT, New Delhi
Central Excise	Cenvat Credit of Input services and penalty	1.86	2008-09	CESTAT, New Delhi
Central Excise	Custom Duty and Penalty	37.72	2008-09	CESTAT, New Delhi
Central Excise	Penalty	15.97	2008-09	CESTAT, New Delhi
Central Excise	Excise Duty	463.54	2008-09	CESTAT, New Delhi
Central Excise	Excise Duty	20.67	2008-09	CESTAT, New Delhi

- (c) No amounts were required to be transferred to investor education and protection fund during the year by the Company.



- (viii) The Company does not have accumulated losses as at the end of the financial year. There are no cash losses during the financial year under report and in the immediately preceding financial year.
- (ix) In our opinion and according to the information & explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks and debenture holders.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 3(x) of the order are not applicable to the Company.
- (xi) On the basis of records made available and according to information and explanations given to us, the company has applied its term loans for the purposes for which the loans were obtained.
- (xii) Based upon the audit procedure performed for the purpose of reporting the true and fair view and on the basis of the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For R. S. DANI & CO.**  
*Chartered Accountants*  
(Firm Reg. No. 000243C)

Place : Bhilwara  
Date : 4th May, 2015

**Ashok Mangal**  
*Partner*  
M.No. 071714



**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	As at 31.03.2015 (Rs. in lacs)	As at 31.03.2014 (Rs. in lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	4583.39	4583.39
(b) Reserve and Surplus	2	12116.49	8572.20
		<u>16699.88</u>	<u>13155.59</u>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	29424.55	13070.59
(b) Deferred Tax Liabilities (Net)	4	3393.41	2114.67
(c) Long-Term Provisions	5	425.17	235.60
		<u>33243.13</u>	<u>15420.86</u>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	5333.70	1342.35
(b) Trade Payables	7	936.73	1069.93
(c) Other Current Liabilities	8	4171.31	3892.57
(d) Short-Term Provisions	9	604.79	517.17
		<u>11046.53</u>	<u>6822.02</u>
<b>TOTAL</b>		<u>60989.54</u>	<u>35398.47</u>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		41640.22	19121.43
(ii) Intangible Assets		33.54	-
(iii) Capital Work In Progress		-	2117.64
		<u>41673.76</u>	<u>21239.07</u>
(b) Long-Term Loans and Advances	11	2726.61	1548.51
		<u>44400.37</u>	<u>22787.58</u>
<b>(2) Current Assets</b>			
(a) Inventories	12	9418.92	7069.84
(b) Trade Receivables	13	4041.94	2489.31
(c) Cash and Cash Equivalents	14	67.89	6.37
(d) Short Term Loans and Advances	15	385.23	1918.29
(e) Other Current Assets	16	2675.19	1127.08
		<u>16589.17</u>	<u>12610.89</u>
<b>TOTAL</b>		<u>60989.54</u>	<u>35398.47</u>
<b>Accounting Policies and Additional informations</b>	24		

In terms of our report of even date attached

**For R.S. DANI & CO.**  
Chartered Accountants  
(Firm Reg. No. 000243C)

**ASHOK MANGAL**  
Partner  
M.No. 071714

Place : Bhilwara  
Date : 04th May, 2015

**R.L. NOLKHA**  
Chairman & Managing Director  
(DIN - 00060746)

**BHAGWAN RAM**  
Director  
(DIN - 01441176)

**R. CHATTOPADHYAY**  
Director  
(DIN - 06928729)

For and on behalf of the Board

**Y.R. SHAH**  
Director  
(DIN - 00019557)

**NITIN NOLAKHA**  
Executive Director  
(DIN - 00054707)

**P. MAHESHWARI**  
Chief Financial Officer  
(PAN - ABAPM8005C)

**DINESH NOLKHA**  
Managing Director  
(DIN - 00054658)

**ADITI MEHTA**  
Director  
(DIN - 06917890)

**SUDHIR GARG**  
Company Secretary  
& GM (Legal)  
(PAN - ABBPK6037F)

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No.	Year ended 31.03.2015 (Rs. in lacs)	Year ended 31.03.2014 (Rs. in lacs)
<b>I. Revenue from Operations</b>	<b>17</b>	<b>61647.23</b>	48834.02
<b>II. Other Income</b>	<b>18</b>	<b>512.73</b>	34.76
<b>III. TOTAL REVENUE (I+II)</b>		<b>62159.96</b>	48868.78
<b>IV. Expenses</b>			
Cost of Materials Consumed	<b>19</b>	<b>38534.55</b>	29354.21
Purchase of Stock in Trade		<b>173.96</b>	1023.60
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	<b>20</b>	<b>(340.50)</b>	(592.13)
Employee Benefits Expenses	<b>21</b>	<b>3428.30</b>	2460.21
Finance Cost	<b>22</b>	<b>2261.98</b>	1746.35
Depreciation & Amortisation	<b>10</b>	<b>2794.00</b>	2486.58
Other Expenses	<b>23</b>	<b>9933.00</b>	7194.49
<b>TOTAL EXPENSES</b>		<b>56785.29</b>	43673.31
<b>V. Profit before Exceptional Items &amp; Tax</b>		<b>5374.67</b>	5195.47
<b>VI. Tax Expenses</b>			
1. Current Tax (Net of MAT Credit)			262.36
2. Deferred Tax		<b>1278.73</b>	1455.04
<b>VII. Profit /(Loss) After Tax (V-VI)</b>		<b>4095.94</b>	3478.07
<b>VIII. Basic &amp; Diluted Earning Per Share</b>		<b>8.94</b>	7.59
<b>Accounting Policies and Additional informations</b>	<b>24</b>		

In terms of our report of even date attached

**For R.S. DANI & CO.**  
Chartered Accountants  
(Firm Reg. No. 000243C)

**ASHOK MANGAL**  
Partner  
M.No. 071714

Place : Bhilwara  
Date : 04th May, 2015

**R.L. NOLKHA**  
Chairman & Managing Director  
(DIN - 00060746)

**BHAGWAN RAM**  
Director  
(DIN - 01441176)

**R. CHATTOPADHYAY**  
Director  
(DIN - 06928729)

For and on behalf of the Board

**Y.R. SHAH**  
Director  
(DIN - 00019557)

**NITIN NOLAKHA**  
Executive Director  
(DIN - 00054707)

**P. MAHESHWARI**  
Chief Financial Officer  
(PAN - ABAPM8005C)

**DINESH NOLKHA**  
Managing Director  
(DIN - 00054658)

**ADITI MEHTA**  
Director  
(DIN - 06917890)

**SUDHIR GARG**  
Company Secretary  
& GM (Legal)  
(PAN - ABBPK6037F)



**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2015**

	Year Ended 31.3.2015 (Rs. in lacs)	Year Ended 31.3.2014 (Rs. in lacs)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax & Exceptional Items	5374.67	5195.47
Adjustments for :-		
Depreciation	2794.00	2486.58
Interest Expenditure	2261.98	1746.35
Loss/ (Profit) on sale of Fixed Assets	84.92	9.14
<b>Operating Profit Before Working Capital Changes</b>	<b>10515.57</b>	<b>9437.57</b>
Adjustments for :-		
Decrease/ (Increase) Inventories	(2349.08)	1119.86
Decrease/ (Increase) Sundry Debtors	(1552.63)	314.66
Decrease/ (Increase) Loans and Advances (Current & Non Current)	(1447.82)	(30.70)
Increase/(Decrease) Current & Non Current Liabilities	398.63	(1055.58)
<b>Total Adjustments</b>	<b>(4950.90)</b>	<b>348.24</b>
<b>Cash Generated from Operations</b>	<b>5564.67</b>	<b>9785.78</b>
Less : Taxes Paid	1113.95	1123.32
<b>Net Cash Generated from Operating Activities (A)</b>	<b>4450.72</b>	<b>8662.46</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(26097.37)	(353.67)
Capital WIP including Capital Advances	3486.26	(3566.78)
Sale of Fixed Assets	666.12	35.04
<b>Net Cash Generated/(used) in Investing Activities (B)</b>	<b>(21944.99)</b>	<b>(3885.41)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from /(Repayment) of short term borrowing (Net)	3991.35	(338.76)
Proceeds from long term borrowing	19700.00	42.00
Repayment of long term borrowing	(3471.41)	(2755.16)
Interest Paid	(2261.98)	(1746.35)
Dividend Paid	(343.75)	-
Tax on Dividend Paid	(58.42)	-
<b>Net Cash Generated/(used) From Financing Activities (C)</b>	<b>17555.79</b>	<b>(4798.27)</b>
<b>(D) Net Increase / (Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>61.52</b>	<b>(21.22)</b>
Closing Balance of Cash & Cash Equivalent	67.89	6.37
Opening Balance of Cash & Cash Equivalent	6.37	27.59

In terms of our report of even date attached

For and on behalf of the Board

**For R.S. DANI & CO.**  
Chartered Accountants  
(Firm Reg. No. 000243C)

**R.L. NOLKHA**  
Chairman & Managing Director  
(DIN - 00060746)

**Y.R. SHAH**  
Director  
(DIN - 00019557)

**DINESH NOLKHA**  
Managing Director  
(DIN - 00054658)

**ASHOK MANGAL**  
Partner  
M.No. 071714

**BHAGWAN RAM**  
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**R. CHATTOPADHYAY**  
Director  
(DIN - 06928729)

**P. MAHESHWARI**  
Chief Financial Officer  
(PAN - ABAPM8005C)

**SUDHIR GARG**  
Company Secretary  
& GM (Legal)  
(PAN - ABBPK6037F)

Place : Bhilwara  
Date : 04th May, 2015

## Notes to Financial Statements

## NOTE 1 : DETAILS OF SHARE CAPITAL

	As at 31.03.2015 (Rs. in lacs)	As at 31.03.2014 (Rs. in lacs)
<b>AUTHORISED :</b>		
4,60,00,000 (Previous Year : 4,60,00,000) Equity Shares of Rs. 10/- Each	<b>4600.00</b>	4600.00
4,00,000 (Previous Year : 4,00,000) Preference Shares of Rs. 100/- Each	<b>400.00</b>	400.00
<b>TOTAL</b>	<b>5000.00</b>	5000.00
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID - UP :</b>		
4,58,33,945 (Previous Year : 4,58,33,945) Equity Shares of Rs. 10/- Each fully paid up ranking pari passu	<b>4583.39</b>	4583.39
	<b>4583.39</b>	4583.39

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

	No. of Shares (% of Holding)	No. of Shares (% of Holding)
<b>Redial Trading &amp; Investment Pvt. Ltd.</b>	16720000 (36.48%)	16682934 (36.40%)
<b>Ratan Lal Nolkha</b>	5550000 (12.11%)	5515000 (12.03%)

## b. The reconciliation of the number of shares outstanding is set out below :

	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	<b>45833945</b>	45833945
Add : Shares issued during the year	-	-
Equity Shares at the end of the year	<b>45833945</b>	45833945

**c. The company has not issued, any shares pursuant to contract without payment being received in cash, bonus Share and has not bought back any shares**

**NOTE 2 : RESERVES & SURPLUS**

	<b>As at 31.03.2015 (Rs. in lacs)</b>	As at 31.03.2014 (Rs. in lacs)
<b>a. Capital Redemption Reserve</b>		
Opening Balance	<b>150.00</b>	150.00
Additions during the year	—	—
Deductions during the year	—	—
Net Balance	<b>150.00</b>	150.00
<b>b. Securities Premium Reserve</b>		
Opening Balance	<b>2766.73</b>	2766.73
Additions during the year	—	—
Deductions during the year	—	—
Net Balance	<b>2766.73</b>	2766.73
<b>c. General Reserve</b>		
Opening Balance	<b>750.00</b>	393.82
Additions during the year	<b>750.00</b>	356.18
Deductions during the year	—	—
Net Balance	<b>1500.00</b>	750.00
<b>d. Surplus in Profit &amp; Loss Statement</b>		
Opening Balance	<b>4905.47</b>	2185.75
Additions during the year	<b>4095.94</b>	3478.07
Less : Allocation / Appropriation		
Proposed Dividend on Equity Shares	<b>458.34</b>	343.75
Tax on Dividend	<b>93.31</b>	58.42
Transfer to General Reserve	<b>750.00</b>	356.18
Sub Total	<b>1301.65</b>	758.35
<b>Net Balance</b>	<b>7699.76</b>	4905.47
<b>TOTAL (a to d)</b>	<b>12116.49</b>	8572.20

**NOTE 3 : LONG TERM BORROWINGS**

	<b>As at 31.03.2015 (Rs. in lacs)</b>	As at 31.03.2014 (Rs. in lacs)
<b>a. Term Loan from Banks (Secured)</b>	<b>32428.61</b>	16216.74
Less : Taken to Other Current Liabilities being Current Maturities	<b>3030.77</b>	3174.78
Total (a)	<b>29397.84</b>	13041.96
<b>b. Vehicle Loan From Bank (Secured)</b>	<b>65.08</b>	48.37
Less : Taken to Other Current Liabilities being Current Maturities	<b>38.37</b>	19.74
Total (b)	<b>26.71</b>	28.63
<b>TOTAL (a+b)</b>	<b>29424.55</b>	13070.59

**Explanations****1. Security**

- (a) Term Loans of Rs. 30122.36 Lacs are secured by way of first charge on all immovable and movable fixed assets (both present and future) and second charge on current assets. The term loan of Rs. 2306.25 Lacs are secured by way of IIIrd charge on all immovable and movable fixed assets and current assets of the company. The term loans are also secured by personal guarantee of three directors.
- (b) Vehicle Loan is secured by hypothecation of the specific vehicle

**2. Terms of Repayment**

- (a) Term loans of Rs. 300.18 Lacs are repayable in 5 variable quarterly instalments upto 30th June 2016, Rs. 12071.31 Lacs in 15 variable quarterly instalments upto 31st December 2018, Rs. 407.12 Lacs in 19 equal quarterly instalments upto 31st December 2019 and Rs. 19650.00 lacs in 28 variable quarterly instalments upto 31st March 2023
- (b) Vehicle loan of Rs. 7.86 Lacs is repayable in 13 variable monthly instalments upto 7th May 2016, Rs. 12.52 Lacs in 14 variable monthly instalments upto 12th June 2016, Rs. 8.09 Lacs in 23 variable monthly instalments upto 7th March 2017 and Rs. 36.61 Lacs is repayable in 25 variable monthly instalments upto 7th May 2017.

**NOTE 4 : DEFERRED TAX LIABILITY (NET)**

<b>A. Deferred Tax Liability</b>		
- Depreciation	<b>3605.68</b>	2248.51
<b>B. Deferred Tax Assets</b>		
- Employee Benefits & Other Expenses	<b>212.27</b>	133.84
<b>C. Deferred Tax Liability (Net)</b>	<b>3393.41</b>	2114.67

**NOTE 5 : LONG TERM PROVISIONS**

Provision for Employee Benefits	<b>425.17</b>	235.60
<b>TOTAL</b>	<b>425.17</b>	235.60

**NOTE 6 : SHORT TERM BORROWINGS**

	<b>As at 31.03.2015 (Rs. in lacs)</b>	As at 31.03.2014 (Rs. in lacs)
<b>Loans repayable on demand :</b>		
Working Capital Loan from Banks (Secured)	<b>5333.70</b>	1342.35
<b>TOTAL</b>	<b>5333.70</b>	1342.35

The working capital loans are secured by way of hypothecation (both present and future ) of stocks of raw material / component spares, stock in process, finished goods and book debts and a second charge on all immovable properties (both present and future) of the company. The working capital loans are also secured by personal guarantee of three directors.

**NOTE 7 : TRADE PAYABLES**

For Goods Purchased	<b>142.48</b>	493.52
For Services & Others	<b>794.25</b>	576.41
<b>TOTAL</b>	<b>936.73</b>	1069.93

**NOTE 8 : OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debt	<b>3069.14</b>	3194.52
Interest accrued but not due on borrowings	<b>10.84</b>	12.80
Unsecured Loan from Directors & Related Parties (Refer Note No. 24 B (12))	<b>300.00</b>	—
Advances from Customers	<b>18.54</b>	158.70
Statutory Dues	<b>94.07</b>	122.00
Capital Goods	—	84.72
Unclaimed Dividend	<b>4.67</b>	—
Other Payables	<b>674.05</b>	319.83
<b>TOTAL</b>	<b>4171.31</b>	3892.57

**NOTE 9 : SHORT TERM PROVISIONS**

Provisions for Employee Benefits	<b>53.14</b>	115.00
Provision for Dividend	<b>458.34</b>	343.75
Provision for Dividend Tax	<b>93.31</b>	58.42
<b>TOTAL</b>	<b>604.79</b>	517.17



**NOTE 10 : FIXED ASSETS**

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION				NET BLOCK	
	As at 01-04-14	Additions	Deductions	As at 31-03-15	As at 01-04-14	For the Year	Deductions	As at 31-03-15	As at 31-03-15	As at 31-03-14
Freehold Land	178.99	25.32	—	<b>204.31</b>					<b>204.31</b>	178.99
Buildings	6043.60	4552.23	—	<b>10595.83</b>	1484.72	296.23	0.01	<b>1780.94</b>	<b>8814.89</b>	4558.88
Plant & Machinery	29338.53	21187.05	1827.95	<b>48697.63</b>	16357.88	2160.16	1079.64	<b>17438.40</b>	<b>31259.23</b>	12980.65
Electric Installation	2014.92	117.27	19.23	<b>2112.96</b>	794.26	274.50	18.22	<b>1050.54</b>	<b>1062.42</b>	1220.66
Furniture & Fixtures	58.98	44.99	7.55	<b>96.42</b>	29.01	11.27	5.97	<b>34.31</b>	<b>62.11</b>	29.97
Office Equipments	89.51	40.69	0.39	<b>129.81</b>	54.16	25.74	0.24	<b>79.66</b>	<b>50.15</b>	35.35
Vehicles	146.41	95.47	—	<b>241.88</b>	29.48	25.29		<b>54.77</b>	<b>187.11</b>	116.93
<b>Total</b>	<b>37870.94</b>	<b>26063.02</b>	<b>1855.12</b>	<b>62078.84</b>	<b>18749.51</b>	<b>2793.19</b>	<b>1104.08</b>	<b>20438.62</b>	<b>41640.22</b>	<b>19121.43</b>
Intangible Assets										
Computer Software	—	34.35	—	<b>34.35</b>	—	0.81	—	<b>0.81</b>	<b>33.54</b>	—
<b>Total</b>	<b>—</b>	<b>34.35</b>	<b>—</b>	<b>34.35</b>	<b>—</b>	<b>0.81</b>	<b>—</b>	<b>0.81</b>	<b>33.54</b>	<b>—</b>
<b>Grand Total</b>	<b>37870.94</b>	<b>26097.37</b>	<b>1855.12</b>	<b>62113.19</b>	<b>18749.51</b>	<b>2794.00</b>	<b>1104.08</b>	<b>20439.43</b>	<b>41673.76</b>	<b>19121.43</b>
Previous Year	37717.47	353.67	200.20	<b>37870.94</b>	16418.95	2486.58	156.02	<b>18749.51</b>	<b>19121.43</b>	21298.52
Capital Work in Progress										<b>2117.64</b>

Note : Capital Work in Progress includes Nil (Previous Year-Rs 208.07 Lacs) being preoperative expenses pending allocation.

**NOTE 11 : LONG TERM LOANS AND ADVANCES  
(Unsecured, Considered Good)**

	<b>As at 31.03.2015 (Rs. in lacs)</b>	As at 31.03.2014 (Rs. in lacs)
Advance Income Tax & MAT Credit Entitlement (Net of Provision)	<b>2571.86</b>	1457.91
Security Deposits	<b>154.75</b>	90.60
<b>TOTAL</b>	<b>2726.61</b>	1548.51

**NOTE 12 : INVENTORIES  
(At cost or realisable value, whichever is lower)**

Raw Material	<b>6859.55</b>	5189.21
Work-In-Process	<b>523.62</b>	334.30
Finished Goods	<b>1163.49</b>	995.83
Stores and Spares	<b>267.69</b>	290.25
Fuel	<b>561.78</b>	201.00
Saleable Waste	<b>42.79</b>	59.25
<b>TOTAL</b>	<b>9418.92</b>	7069.84

**NOTE 13 : TRADE RECEIVABLES  
(Unsecured, Considered Good)**

	<b>As at 31.03.2015 (Rs. in lacs)</b>	As at 31.03.2014 (Rs. in lacs)
Outstanding exceeding Six months	-	-
Other Debts	<b>4041.94</b>	2489.31
<b>TOTAL</b>	<b>4041.94</b>	2489.31

**NOTE 14 : CASH AND CASH EQUIVALENTS**

Cash in Hand	<b>5.68</b>	4.91
Balance with Banks in :		
Current Accounts	<b>57.54</b>	1.46
Unclaimed Dividend Account	<b>4.67</b>	-
<b>TOTAL</b>	<b>67.89</b>	6.37

**NOTE 15 : SHORT TERM LOANS AND ADVANCES  
(Unsecured, Considered Good)**

Advances to Suppliers	<b>69.28</b>	232.28
Capital Advances	<b>80.52</b>	1449.14
Other Advances	<b>235.43</b>	236.87
(Recoverable in cash or in kind or for value to be received )		
<b>TOTAL</b>	<b>385.23</b>	1918.29

**NOTE 16 : OTHER CURRENT ASSETS  
(Unsecured, Considered Good)**

Amount Receivable under TUFS	<b>786.23</b>	457.13
VAT Credit and Other Receivables	<b>1888.96</b>	669.95
<b>TOTAL</b>	<b>2675.19</b>	1127.08

**NOTE 17 : REVENUE FROM OPERATIONS**

Sales	<b>60424.00</b>	48300.70
Foreign Exchange Fluctuation (Net)	<b>1168.92</b>	404.62
Job Receipts	<b>66.69</b>	129.73
<b>TOTAL</b>	<b>61659.61</b>	48835.05
Less : Excise Duty	<b>12.38</b>	1.03
<b>TOTAL</b>	<b>61647.23</b>	48834.02

**NOTE 18 : OTHER INCOME**

	<b>As at 31.03.2015 (Rs. in lacs)</b>	As at 31.03.2014 (Rs. in lacs)
Miscellaneous Income	<b>481.60</b>	1.15
Interest Received	<b>31.13</b>	31.07
Profit on Sale of Investment	-	2.54
<b>TOTAL</b>	<b>512.73</b>	<b>34.76</b>

**NOTE 19 : COST OF MATERIALS CONSUMED**

Stock at Opening	<b>5189.21</b>	6592.00
Add : Purchases & Expenses	<b>40204.89</b>	27951.42
<b>TOTAL</b>	<b>45394.10</b>	34543.42
Less : Stock at Closing	<b>6859.55</b>	5189.21
<b>TOTAL</b>	<b>38534.55</b>	29354.21

**NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

<b>Closing Stock</b>		
Finished Goods	<b>1163.49</b>	995.83
Saleable Waste	<b>42.78</b>	59.25
Work-In-Progress	<b>523.61</b>	334.30
	<b>1729.88</b>	1389.38
<b>Opening Stock</b>		
Finished Goods	<b>995.83</b>	458.23
Saleable Waste	<b>59.25</b>	38.65
Work-In-Progress	<b>334.30</b>	300.37
	<b>1389.38</b>	797.25
<b>Increase/(Decrease) in Stocks</b>		
Finished Goods	<b>167.66</b>	537.60
Saleable Waste	<b>(16.47)</b>	20.60
Work-In-Progress	<b>189.31</b>	33.93
<b>TOTAL</b>	<b>340.50</b>	592.13

**NOTE 21 : EMPLOYEE BENEFIT EXPENSES**

	<b>As at 31.03.2015 (Rs. in lacs)</b>	As at 31.03.2014 (Rs. in lacs)
Salary & Wages	<b>2866.75</b>	2063.37
Contribution to Provident Fund and Other Benefits	<b>259.31</b>	156.27
Gratuity and Leave Encashment Expenses	<b>148.55</b>	124.23
Staff Welfare Expenses	<b>153.69</b>	116.34
<b>TOTAL</b>	<b>3428.30</b>	2460.21

**NOTE 22 : FINANCE COST**

Interest Expenses		
Term Loans	<b>1421.27</b>	1250.71
Others	<b>628.77</b>	332.52
<b>TOTAL</b>	<b>2050.04</b>	1583.23
Other Borrowing Costs	<b>211.94</b>	163.12
<b>TOTAL</b>	<b>2261.98</b>	1746.35

**NOTE 23 : OTHER EXPENSES**

<b>(a) Manufacturing Expenses</b>		
Power, Fuel & Water charges	<b>5130.29</b>	3495.81
Stores & Spares Consumed	<b>1383.68</b>	1209.74
Packing Expenses	<b>1037.46</b>	691.61
Job Charges paid	<b>3.19</b>	-
Repair & Maintenance		
Plant & Machinery	<b>54.08</b>	93.05
Building	<b>20.24</b>	18.29
Others	<b>12.76</b>	13.33
<b>TOTAL (a)</b>	<b>7641.70</b>	5521.83
<b>(b) Administrative and Other Expenses</b>		
Printing & Stationery	<b>12.44</b>	9.09
Postage & Communication	<b>25.13</b>	21.16
Subscription & Membership Fees	<b>2.03</b>	1.76
Director's Sitting Fee	<b>1.50</b>	0.69
Rent, Rates & Taxes	<b>20.09</b>	17.91

	<b>As at 31.03.2015 (Rs. in lacs)</b>	As at 31.03.2014 (Rs. in lacs)
Travelling Directors	<b>6.51</b>	7.19
Others	<b>15.32</b>	22.67
Vehicle & Conveyance	<b>58.74</b>	30.51
Charity & Donation	<b>0.89</b>	4.70
CSR Expenditure	<b>23.64</b>	-
Legal & Professional	<b>12.72</b>	10.50
Insurance Charges	<b>53.65</b>	38.99
Loss on Sale of Fixed Assets	<b>84.92</b>	9.14
Audit Fees	<b>2.50</b>	2.50
Cost Audit Fees	<b>0.25</b>	0.25
Advertisement	<b>8.21</b>	8.45
Miscellaneous Expenses	<b>3.73</b>	7.54
<b>TOTAL (b)</b>	<b>332.27</b>	193.05
<b>(c) Selling and Distribution Expenses</b>		
Sales Promotion	<b>18.57</b>	20.54
Sales Commission	<b>801.10</b>	592.73
Rebate, Claims & Discount	<b>31.17</b>	23.97
Freight & Forwarding	<b>1069.93</b>	816.79
Hank Yarn Obligation Expenses	<b>38.26</b>	25.58
<b>TOTAL (c)</b>	<b>1959.03</b>	1479.61
<b>TOTAL (a to c)</b>	<b>9933.00</b>	7194.49

## NOTE 24 : ACCOUNTING POLICIES & ADDITIONAL INFORMATION

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1) Basis for preparation of Financial Statement

- (a) The financial statements have been prepared under the historical cost convention and on the principles of going concern in accordance with Indian Generally Accepted Accounting Principles, applicable Accounting Standards and provisions of the Companies Act, 2013.
- (b) Accounting policies, not specifically referred to, are consistent with Generally Accepted Accounting Principles.

#### 2) Revenue Recognition :

- (a) Sales are recognised when goods are supplied and effective control of goods associated with ownership is transferred to the buyer. Sales are recorded net of Sales Tax, return, discounts and rebates but including Excise Duties.

- (b) Foreign exchange differences relating to sales are included in Revenue from operation.
- (c) Other Income and Incentives/Benefits are accounted for on accrual basis.
- (d) Claims lodged with insurance companies are accounted and credited to the relevant head when recognized by the insurance company.
- (e) Inter-divisional sales comprising of sale of power for captive use is reduced from gross turnover in arriving net turnover.

**3) Expenditure**

- (a) Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.
- (b) Rebate, claims & settlement on goods sold are accounted for as and when these are ascertained with reasonable accuracy.

**4) Inventory**

Inventories are valued at cost or net realisable value, whichever is lower. The cost in respect of various items of inventory is computed as under :-

- (a) Cost of raw materials and stores include duties, taxes, freight and other expenses and are net of Duty Drawback, VAT & CST refund, CENVAT credit wherever made applicable.
- (b) Cost in relation to finished goods comprises of cost of materials, excise duty, production overheads and depreciation.
- (c) Work in process is valued at raw material cost plus conversion cost depending upon the stage of completion.
- (d) The material/finished goods despatched from the factory but lying at port pending shipment are taken as a part of finished goods stock.

**5) Investments**

- (a) Investments are stated at cost.
- (b) Dividend income is accounted when the right to receive is established.

**6) Fixed Assets**

(i) Tangible Assets

Fixed Assets are stated at cost net of CENVAT/VAT credit availed and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations directly attributable to the fixed assets are capitalized.

(ii) Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation and impairment loss, if any.

**7) Depreciation and Amortisation**

(i) Tangible Assets

- a) Depreciation on Plant & Machinery (other than Laboratory Equipments, Fire Fighting Equipments and Tools & Equipments) is provided on Straight Line Method (SLM) considering estimated useful life of 13 years (Triple Shift). Depreciation on other fixed assets has been provided based on useful lives prescribed in Schedule II of the Companies Act, 2013.
- b) Depreciation on Fixed Assets for trial run period is not charged.

(ii) Intangible Assets

Intangible Assets consist of Computer Software and the same are amortised over a period of 5 years.

**8) Prior Period Items**

Prior period items including adjustment/Claims, arisen / settled / noted during the year are debited / credited to the respective heads of account, if not material in the nature.

**9) Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of Fixed Assets are capitalized as part of the cost of such assets for the period prior to commencement of commercial production or installation. All other costs are charged to revenue.

**10) Government Grants, Subsidy & incentives**

(a) Interest subsidy received or receivable on Term Loans taken under TUF Scheme is recognized on accrual basis and reduced from the Financial Expenses. The TUF benefits attributable to the acquisition/installation of Fixed Assets till the commencement of commercial production are netted against the cost of fixed assets.

(b) Duty Drawback, Sales Tax refunds and other incentives are reduced from the cost of respective assets/ purchases.

**11) Foreign Currency Transactions/Translations**

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Foreign currency assets and liabilities covered by forward contracts are stated at the forward contract rates while those not covered by forward contracts are restated at rates ruling at the year end. Exchange rate differences are dealt with in the Profit and Loss statement except those relating to the acquisition of fixed assets, which are adjusted to the cost of the assets.

**12) Financial Derivatives**

Foreign Currency Derivative contracts are accounted for on the date of their settlement and realized gain/loss in respect of settled contracts are recognized in the Profit and Loss Statement, except where they relate to borrowings attributable to the acquisition of fixed assets, in that case they are adjusted to the carrying cost of the assets.

**13) CENVAT**

(a) The purchase cost of raw materials and other expenses has been considered net of CENVAT available on inputs.

(b) The CENVAT benefits attributable to acquisition/installation of fixed assets are netted off against the cost of fixed assets.

(c) CENVAT is accounted for on the basis of payments made in respect of goods cleared and provision is made for goods lying in Stock, if applicable and the same is treated as part of the cost of respective Stock

**14) Research & Development**

Revenue expenditure on Research and Development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as addition to fixed assets.

**15) Retirement Benefits**

The company's contribution to Provident and other funds are charged to Profit & Loss Statement. The liability for gratuity and leave encashment is provided on the basis of actuarial valuation.

**16) Provision for Current and Deferred Tax**

- a) Provision for Current Income Tax is made after considering Mat Credit entitlement, exemptions and deductions available under the Income Tax Act, 1961.
- b) Deferred Tax Liability resulting from timing differences between book and tax profit is accounted for by using the tax rates and laws that are enacted or substantially enacted as on Balance Sheet date. The deferred tax assets is recognized and carried forward only to extent that there is a reasonable certainty that the assets will be realized in future.

**17) Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**18) Deferred Revenue Expenditure**

The Company does not recognize any Deferred Revenue Expenditure.

**19) Provisions and Contingencies**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Provisions except Gratuity and Leave Encashment benefits are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed unless the possibility of an out flow of resources embodying economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

**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 recognized in the Balance Sheet as "CSR Assets".

**B. ADDITIONAL INFORMATION**
**1) Contingent Liabilities & Commitments**
**i) Contingent Liabilities not provided for**

S.No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
a.	Disputed Liabilities not acknowledged as debts - Cenvat, Service Tax and Custom Duty	<b>804.91</b>	804.91
b.	Guarantees - Outstanding Bank Guarantees	<b>148.24</b>	315.59
c.	Other money for which the company is contingently liable - Bill Discounted with Banks (against goods sold)	<b>4999.76</b>	4667.93



## ii) Commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) **Rs. 91.02 Lacs** (Previous Year - Rs. 18038.70 Lacs).
  - b) The company has an outstanding export obligation of approx. **Rs. 25812.42 lacs** (Previous Year - 1136.64 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 31.03.2020.
- 2) In the opinion of the Board the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realised in the ordinary course of business. The provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.
  - 3) Sundry Creditors include **Rs. Nil** (Previous Year Rs. Nil) amount due to Micro & Small Enterprises as at 31st March 2015. The figures have been disclosed on the basis of confirmations received from suppliers who have registered themselves under 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.
  - 4) As per provisions of schedule II of the Companies Act 2013, depreciation amounting to Rs. 20.71 Lacs on fixed assets, whose remaining useful life is Nil as on 31st March 2014, has been included in depreciation for the year.
  - 5) Provision for current tax is net of MAT Credit Entitlement **Rs. 1126.56 Lacs** (Previous Year - Rs. 834.29 Lacs)
  - 6) The company has spent a sum of Rs. 23.64 lacs on CSR activities as against Rs. 49.33 lacs required as per provisions of the Companies Act, 2013.
  - 7) **Financial Derivative Instruments**

The Company uses forward contracts to hedge its risk associated with fluctuation in foreign currency relating to foreign currency assets and liabilities, firm commitments and highly probable forecast transactions. The use of the aforesaid financial instruments is governed by the company's overall Risk Management Strategy. The company does not use forward contracts and options for speculative purposes. The details of the outstanding forward contracts and unhedged currency exposure as at 31st March, 2015 is as under :

Particulars	Current Year (in Lacs)		Previous Year (in Lacs)	
	Foreign Currency	INR	Foreign Currency	INR
A Forward Contracts outstanding (for Hedging)				
USD (Sale)	<b>87.99</b>	<b>5599.71</b>	83.73	5318.53
EURO (Sale)	<b>3.33</b>	<b>235.48</b>	-	-
GBP (Sale)	<b>0.85</b>	<b>81.57</b>	-	-
Total	<b>92.17</b>	<b>5916.76</b>	83.73	5318.53

Particulars	Current Year (in Lacs)		Previous Year (in Lacs)	
	Foreign Currency	INR	Foreign Currency	INR
B Unhedged forex exposure				
Payable - USD	4.47	279.48	3.33	200.13
Payable - EURO	0.05	3.50	-	-
Payable - GBP	0.03	2.40	-	-

**8) Payment to Auditors :-**

	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A.	Audit Fee	2.20	2.20
B.	Tax Audit Fee	0.30	0.30
	<b>Total</b>	<b>2.50</b>	2.50

**9) Employee Benefit Obligations**
**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 recognized as expense for defined contribution plans.

Total contribution made by the employer to the Fund during the year is **Rs. 185.15 lacs** (Previous Year Rs 130.95 Lacs).

**b) Defined Benefit Plan**
**(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 Actuary.

The Present value of the obligation as recognized in the Balance Sheet :-

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Present value of obligation at the beginning of the period	269.58	178.06
Interest cost	22.92	14.24
Current service cost	76.40	49.17

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Benefits paid	(15.53)	(16.02)
Actuarial (gain)/loss on obligation	21.13	44.13
Present value of obligation at the end of period	374.50	269.58

The amounts recognized in the Profit & Loss account are as follows :-

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Current service cost	76.40	49.17
Interest cost	22.92	14.24
Net actuarial (gain)/loss recognized in the period	21.13	44.13
Expenses recognized in the Profit & Loss statement	120.45	107.54

Reconciliation of the Present value of defined obligation and the fair value of the plan assets

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Present value of obligation as at the end of period	374.50	269.58
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	374.50	269.58

(ii) Leave Encashment

The company provides benefit of leave encashment to its employees as per defined rules. Till previous year the provision for liability of leave encashment was provided for on actual as on Balance Sheet date. During the current year the company has recognised the liability on the basis of Actuarial certificate, as under:

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Present value of obligation as at the end of period	103.81	81.01
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	103.81	81.01

The assumptions used in Actuarial Valuation:-

Particulars	Current Year (In %)	Previous Year (In %)
i) Discounting Rate	8.00	8.50
ii) Future salary Increase	8.00	8.00

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.

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.

10) The figures for the previous year have been regrouped and rearranged wherever found necessary to make them comparable with those of current year.

11) **SEGMENT REPORTING**

(a) Primary Segment Reporting (By Business Segments)

- (i) The Company is engaged in textiles. Hence there is no separate business segments
- (ii) The company has its own power generation division mainly for captive use; therefore it is not treated as a separate business segment.

(b) Secondary Segment reporting on the basis of geographical segment is as below:

S.No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
1.	Segment Revenue		
	- Within India	<b>24198.14</b>	16792.34
	- Outside India	<b>37974.20</b>	32077.47
	<b>Total Revenue</b>	<b>62172.34</b>	48869.81
2.	Segment Assets*		
	- Within India	<b>59354.29</b>	34513.94
	- Outside India	<b>1635.25</b>	884.53
	<b>Total Assets</b>	<b>60989.54</b>	35398.47

**\*Segment Assets outside India is entirely related to Sundry Debtors.**

12) **RELATED PARTY DISCLOSURES**

**List of Related Parties with whom transactions have taken place :-**

(a) Key Management Personnel :-

<b>Name of Person</b>	<b>Relationship</b>
Shri R.L. Nolkha,	Chairman & Managing Director
Shri Dinesh Nolkha	Managing Director
Shri Nitin Nolakha	Executive Director
Shri P. Maheshwari	Chief Financial Officer
Shri Sudhir Garg	Company Secretary & GM (Legal)

## (b) Relatives :-

Sushila Devi Nolkha

Wife of Shri R. L. Nolkha,  
Mother of Shri Dinesh Nolkha &  
Shri Nitin Nolakha

## (c) Related Companies:-

Redial Trading &amp; Investment Pvt. Ltd.

**Details of Transactions with related parties :-**

S.No.	Nature of Transactions	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
<b>1</b>	<b>Rent Payment</b>		
	Smt. Sushila Devi Nolkha	3.00	3.00
	Shri R.L. Nolkha	0.90	0.90
	Redial Trading & Investment Pvt. Ltd.	0.90	0.90
<b>2</b>	<b>Managerial Remuneration</b>		
	Shri R.L. Nolkha	97.04	82.02
	Shri Dinesh Nolkha	86.59	71.65
	Shri Nitin Nolakha	83.05	68.13
	Shri P. Maheshwari	16.50	14.32
	Shri Sudhir Garg	10.35	8.97
<b>3</b>	<b>Interest Payment on unsecured loans</b>		
	Shri R.L. Nolkha	3.03	-
	Shri Dinesh Nolkha	2.51	-
	Shri Nitin Nolakha	2.14	-
	Redial Trading & Investment Pvt. Ltd	3.95	-

The balance due to related parties (Refer Note no. 8 - Other Current Liabilities)

S.No.	Nature of Transactions	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
1.	Shri R.L. Nolkha	55.00	-
2.	Shri Dinesh Nolkha	60.00	-
3.	Shri Nitin Nolakha	60.00	-
4.	Redial Trading & Investment Pvt. Ltd	125.00	-

**13) Earning Per Share (EPS) –**

S.No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A	Net Profit available to Equity Shareholders	<b>4095.94</b>	3478.07
B	Number of Equity Shares of Rs.10 each outstanding during the year (in lacs)	<b>458.34</b>	458.34
C	Basic/Diluted Earning per share (Rs.)	<b>8.94</b>	7.59
D	Face Value of each equity share (Rs.)	<b>10.00</b>	10.00

**14) Installed Capacity**

	Current Year	Previous Year
Rotors (Nos.)	<b>2936</b>	2936
Spindles (Nos.)	<b>150096</b>	77616
Knitted Fabric (No. of M/c's)	<b>49</b>	31

**A. Production, Turnover & Stock**

(As per Inventories taken, valued and certified by the Management)

S.N.	PARTICULAR	OPENING STOCK		PRODUCTION/ PURCHASES		SALES		CLOSING STOCK	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>A</b>	<b>YARN</b>								
<b>i)</b>	<b>Own Manufacturing</b>								
	Qty. (In Tons) *	<b>544.64</b>	271.77	<b>28974.46</b>	21621.99	<b>23713.74</b>	18673.53	<b>704.14</b>	544.64
	Value (Rs. in Lacs)	<b>878.57</b>	375.37	-	-	<b>45955.35</b>	39046.06	<b>1005.92</b>	878.57
<b>ii)</b>	<b>Trading</b>								
	Qty. (In Tons)	-	-	<b>85.28</b>	490.12	<b>85.28</b>	490.12	-	-
	Value (Rs. in Lacs)	-	-	-	-	<b>180.83</b>	1075.94	-	-
<b>B</b>	<b>Fabric</b>								
	Qty. (In Tons)	<b>54.68</b>	41.25	<b>5129.91</b>	2706.66	<b>5089.94</b>	2693.23	<b>94.65</b>	54.68
	Value (Rs. in Lacs)	<b>117.25</b>	82.85	-	-	<b>11788.39</b>	6862.82	<b>157.57</b>	117.25
<b>C</b>	<b>Saleable Waste &amp; Others</b>								
	Value (Rs. in Lacs)	<b>59.25</b>	38.65	-	-	<b>2499.43</b>	1315.88	<b>42.78</b>	59.25
<b>D</b>	<b>Job Work for Others</b>								
<b>i)</b>	<b>Fabric</b>								
	Qty. (In Tons)	-	-	<b>255.29</b>	454.95	<b>255.29</b>	454.95	-	-
	Value (Rs. in Lacs)	-	-	-	-	<b>66.69</b>	129.73	-	-

\* Production includes **5101.22 Tons.** (Previous Year 2675.59 Tons.) transferred for captive consumption

**B. Raw Material consumed**

S.N.	PARTICULAR	OPENING STOCK		PURCHASES		CONSUMPTION		CLOSING STOCK	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>A</b>	<b>Own Manufacturing</b>								
<b>i)</b>	<b>Cotton</b>								
	Qty. (In Tons)	<b>4853.09</b>	6889.61	<b>40687.71</b>	23829.91	<b>37053.51</b>	25866.43	<b>8487.29</b>	4853.09
	Value (Rs. in Lacs)	<b>5155.23</b>	6562.40	<b>39833.16</b>	27638.11	<b>38169.11</b>	29045.28	<b>6819.28</b>	5155.23
<b>ii)</b>	<b>Yarn</b>								
	Qty. (In Tons)	<b>6.26</b>	5.87	<b>60.73</b>	67.25	<b>60.18</b>	66.87	<b>6.81</b>	6.26
	Value (Rs. in Lacs)	<b>33.98</b>	29.61	<b>371.73</b>	313.30	<b>365.44</b>	308.93	<b>40.27</b>	33.98
	<b>Total (i) + (ii)</b>								
	Qty. (In Tons)	<b>4859.34</b>	6895.48	<b>40748.45</b>	23897.16	<b>37113.69</b>	25933.30	<b>8494.10</b>	4859.34
	Value (Rs. in Lacs)	<b>5189.21</b>	6592.01	<b>40204.89</b>	27951.41	<b>38534.55</b>	29354.21	<b>6859.55</b>	5189.21
<b>B</b>	<b>Trading</b>								
<b>i)</b>	<b>Yarn</b>								
	Qty. (In Tons)	-	-	<b>85.28</b>	490.12	<b>85.28</b>	490.12	-	-
	Value (Rs. in Lacs)	-	-	<b>173.96</b>	1023.60	<b>173.96</b>	1023.60	-	-

**C. Value of Imports calculated on CIF basis in respect of**

S.No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
a.	Components & Spare Parts including Packing Materials	<b>486.05</b>	523.54
b.	Raw Material	<b>1381.09</b>	1381.36
c.	Capital Goods	<b>6462.73</b>	241.85
	<b>Total</b>	<b>8329.87</b>	2146.75

**D. Value of Raw Material, Components and Spare Parts Consumed**

S.No.	Particulars	Current Year (Rs. in lacs)	%	Previous Year (Rs. in lacs)	%
(i)	<b>Raw Materials</b>				
a.	Imported	<b>1343.82</b>	<b>3.49</b>	1443.41	4.92
b.	Indigenous	<b>37190.73</b>	<b>96.51</b>	27910.80	95.08
	<b>Total</b>	<b>38534.55</b>	<b>100.00</b>	29354.21	100.00
(ii)	<b>Components &amp; Spare Parts including Packing Materials</b>				
a.	Imported	<b>547.94</b>	<b>22.63</b>	462.66	24.33
b.	Indigenous	<b>1873.20</b>	<b>77.37</b>	1438.69	75.67
	<b>Total</b>	<b>2421.14</b>	<b>100.00</b>	1901.35	100.00

**E. Expenditure in Foreign Currency**

S.No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
i.	Commission	434.06	351.87
ii.	Travelling	2.66	4.84
	<b>Total</b>	<b>436.72</b>	356.71

**F. Earning in Foreign Currency**

S.No.	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
(i)	Export of Goods at FOB value	37405.97	31619.91

Singnature to Note 1 to 24

As per of our report of even date attached.

For and on behalf of the Board

**For R.S. DANI & CO.**  
Chartered Accountants  
(Firm Reg. No. 000243C)

**R.L. NOLKHA**  
Chairman & Managing Director  
(DIN - 00060746)

**Y.R. SHAH**  
Director  
(DIN - 00019557)

**DINESH NOLKHA**  
Managing Director  
(DIN - 00054658)

**ASHOK MANGAL**  
Partner  
M.No. 071714

**BHAGWAN RAM**  
Director  
(DIN - 01441176)

**NITIN NOLAKHA**  
Executive Director  
(DIN - 00054707)

**ADITI MEHTA**  
Director  
(DIN - 06917890)

Place : Bhilwara  
Date : 04th May, 2015

**R. CHATTOPADHYAY**  
Director  
(DIN - 06928729)

**P. MAHESHWARI**  
Chief Financial Officer  
(PAN - ABAPM8005C)

**SUDHIR GARG**  
Company Secretary  
& GM (Legal)  
(PAN - ABBPK6037F)





# NITIN SPINNERS LIMITED

CIN : L17111RJ1992PLC006987

Reg. Office :- 16-17 Km. Stone, Chittor Road, Hamirgarh, Bhilwara- 311025 (Rajasthan)

Website : www.nitinspinners.com, E-mail Id – investorrelations@nitinspinners.com

Phone No. 01482-286110, Fax No. 01482-286114 & 17

## ATTENDANCE SLIP

Only Shareholder or the Proxies will be allowed to attend the meeting

DP ID *	
Client ID *	

L.F. No.	
No. of Shares held	

I certify that I am a member/proxy for the member of the Company

I / We hereby record my / our presence at the 23<sup>rd</sup> Annual General Meeting of the Company being held on Friday, the 25<sup>th</sup> September, 2015 at 3.30 PM at Registered office at Company.

Signature of Shareholders(s) : 1. .... 2. ....

Signature of the Proxy holder .....

\* Applicable for Investors holding Shares in Electronic form

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

## PROXY FORM

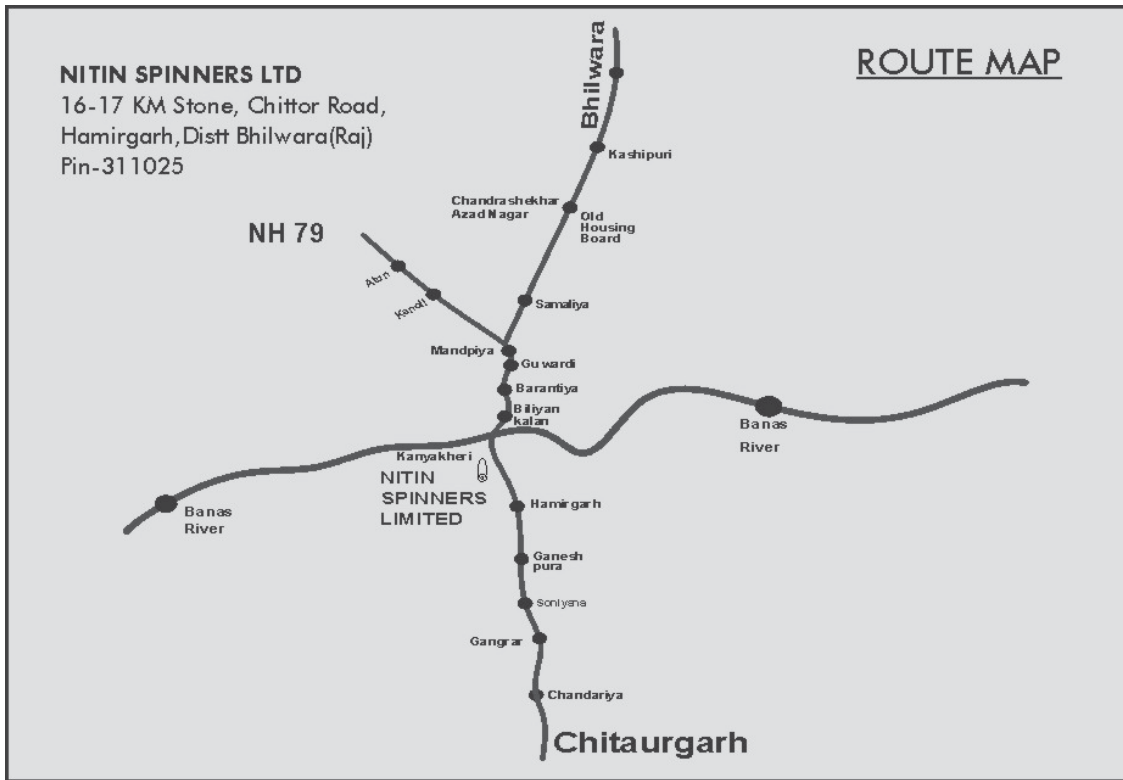
**(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)**

CIN : L17111RJ1992PLC006987  
Name of Company : NITIN SPINNERS LIMITED  
Registered Office : 16-17 Km. Stone, Chittor Road, Hamirgarh, Bhilwara- 311025 (Raj.)

Name of the Member(s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of..... Shares of Nitin Spinners Ltd, hereby appoint :

- (1) Name ..... : Address .....  
Email ID ..... : Signature .....or falling him;
- (2) Name ..... : Address .....  
Email ID ..... : Signature .....or falling him;
- (3) Name ..... : Address .....  
Email ID ..... : Signature .....or falling him;



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company to be held on Friday, the 25<sup>th</sup> September, 2015 at 3.30 PM at Registered office 16-17 Km. Stone, Chittor Road, Hamirgarh Bhilwara- 311025 (Raj.) and at any adjournment thereof in respect of such resolutions as are indicate below:

Resolu- tion No.	RESOLUTIONS	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Financial Statements including Audited Balance Sheet as at 31 <sup>st</sup> March, 2015, Profit and Loss Statement for the year ended on that date, Directors' and Auditors' Reports thereon.		
2.	Declaration of Dividend on Equity Shares for the year ended 31 <sup>st</sup> March, 2015.		
3.	Re-appointment of Sh. Nitin Nolkha as Director who is liable to retire by rotation.		
4.	Re-appointment of Auditors and to fix their remuneration.		
<b>Special Business</b>			
5.	Re-appointment of Sh. R.L. Nolkha, Chairman		
6.	Re-appointment of Sh. Nitin Nolkha, Executive Director		
7.	Special resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs. 1,000 Crores.		
8.	Special resolution under section 180(1)(a) of the Companies Act, 2013 for creation of security.		
9.	Approval of remuneration of Cost Auditors.		

Signed this ..... day of ..... 2015

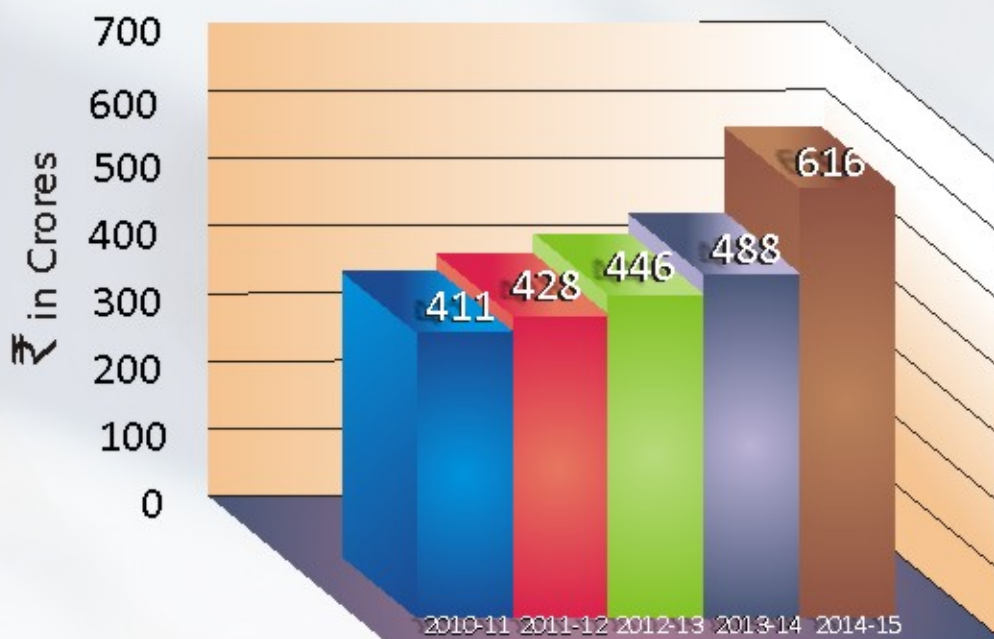
Signature of shareholder .....

Signature of proxy holder(s).....

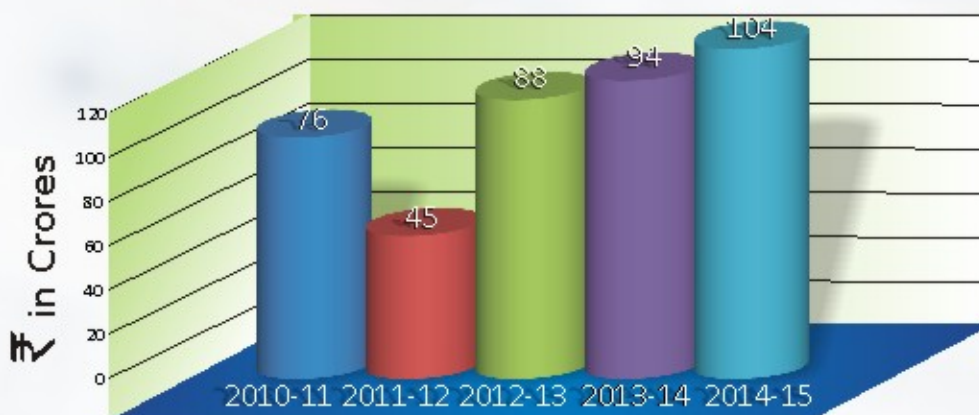
Affix  
Revenue  
Stamp

- Note: (1) This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company at 16-17 Km. Stone, Chittor Road, Hamirgarh Bhilwara- 311025 (Rajasthan), not less than 48 hours before the commencement of the meeting.
- (2) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 23<sup>rd</sup> Annual General Meeting.
- (3) \* Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (4) In case of joint holders, signatures of any one holder will be sufficient, but names of the joint holders should be stated.

## Revenues



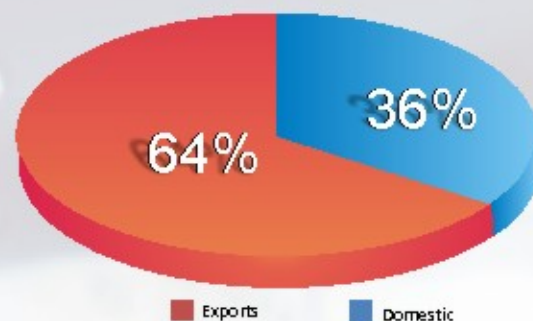
## Operating Profit (EBIDTA)



## Composition of Revenue



## Geographical Distribution of Revenue





**If undelivered please return to:**  
 Nitin Spinners Ltd  
 16-17 KM Stone, Chittor Road,  
 Hamirgarh, Distt Bhilwara(Raj)  
 Pin-311025



# NITIN SPINNERS LTD.

CIN.: L17111RJ1992PLC006987



IS/ISO : 9001:2008

## FORM A

1.	Name of Company	<b>NITIN SPINNERS LIMITED</b> 16-17 Km. Stone, Chittor Road, Hamirgarh, Bhilwara (Raj.) 311025
2.	Annual Financial Statement for the Year Ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	N.A.

For : Nitin Spinners Limited

(P. Maheshwari)  
Chief Financial Officer

(Dinesh Nolkha)  
Managing Director

(Y. R. Shah)  
Director & Chairman  
of Audit Committee

(Ashok Mangal)  
Statutory Auditor